

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from ___ to ___

Commission file number 001-35991

AENZA S.A.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Republic of Peru

(Jurisdiction of incorporation or organization)

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, par value s/1.00 per share American Depositary Shares, each representing fifteen Common Shares	AENZ	New York Stock Exchange* New York Stock Exchange

* Not for trading purposes, but only in connection with the registration on the New York Stock Exchange of the American Depositary Shares representing those common shares.

Securities registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

At December 31, 2022

1,196,979,979 shares of common stock

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†]The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

		Page
<u>PART I. INTRODUCTION</u>		1
ITEM 1.	<u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	5
ITEM 2.	<u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	5
ITEM 3.	<u>KEY INFORMATION</u>	5
	A. <u>[Reserved]</u>	5
	B. <u>Capitalization and Indebtedness</u>	5
	C. <u>Reasons for the Offer and Use of Proceeds</u>	5
	D. <u>Risk Factors</u>	5
ITEM 4.	<u>INFORMATION ON THE COMPANY</u>	38
	A. <u>History and Development of the Company</u>	38
	B. <u>Business Overview</u>	40
	C. <u>Organizational Structure</u>	93
	D. <u>Property, Plant and Equipment</u>	95
ITEM 4A.	<u>UNRESOLVED STAFF COMMENTS</u>	95
ITEM 5.	<u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	95
	A. <u>Operating Results</u>	96
	B. <u>Liquidity and Capital Resources</u>	120
	C. <u>Research and Development, Patents and Licenses, Etc.</u>	125
	D. <u>Trend Information</u>	125
	E. <u>[Reserved]</u>	128
	F. <u>[Reserved]</u>	128
	G. <u>Safe Harbor</u>	128
ITEM 6.	<u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	129
	A. <u>Directors and Senior Management</u>	129
	B. <u>Compensation</u>	135
	C. <u>Board Practices</u>	136
	D. <u>Employees</u>	140
ITEM 7.	<u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	142
	A. <u>Major Shareholders</u>	142
	B. <u>Related Party Transactions</u>	143
	C. <u>Interests of Experts and Counsel</u>	144
ITEM 8.	<u>FINANCIAL INFORMATION</u>	144
	A. <u>Consolidated Statements and Other Financial Information.</u>	144
	B. <u>Significant Changes.</u>	148

ITEM 9.	<u>THE OFFER AND LISTING</u>	148
	A. <u>Offer and Listing Details</u>	148
	B. <u>Plan of Distribution</u>	149
	C. <u>Markets</u>	149
	D. <u>Selling Shareholders</u>	151
	E. <u>Dilution</u>	151
	F. <u>Expenses of the Issue</u>	151
ITEM 10.	<u>ADDITIONAL INFORMATION</u>	151
	A. <u>Share Capital</u>	151
	B. <u>Memorandum and Articles of Association</u>	151
	C. <u>Material Contracts</u>	152
	D. <u>Exchange Controls</u>	154
	E. <u>Taxation</u>	155
	F. <u>Dividends and Paving Agents</u>	161
	G. <u>Statement by Experts</u>	161
	H. <u>Documents on Display</u>	161
	I. <u>Subsidiary Information</u>	162
ITEM 11.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	162
ITEM 12.	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	163
	A. <u>Debt Securities</u>	163
	B. <u>Warrants and Rights</u>	163
	C. <u>Other Securities</u>	163
	D. <u>American Depositary Shares</u>	163
<u>Part II.</u>		
ITEM 13.	<u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	165
ITEM 14.	<u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	165
ITEM 15.	<u>CONTROLS AND PROCEDURES</u>	166
	A. <u>Disclosure Controls and Procedures</u>	166
	B. <u>Management's Annual Report on Internal Control Over Financial Reporting</u>	166
	C. <u>Report of the Independent Registered Public Accounting Firm on Internal Control over Financial Reporting</u>	167
	D. <u>Remediation Plan</u>	168
	E. <u>Changes in Internal Control Over Financial Reporting</u>	168
ITEM 16.	<u>[Reserved]</u>	168
ITEM 16A.	<u>AUDIT COMMITTEE FINANCIAL EXPERT</u>	168
ITEM 16B.	<u>CODE OF BUSINESS CONDUCT AND ETHICS</u>	168
ITEM 16C.	<u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	169
ITEM 16D.	<u>EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	170
ITEM 16E.	<u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	170
ITEM 16F.	<u>CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT</u>	170
ITEM 16G.	<u>CORPORATE GOVERNANCE</u>	170
ITEM 16H.	<u>MINE SAFETY DISCLOSURE</u>	171
ITEM 16I.	<u>DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</u>	171
ITEM 17.	<u>FINANCIAL STATEMENTS</u>	171
ITEM 18.	<u>FINANCIAL STATEMENTS</u>	171
ITEM 19.	<u>EXHIBITS</u>	172

PART I. INTRODUCTION

Certain Definitions

All references to “we,” “us,” “our,” “our company,” “the group” and “AENZA” in this annual report are to AENZA S.A.A. (formerly, “Graña y Montero S.A.A.”), a publicly-held corporation (*sociedad anónima abierta*) organized under the laws of the Republic of Peru (“Peru”). In this annual report, we refer to our principal subsidiaries, joint operations, joint ventures and associated companies as follows: (i) in our Infrastructure segment: Red Vial 5 S.A. as “Norvial”; Carretera Andina del Sur S.A. as “Survial”; Carretera Sierra Piura S.A.C as “Canchaque”; Tren Urbano de Lima S.A. (formerly, GyM Ferrovias S.A.) as “Línea 1”; Concesionaria La Chira S.A. as “La Chira”; and UNNA Transporte S.A.C. (formerly Concar S.A.C.) as “UNNA Transporte”; (ii) in our Energy segment: UNNA Energía S.A. (formerly GMP S.A.) as “UNNA Energía”; (iii) in our Real Estate segment: Viva Negocio Inmobiliario S.A. (formerly Viva GyM S.A.) as “Viva” and Inmobiliaria Almonte S.A.C. as “Almonte”; and (iv) in our Engineering and Construction (“E&C”) segment: Cumbra Peru S.A. (formerly GyM S.A.) as “Cumbra”; Vial y Vives—DSD S.A. as “Vial y Vives—DSD”; Cumbra Ingeniería S.A. (formerly GMI S.A.) as “Cumbra Ingeniería”; Morelco S.A.S. as “Morelco”. For more information on our subsidiaries, joint operations, joint ventures or associated companies, see Notes 6A, 6B, 6C and 14 to our audited annual consolidated financial statements included in this annual report.

The term “U.S. dollar” and the symbol “US\$” refer to the legal currency of the United States; the term “sol” and the symbol “S/” refer to the legal currency of Peru; the term “Chilean peso” and the symbol “CLP” refer to the legal currency of Chile; and the term “Colombian peso” and the symbol “COP” refer to the legal currency of Colombia.

Presentation of Financial Information

Our consolidated financial statements included in this annual report have been prepared in soles and in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

We manage our business in four segments: (i) Infrastructure; (ii) Energy; (iii) Real Estate and (iv) E&C. Prior to 2021, our Energy segment was part of our Infrastructure segment; however, during the fourth quarter of 2021, we changed our segment reporting to separately report our Energy business as its own segment. The historical segment financial information included in this annual report has been adjusted accordingly. For information on our results of operations by business segment, see Note 7 to our audited annual consolidated financial statements included in this annual report. In addition, on December 27, 2021, we sold Adexus S.A. (“Adexus”), our technical services subsidiary. As a result, our financial information included in this annual report has been adjusted accordingly. Our segment data presents Adexus as a parent company operation not part of any of our four business segments. See Note 35 to our audited annual consolidated financial statements included in this annual report.

Non-IFRS Data

In this annual report, we present adjusted EBITDA and adjusted EBITDA margin, non-GAAP financial measures. A non-GAAP financial measure is generally defined as one that purports to measure financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. We present adjusted EBITDA and adjusted EBITDA margin because we believe they provide readers with a supplemental measure of the financial performance of our core operations that facilitates period-to-period comparisons on a consistent basis. Our management uses adjusted EBITDA and adjusted EBITDA margin, among other measures, for internal planning and performance measurement purposes. We believe that adjusted EBITDA and adjusted EBITDA margin are useful in evaluating our operating performance compared to other companies operating in our sectors because the calculation of adjusted EBITDA generally eliminates the effect of financing and income tax expenses and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to overall operating performance. Adjusted EBITDA should not be construed as an alternative to net profit or operating profit, as an indicator of operating performance, as an alternative to cash flow provided by operating activities or as a measure of liquidity (in each case, as determined in accordance with IFRS). Adjusted EBITDA and adjusted EBITDA margin, as calculated by us, may not be comparable to similarly titled measures reported by other companies.

We define adjusted EBITDA as net profit plus: financial (expense) income, net; income tax expense; and depreciation and amortization and adjusted EBITDA margin as adjusted EBITDA over revenues.

Currency Translations

Our consolidated financial statements are prepared in soles. For a description of our translation of amounts in currencies other than soles in our consolidated financial statements, see Note 2.C to our audited annual consolidated financial statements included in this annual report.

We have translated some of the soles amounts contained in this annual report into U.S. dollars and some U.S. dollars amounts contained in this annual report into soles, for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate soles amounts to U.S. dollars and U.S. dollars amounts into soles was S/3.82 to US\$1.00, which was the average sale exchange rate for December 31, 2022 reported by the Peruvian Superintendencia of Banks, Insurance and Private Pension Fund Administrators (*Superintendencia de Banca, Seguros y AFPs*, or “SBS”). For conversions of macroeconomic indicators (particularly in “Item 5.D. Operating and Financial Review and Prospects—Trend Information” in this annual report), average annual exchange rates for the currencies of each of the countries addressed are used. The Federal Reserve Bank of New York does not report a noon buying rate for soles. The U.S. dollar equivalent information presented in this annual report is provided solely for convenience of the reader and should not be construed as implying that the soles or other currency amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate.

Rounding

Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Backlog

This annual report includes our backlog (indicative of future revenues expected to be realized in relation to signed contracts) for part of our Infrastructure segment and our E&C, and Real Estate segments. We do not include backlog in this annual report in: (i) our Infrastructure segment for our Norvial toll road concession because its revenues from the concession are derived from toll fees charged to vehicles using the highway, and, as a result, such revenues are dependent on vehicular traffic levels; and (ii) our Energy segment because: (a) our revenues from hydrocarbon extraction services are dependent on the amounts of oil and gas we produce and their market prices, which fluctuate significantly; (b) our revenues from our gas processing plant are dependent on the amount of gas we process and market prices for natural gas liquids, which fluctuate significantly; and (c) our revenues from our fuel storage terminal operation partially depend on the volume of fuel stored and dispatched. When we present backlog on a segment basis, we do not include eliminations that are included in our consolidated backlog. Backlog is not a measure defined by IFRS, and our methodology for determining backlog may not be comparable to the methodology used by other companies in determining their backlog. Backlog is not audited. We have revised historical backlog data included in this annual report to exclude the presentation of entities that are presented as discontinued operations. For our definition of backlog, see “Item 4.B. Information on the Company—Business Overview—Backlog.” See also “Item 3.D. Key Information—Risk Factors—Risks Related to our Company—Our backlog and our ratio of historical backlog to revenues may not be reliable indicators of future revenues or profit.”

Reserves Estimates

This annual report includes our estimates for proved reserves in Block V, where UNNA Energía provides hydrocarbon extraction services to, and Blocks III and IV, where UNNA Energía extracts hydrocarbon under license agreements with, Perupetro S.A. (“Perupetro”). These reserves estimates were prepared internally by our team of engineers and have not been audited or reviewed by any independent external engineers. For further information on these reserves estimates, see “Item 3.D. Key Information—Risks Related to Our Company—Additional Risks Related to our Infrastructure Business” and “Item 4.B. Information on the Company—Business Overview—Infrastructure—Principal Infrastructure Lines of Business—Energy—Oil and Gas Production.”

Market Information

We make estimates in this annual report regarding our competitive position and market share, as well as the market size and expected growth of the infrastructure, energy, real estate, and engineering and construction services industries in Peru and elsewhere in Latin America. We have made these estimates on the basis of our management's knowledge and statistics and other information, which we believe to be the most recently available as of the date of this annual report, from government agencies, industry professional organizations, industry publications and other sources. While we believe these estimates to be accurate as of the date of this annual report, we have not independently verified the data from third-party sources and our internal data has not been verified by any independent source. In this annual report we present gross domestic product ("GDP") both on a nominal and real basis. Real GDP is nominal GDP adjusted to exclude the effect of inflation. Unless otherwise indicated, references to GDP are to real GDP.

Measurements and Other Data

In this annual report, we use the following measurements:

- "m" means one meter, which equals approximately 3.28084 feet;
- "m2" means one square meter, which equals approximately 10.7630 square feet;
- "km" means one kilometer, which equals approximately 0.621371 miles;
- "hectare" means one hectare, which equals approximately 2.47105 acres;
- "tonne" means one metric ton, which equals approximately 2,204.6 pounds;
- "bbl" or barrel of oil means one stock tank barrel, which is equivalent to approximately 0.15898 cubic meters;
- "boe" means one barrel of oil equivalent, which equals approximately 160.2167 cubic meters, determined using the ratio of 5,658 cubic feet of natural gas to one barrel of oil;
- "cf" means one cubic foot;
- "M," when used before bbl, boe or cf, means one thousand bbl, boe and cf, respectively;
- "MM," when used before bbl, boe or cf, means one million bbl, boe and cf, respectively;
- "MW" means one megawatt, which equals one million watts; and
- "Gwh" means one gigawatt hour, which equals one billion watt hours.

In this annual report, we use the term "accident incidence rate" with respect to our E&C segment, which is calculated as the number of injuries multiplied by 200,000 (which reflects 40 hours worked per week in a 50-week year by 100 equivalent full-time workers) divided by the total number of hours worked by all full-time employees of our E&C segment during the relevant year.

Forward-Looking Statements

This annual report contains forward-looking statements. Forward-looking statements convey our current expectations or forecasts of future events. These statements involve known and unknown risks, uncertainties and other factors, including those listed under "Item 3.D. Key Information—Risk Factors," which may cause our actual results, performance or achievements to differ materially from the forward-looking statements that we make.

Forward-looking statements typically are identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “project,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Any or all of our forward-looking statements in this annual report may turn out to be inaccurate. Our actual results could differ materially from those contained in forward-looking statements due to a number of factors, including, among others:

- the impact on our business reputation from our previous and minimal ongoing association with affiliates of Odebrecht S.A. (“Odebrecht”) in Peru and our alleged participation in what is referred to as the “construction club” in Peru;
- the potential effects of investigations of our company and certain former directors and senior managers of our company, or any future investigations regarding corruption or other illegal acts, including our agreement with Peruvian prosecutorial authorities (“Collaboration and Benefits Agreement”), which includes, among other restrictions, significant penalties, admissions of guilt and temporary ban from entering into new contracts with the Peruvian government;
- our ability to fund our working capital and other obligations, through cash flow from operating activities, financing sources or the sale of assets;
- our ability to comply with the covenants in our debt instruments or obtain waivers in the event of non-compliance;
- our ability to obtain financing on favorable terms, or at all, including performance bonds and similar financings required in the ordinary course of our business;
- our ability to consummate asset sales or other strategic transactions on favorable terms and on a timely basis, or at all;
- global macroeconomic conditions, including commodity prices;
- economic, political and social conditions in the markets in which we operate, including the political disputes between the executive branch and congress in Peru, the drafting of a new constitution in Chile, and the recent elections in Colombia;
- major changes in governmental policies at the national, regional and municipal levels such as in connection with infrastructure concessions, investments in infrastructure and affordable housing subsidies;
- social conflicts that disrupt infrastructure projects, particularly in the mining sector;
- interest rate fluctuation, inflation and devaluation or appreciation of the Peruvian sol, or Chilean peso or Colombian peso, in relation to the U.S. dollar (or other currencies in which we receive revenue);
- our backlog may not be a reliable indicator of future revenues or profit;
- the cyclical nature of some of our business segments;
- the level of capital investments and financings available for infrastructure projects of the types that we perform, both in the private and public sectors;
- competition in our markets, both from local and international companies;
- volatility in global prices of oil and gas, particularly as a result of the conflict in Russia and Ukraine;
- changes in real estate market prices, customer demand, preference and purchasing power and financing availability and terms;
- our ability to obtain zoning and other license requirements for our real estate development;
- changes in tax, environmental, health and safety, or other laws and regulations;
- natural disasters, severe weather or other events that may adversely impact our business; and
- other factors identified or discussed under “Item 3.D. Key Information—Risk Factors” of this annual report.

The forward-looking statements in this annual report represent our expectations and forecasts as of the date of this annual report. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this annual report.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

The following summarizes some, but not all, of the principal risks set forth below. Please carefully consider all of the information discussed in this Item 3.D “Risk Factors” in this annual report for a detailed description of these and other risks.

Risks Related to Key Developments

- The outcome of investigations regarding potential corruption or other illegal acts could have a material adverse effect on our business, financial condition and results of operations.
- We were in default under certain of our debt instruments in the past, and we cannot assure you that we will not be in default under our debt instruments in the future, or that we will be able to obtain additional waivers in the event of any future defaults.
- We may not have sufficient cash or access to funding to meet our extraordinary payment obligations.
- We may be unable to access financing that we need to operate our business on favorable terms or at all.

Risks Related to Our Company

- Global economic conditions could adversely affect our financial performance.
- We face significant competition in each of our markets.
- Social conflicts may disrupt infrastructure projects and ongoing operations.
- Failure to comply with, or changes in, laws or regulations could have a material adverse effect on our business and financial performance.
- We are exposed to the risk of increasing environmental legislation and the broader impacts of climate change.
- Our backlog and our ratio of historical backlog to revenues may not be reliable indicators of future revenues or profit.
- Debarment from participating in government bidding processes could have an adverse impact on our business and financial performance.

Additional Risks Related to our Infrastructure Business

- Our return on our investment in our concessions may not meet estimated returns.
- Governmental entities may prematurely terminate our concessions and similar contracts under various circumstances, some of which are beyond our control.
- We are exposed to risks related to the operation and maintenance of our concessions and similar contracts.
- We may not be successful in obtaining new concessions.

Additional Risks Related to our Energy Business

- A substantial or sustained decline in oil prices would adversely affect our financial performance.
- Our reserves estimates depend on many assumptions that may turn out to be inaccurate and are not subject to review by independent reserve auditors.
- We may not be able to finance our mandatory capital expenditure requirements in connection with our oil and gas operations.

Additional Risks Related to our Engineering and Construction Business

- We are vulnerable to the cyclical nature of the end-markets we serve.
- Decreases in capital investments by our clients may adversely affect the demand for our services.
- Our business may be adversely affected if we incorrectly estimate the costs of our projects.

Additional Risks Related to our Real Estate Business

- We are exposed to risks associated with the development of real estate.
- Real estate prices may decline.
- Our business may be adversely affected if we are not able to obtain the necessary licenses and/or authorizations for our developments on a timely basis.
- We may experience difficulties in finding desirable land and increases in the price of land may increase our cost of sales and decrease our earnings.
- Changing market conditions may adversely affect our ability to sell home inventories in our land and at expected prices.

Risks Related to Peru

- Economic, social and political developments in Peru could adversely affect our business and financial performance.
- Fluctuations in the value of Peruvian sol could adversely affect financial performance.
- Inflation could adversely affect our financial performance.
- Earthquakes, severe weather and other natural disasters could adversely affect our business and financial performance

Risks Related to Chile, Colombia and other Latin American Countries

- We face risks related to our operations outside of Peru.

Risks Related to our American Depositary Shares (“ADSs”)

- We have identified material weaknesses in the operational effectiveness of information technology general controls (“ITGCs”) related to some of our information technology (“IT”) systems and in the design and implementation of process-level control activities related to the recognition of revenue and costs within our E&C segment, and if we cannot maintain effective internal controls or provide reliable financial and other information in the future, investors may lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our ADSs.

Risks Related to Key Developments

Geopolitical conflicts could affect Latin American economies and our businesses

We are subject to geopolitical risks, including Russia's military invasion of Ukraine and its possible escalation. This geopolitical conflict is affecting international energy prices and global inflation, which may affect aggregate demand and economic growth expectations. Global oil prices reached pre-COVID-19 levels by the end of 2020, increased in 2021 due to supply shocks and the resurgence of demand, and, more recently, rose sharply in early 2022 due to the conflict between Ukraine and Russia. The effects of this conflict and other geopolitical situations could adversely affect the economies of the countries in which we operate our businesses, especially with regards to investments and our ability to refinance our debt.

We cannot assure you that oil prices will decrease in the future (although increased oil prices would benefit revenues in our Energy segment). Substantial increases in the prices of the commodity generally, as a result of geopolitical conflicts or otherwise, result in increases in our suppliers' operating costs and, consequently, lead to increases in the prices they charge for their products. See "Increases in the prices of energy, raw materials, equipment or wages could increase our operating costs."

Our reputation has been adversely affected by criminal investigations and administrative proceedings relating to allegations of past corruption

Our reputation has been adversely affected by criminal investigations and administrative proceedings relating to allegations of corruption with respect to events during the period from 2004 to 2016 in connection with the construction and operation of certain infrastructure projects in Peru in which we participated with Odebrecht. Our reputation has also been adversely affected by investigations and administrative proceedings arising from our alleged participation in a "construction club" that colluded to procure government contracts during the period from 2002 to 2016. Furthermore, in May 2021, we entered into a Collaboration and Benefits Agreement with Peruvian prosecutorial authorities, by which we have acknowledged that certain of our former directors and senior managers have used the company to commit wrongdoing and, as a result, we have agreed to indemnify the Peruvian government for the resulting damages. On September 15, 2022, we signed the final Collaboration and Benefits Agreement ("Final Collaboration and Benefits Agreement"). The validity of the agreement is subject to consent (control of legality) by the Judiciary, and its specific terms and conditions are subject to confidentiality.

Our reputation is a key factor in our clients' evaluation of whether to engage our services, key industry players' willingness to partner with us, financial institutions' willingness to provide us credit, and recruiting and retaining talented personnel to our company. The outcome of these investigations and proceedings, any new charges or news reports containing new allegations against the company, or other similar developments, could further damage the reputation of the company.

The outcome of investigations regarding potential corruption or other illegal acts could have a material adverse effect on our business, financial condition and results of operations

Our company and certain of our subsidiaries, and certain of our former directors and senior managers, have been charged in connection with criminal and civil investigations relating to certain of our projects in connection with our association with Odebrecht and in connection with our alleged participation in the alleged “construction club” during the period from 2004 to 2016.

In 2018, the Peruvian criminal prosecutor charged our company and our engineering and construction subsidiary, Cumbra, as criminal defendants in connection with the IIRSA South (tranche II) project concession, and the Peruvian First National Preparatory Investigation Court (*Primer Juzgado de Investigación Preparatoria Nacional*) included our company and Cumbra in its criminal investigation. Separately, in connection with these investigations, in December 2018, the Peruvian First National Preparatory Investigation Court also resolved to include our company and Cumbra as civilly responsible third parties in the investigations related to the IIRSA South (tranche II) project concession and Cumbra as a civilly responsible third party in the investigations related to Tranches 1 and 2 of the Lima Metro.

In December 2018, Cumbra was formally included as a civilly responsible third party, along with 11 other construction companies, in the criminal investigation conducted by a Peruvian public prosecutor with respect to an alleged “construction club” that colluded to receive public contracts. In October 2021, the prosecutor filed a motion to criminally charge Cumbra and another of our subsidiaries, UNNA Transporte, and other companies in the construction sector in Peru, as well as a former director and former senior managers of our company, with collusion and other alleged crimes.

Additionally, Peruvian prosecutors have included José Graña Miró Quesada, the former Chairman of our company, in an investigation for the crime of collusion, and Hernando Graña Acuña, a former board member of our company and former chairman of our subsidiary Cumbra, for the crime of money laundering against the Peruvian government, each in connection with the IIRSA South (tranche II) project concession, in which we participated with Odebrecht. Gonzalo Ferraro Rey, the former Chief Infrastructure Officer of our company, has also been included in an investigation for the crime of money laundering in connection with the same project. In addition, José Graña Miró Quesada and Hernando Graña Acuña, as well as Juan Manuel Lambarri, the former chief executive officer of our subsidiary Cumbra, have been charged in connection with Tranches 1 and 2 of the Lima Metro. On February 9, 2022, the Peruvian press reported that Peruvian prosecutorial authorities entered into plea agreements with José Graña Miró Quesada and Hernando Graña Acuña. On January 3, 2023, the plea agreement with José Graña Miró Quesada received judicial approval and on January 18, 2023, the plea agreement with Hernando Graña Acuña received judicial approval. These plea agreements are confidential under Peruvian law and we, therefore, do not know their content, however, they may include information related to wrongdoing or knowledge of improper behavior while José Graña Miró Quesada and Hernando Graña Acuña were at the company. We cannot assure you what they will ultimately say to government authorities, or that their statements will not adversely affect the company’s reputation.

Following internal investigations of the events covered by the criminal investigations described above, the company provided all evidence found during its internal investigation to Peruvian prosecutorial authorities within the framework of a settlement and cooperation agreement process, in line with the company’s commitment to transparency and integrity. On September 15, 2022, we signed a Final Collaboration and Benefits Agreement (*Acuerdo de Colaboración Eficaz y Beneficios*) with Peruvian prosecutorial authorities (the “Final Agreement on Settlement and Cooperation”), by which we acknowledged that certain former directors and former senior managers have used the company to commit wrongdoings and, as a result, we have agreed to indemnify the Peruvian government for the resulting damages. The validity of the agreement is subject to consent (control of legality) by the Judiciary, and its specific terms and conditions are subject to confidentiality. Once the agreement is approved, the Prosecutor’s Office will be obligated pursuant to the terms of the agreement, to request the complete exemption of the company from the scope of Law 30737 and its implementing regulation approved by Decreto Supremo No 096-2018-EF with respect to the projects subject to agreement.

Under the Final Collaboration and Benefits Agreement, we have agreed to pay a civil penalty of S/333,326,423.6 and US\$40,724,531.00 over 12 years, subject to a statutory interest rate in Peruvian and foreign currency, and to a pledge of collateral valued at S/197.0 million as of the date of the agreement, pursuant to a trust agreement that includes shares issued by a subsidiary of AENZA, a real estate asset guarantee and a debt service guaranty account. Among other conditions, the agreement includes a restriction on participating in new public construction and road maintenance contracts for two years from the approval of the agreement. As of December 31, 2021, we recorded an estimated provision reflecting the present value of the penalty in accordance with accounting standards, which amounted to S/164.6 million and US\$18.9 million (in total, S/240.1 million, or approximately US\$60.1 million). As of December 31, 2022, we recorded an additional provision of S/11.4 million (approximately US\$2.99 million) and recorded the whole amount in nominal value to comply with the provisions set forth in the Final Collaboration and Benefits Agreement entered into on September 15, 2022. The provision was recorded in AENZA.

According to the terms of the Collaboration and Benefits agreement, the civil penalty would cover the total contingency to Peruvian prosecutorial authorities to which the company is exposed as a result of the investigations of past projects in which the company participated with Odebrecht (other than the Chavimochic project) and investigations relating to an alleged participation in the “construction club” (excluding the separate administrative proceedings by the Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (“INDECOPI”).

We cannot assure you that the scope of the foregoing proceedings will not be expanded to incorporate other projects in which we have been involved, that our company will not be included in other investigations or proceedings as a criminal defendant or third party civilly responsible in Peru or elsewhere, or that other of our former or current directors and senior managers will not be included in the foregoing proceedings.

If we do not comply with applicable laws and regulations designed to combat corruption, we could become subject to fines, penalties or other regulatory sanctions, and our business could suffer

Although we are committed to conducting business in a legal and ethical manner in compliance with local and international legal requirements applicable to our business, and though we have implemented specific policies and procedures to avoid corrupt actions, there is a risk that our employees or representatives may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or the U.S. Foreign Corrupt Practices Act. Further, while we have obtained Global STD ISO 37001 anti-bribery certifications for our subsidiaries, if any of our employees or representatives violate anti-corruption laws, our business, financial condition and results of operation would be adversely affected.

INDECOPI has initiated an administrative proceeding alleging that certain construction companies in Peru, including our subsidiary Cumbra, colluded to receive public contracts

On February 7, 2022, Cumbra and Unna Transporte were notified of Resolution 038-2021/CLC-INDECOPI, by means of which the National Directorate of Research and Promotion of Free Competition of INDECOPI decided to initiate an administrative sanctioning procedure regarding the alleged horizontal collusive practice in the modality of concerted sharing of suppliers in the market of hiring workers in the construction sector at the national level from 2011 to 2017.

On April 7, 2022, Cumbra and Unna Transporte proposed a cease-and-desist agreement for the early termination of the administrative sanctioning procedure, where they (i) accepted the alleged conduct, (ii) committed to comply with a free competition rules compliance program from 2022 to 2024; and (iii) committed to paying a compensation amounting to S/2.7 million in two installments (the first one within 60 days after the notification of the resolution approving the cessation undertaking and the second one within 12 months). By means of Resolution 054-2022/CLC-INDECOPI, dated August 19, 2022, INDECOPI approved the proposed cease-and-desist agreement and concluded the sanctioning procedure. We cannot predict the outcome of these investigations or proceedings, the timing thereof or how they may impact our business, financial condition and results of operations. We also cannot predict whether INDECOPI will bring additional investigations or proceedings in the future.

INDECOPI has initiated an administrative proceeding alleging anti-competitive practices in the labor market in the construction sector

On February 7, 2022, Cumbra and UNNA Transporte were notified pursuant to INDECOPI Resolution 038-2021/DLC-INDECOPI dated December 28, 2021, that the antitrust authority initiated a sanctioning administrative procedure for the alleged execution of a horizontal collusive practice in the form of concerted distribution of suppliers in the labor market in the construction workers industry nationwide, during the period from 2011 to 2017.

On April 7, 2022, Cumbra and UNNA Transporte submitted a proposal for a cease and desist agreement for the early termination of the administrative sanctioning procedure, in which they (i) acknowledged the alleged conduct, (ii) committed to maintain a compliance program with free competition rules during 2022, 2023 and 2024, and (iii) agreed to pay S/2.7 million in two installments (one after 60 days and the second after 12 months). Pursuant to Resolution No. 054-2022/CLC-INDECOPI dated August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the proposed cease and desist commitment and concluded the sanctioning procedure. As of December 31, 2022, the company estimated a provision amounting to S/1.4 million (approximately US\$0.37 million) recognized as of December 31, 2022 (S/4.8 million as of December 31, 2021) related to this proceeding.

On May 9, 2023, our subsidiaries Cumbra and Unna Transporte were notified by INDECOPI, with Resolution 052-2023/CLC-INDECOPI, which formally concludes the administrative sanctioning procedure in first instance for the alleged horizontal collusive practice in the form of concerted distribution of suppliers in the market for hiring workers in the construction sector.

In this regard, by Resolution No. 054-2022/CLC-INDECOPI of August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the cessation of the proposed commitment. According to the established schedule, the Subsidiaries have paid the first installment corresponding to 50% of the amount of the compensation in November 2022 and the next installment, for the remaining 50%, will be paid no later than November 15, 2023; the amount thereof is duly provisioned in the financial statements. Likewise, the Subsidiaries are complying with their commitment to maintain a compliance program, with supervision of INDECOPI.

We cannot predict how the outcome of any such proceedings or how they may impact our business, financial condition and results of operations.

We were in default under certain of our debt instruments in the past, and we cannot assure you that we will not be in default under our debt instruments in the future, or that we will be able to obtain additional waivers in the event of any future defaults

In the past we have been in default on financial covenants and payment obligations under certain of our debt instruments. These defaults have been cured as of the date of this annual report either with the obtaining of waivers or through the repayment in full of these debt instruments. However, we cannot assure you that we will not breach the covenants under our debt instruments in the future and, in such event, that we would be able to obtain the required waivers from our creditors. Failure to successfully obtain waivers could force us to precipitate the sale of assets, including on unfavorable terms, to repay these debt instruments. Moreover, if we are not able to renegotiate the terms of any debt instruments in which we are in default, or repay them promptly, our ability to obtain financings, including performance guarantees or similar financings required under many of our business contracts, would be impaired, which may have a material adverse effect on our business, financial condition and results of operations.

We may not have sufficient cash or access to funding to meet our extraordinary payment obligations

We have significant extraordinary payment obligations. For example, in May 2021, we entered into a Collaboration and Benefits Agreement with Peruvian prosecutorial authorities, under which we will be required to make payments of S/333,326,423.6 and US\$40,724,531.00 over 12 years. On September 15, 2022, we signed the Final Collaboration and Benefits Agreement. The validity of the agreement is subject to consent (control of legality) by the Judiciary, and its specific terms and conditions are subject to confidentiality.

On March 17, 2022, we entered into a bridge loan agreement for up to US\$120 million and we have used the proceeds to repay certain of our financial and other obligations. The bridge loan is required to be repaid over a period of 18 months ending in October 2023, and is secured by a flow trust (first lien), a trust over the shares of Viva Negocio Inmobiliario S.A. (second lien), and a pledge on our shares in Unna Energía (first lien). We are currently evaluating different debt restructuring plans to refinance the bridge loan.

We cannot assure you that we will have sufficient cash from operations, any sale of assets, or access to equity or debt financing, in order to comply with payments regarding our agreements, or that following any such payments, we will have sufficient cash to continue to operate our business consistent with past practices. In addition, in relation to debt financing, interest rate increases may affect our ability to refinance at competitive rates and may have an adverse impact on results.

We may be unable to access financing that we need to operate our business on favorable terms or at all

Due to uncertainty relating to the investigations of our company, our creditors and other financial institutions have placed restrictions in the past on our ability, and the ability of other Peruvian construction companies, to acquire future credit lines, performance bonds and other financings.

Our ability to obtain financings will also depend in part upon prevailing conditions in credit and capital markets, which are beyond our control. Emerging markets have been affected by changes in U.S. monetary policy, resulting at times in a withdrawal of investments and increased volatility in the value of their currencies. If interest rates rise significantly in the United States, emerging market economies, including Peru, could find it more difficult and expensive to borrow capital and refinance existing debt. Higher interest rates globally or in Peru would in turn impact our costs of funding.

We cannot assure you that we will be able to obtain new financings in the future on favorable terms or at all. Additionally, we cannot control or predict changes in interest rates, including interest rate policies of the Central Reserve Bank of Peru and the U.S. Federal Reserve.

Also, we may encounter difficulties in obtaining performance bonds or credit support that we require to secure, among other things, bids, advance payments and performance for our projects.

The inability to procure adequate financing or credit on favorable terms or at all could have a material adverse effect on our business, financial condition and results of operation.

There is uncertainty with regard to the amount, timing and manner in which the payment for the termination of the GSP gas pipeline concession will be paid

In November 2015, we acquired a 20% interest in Gasoducto Sur Peruano S.A. (“GSP”) and obtained a 29% interest in Consorcio Constructor Ductos del Sur (“CCDS”) through its subsidiary Cumbra Peru.

On July 22, 2014, GSP signed a concession agreement with the Peruvian Government to build, operate, and maintain a natural gas pipeline to meet the demand of cities in the south of Peru (the “GSP Concession Agreement”). Additionally, GSP signed an engineering, procurement, and construction agreement with CCDS.

We made an investment of US\$242.5 million in GSP and had to assume 20% of the performance bond established in the GSP Concession Agreement for US\$262.5 million and 21.49% of the guarantee for a bridge loan of US\$600 million. On January 24, 2017, the Peruvian Ministry of Energy and Mines (“MEM”) announced the early termination of the GSP Concession Agreement under Clause 6.7 thereof, for not having provided evidence of the financial closing within the contractual term resulting in the immediate enforcement of the performance bond.

The events described in the previous paragraph caused management to recognize an impairment from 2016 to 2019 of its total investment (US\$242.5 million), as well as the account receivable resulting from the execution of the counter-guarantees granted by AENZA in favor of the entity issuing the guarantees: for US\$52.5 million corresponding to the performance bond and US\$129 million corresponding to the corporate guarantee on the bridge loan granted to GSP. According to the Concession Contract, the guarantees were paid on behalf of GSP, therefore, AENZA recognized the right to collect from GSP US\$181.5 million, which was recorded in 2016 as accounts receivable from related parties. Likewise, Cumbra Peru recognized the value of accounts receivable from CCDS as US\$73.5 million and lost profits as US\$10 million, which correspond to receivables from GSP. See Note 11 to our audited annual consolidated financial statements included in this annual report for the balance of the account receivable from GSP.

On October 11, 2017, the agreement deed for the delivery of the assets of the South Peruvian gas pipeline concession between GSP and MEM was signed. The assets include the works, equipment, facilities and engineering studies provided for the execution of the project.

Upon termination of the Concession Contract, and in accordance with the provisions of Clause 20 thereof, the Peruvian State was obligated to hire an internationally recognized auditing firm to calculate the net book value of the concession assets ("VCN"), and to call up to three auctions on GSP's assets. However, to date, the Peruvian State has failed to comply with these contractual obligations. The amount of the VCN was calculated at US\$2,602 million by an independent auditing firm hired by GSP as of December 31, 2016. This figure was subsequently adjusted to US\$2,110 million, as a result of variations in the balances related to the works carried out by the consortium, which in turn is reported in its audited financial statements as of December 31, 2017.

On December 21, 2018, the company asked the Peruvian Government for direct treatment and requested the payment of the VCN in favor of GSP. On October 18, 2019, the company filed an arbitration request with the International Centre for Settlement of Investment Disputes ("CIADI"). On December 27, 2019, the company withdrew the arbitration request in compliance with a preliminary collaboration and benefits agreement signed with the Attorney General's Office and Ad-hoc Public Prosecutor's Office on the same date (see Note 1 to our audited annual consolidated financial statements included in this annual report). Withdrawing the arbitration request before CIADI does not result in the loss of collection rights of the company against GSP and does not restrict, limit, or impede GSP from asserting its rights against the Peruvian Government.

The company and its internal and external legal advisors consider that the payment owed by the Government to GSP for the VCN are not within the withholding scope under Law 30737 that ensures the immediate payment of civil compensation in favor of the Peruvian State in cases of corruption and related crimes, since this payment does not include any profit margin and/or does not correspond to the sale of assets related to the project, but to a reimbursement for the investment made by the concessionaire.

As of December 4, 2017, GSP entered into a bankruptcy proceeding before INDECOPI. GSP has claims recognized by INDECOPI of US\$0.4 million and US\$169.3 million, the latter held in trust in favor of GSP's creditors. It also has indirectly recognized claims for US\$11.8 million. On the other hand, the claim of Cumbra is indirectly recognized in INDECOPI through *Consorcio Constructor Ductos del Sur* for an amount of US\$88.7 million. As of the date of this report, GSP is in the process of liquidation and AENZA is chairing the Board of Creditors.

On April 11, 2023, a liquidation agreement (the "Liquidation Agreement") was approved, which delimits the framework for the liquidator's work. The Liquidation Agreement includes the granting of powers to the liquidator with respect to representation, administrative, contractual and other relevant powers that allow him to comply with the obligations for which he was appointed, as well as the actions he is allowed to take in order to recover GSP's assets and in accordance with the mechanisms set forth in the General Law of the Insolvency System.

On April 13, 2023, and under the powers granted to him by the Liquidation Agreement, the Liquidator requested that the MEM initiate the direct treatment procedure stipulated in the Concession Contract. For more information regarding the amounts recognized, see Note 11 to our audited annual consolidated financial statements included in this annual report.

As of December 31, 2022, the net value of the accounts receivable from GSP is approximately US\$142.4 million (equivalent to S/542.3 million) compared to US\$161.9 million (equivalent to S/643.9 million) as of December 31, 2021, which comprises the recognition in the following entities of the Corporation: i) AENZA holds US\$63.9 million (equivalent to S/243.2 million), discounted to present value net of impairment and the effect of the exchange difference, compared to US\$81.1 million (equivalent to S/322.6 million) as of December 31, 2021; and ii) Cumbra holds US\$78.6 million (equivalent to S/299.2 million) discounted to present value net of the effect of the exchange difference compared to US\$80.8 million (equivalent to S/321.3 million) as of December 31, 2021.

The company's management maintains the recovery estimate at 8 years, applying a discount rate of 5.85%, compared to recovery term of 8 years with a discount rate of 2.73% as of December 31, 2021. These estimates generated during 2022 a present value effect of approximately S/72.2 million, compared to S/32.8 million during 2021, which has been recognized in the consolidated statement of income under the caption "Financial income and expenses - loss from present value", see Note 26.B to our audited annual consolidated financial statements included in this annual report.

Based on management's assessment and in conjunction with the opinion of the internal legal department and external legal counsel, the estimate of recoverability, impairment allowances and the net recognized value of the account receivable from GSP as of December 31, 2021 and 2022 is reasonable and sufficient as of the reporting date of the Corporation's consolidated financial statements, see also Notes 5.A.iv and 11 to our audited annual consolidated financial statements included in this annual report.

Risks Related to Our Company

Global economic conditions could adversely affect our financial performance

Global economic conditions, in particular fluctuations in commodity prices and financing costs, may impact our clients' investment decisions. Should our clients choose to postpone or suspend new investments or delay or cancel the execution of existing projects as a result of global economic conditions, demand for our products and services would decline, which may result in a decline in revenues and in under-utilization of our capacity. Our business may be impacted by adverse economic developments even after economic conditions have improved because of the lag time between when investments decisions are made and when the projects are executed. Furthermore, financial difficulties suffered by our clients, joint operation partners, subcontractors or suppliers due to global economic conditions could result in payment delays or defaults or increase our costs or adversely impact our project execution. Accordingly, a global economic downturn could have a material adverse effect on our financial performance.

Interest rates have risen across markets and have impacted our ability to refinance our debt. Economic forecasts expect that the U.S. Federal Reserve Fund Rate will end above 5.0% by year-end. This could increase our financing costs and limit our ability to obtain financing in a timely manner and on acceptable terms. In addition, we are experiencing high levels of inflation in each country where we operate. During the last twelve months, Peru has raised interest rates from 5.0% to 7.75%, Colombia has raised interest rates from 6.0% to 13.25% and Chile has raised interest rates from 7.0% to 11.25%. Current global economic conditions could adversely affect our financial performance.

We face significant competition in each of our markets

Each of the markets in which we operate is competitive. We compete on the basis of, among other factors, price, performance, product and service quality, skill and execution capability, client relations, reputation and brand, and health, safety and environmental record. We face significant competition from both local and international players. Some of these competitors may have greater resources than us or may have specialized expertise in certain sectors. In addition, a portion of our business is derived from open bidding processes which can be highly competitive. Certain of our markets are highly fragmented with a large number of companies competing for market share. Our competitors may be more inclined to take greater or unusual risks or accept terms and conditions in a contract that we might not deem acceptable. Moreover, we cannot assure you that we will not face new competition from industry players entering or expanding their operations in our markets. If we are unable to compete effectively, our ability to continue to grow our business or maintain our market share would be affected. In addition, because one of the factors on which we generally compete is price, increased competition could impact our operating margins. Accordingly, our business and financial performance could be adversely affected by competition in our markets.

A major change in government policies could affect our business

Our business is significantly affected by national, regional and municipal government policies and regulations in the countries where we operate, including with respect to infrastructure concessions or similar contracts to the private sector, public spending in infrastructure investment and government housing subsidies, among others. Any adverse change in government policies with respect to these matters could result in a material adverse effect on our business and financial performance.

Social conflicts may disrupt infrastructure projects and ongoing operations

Despite Peru's economic growth over the last decades, high levels of poverty and unemployment and social and political tensions continue to be pervasive problems in the country. Peru has, from time to time, experienced social and political turmoil, including riots, nationwide protests, strikes and street demonstrations. In recent years, certain regions experienced strikes and protests related mainly to the environmental impact of mining activities, which resulted in commercial disruptions. These protests may lead to the suspension of mining projects, such as occurred at Las Bambas mining project during the second half of 2021. Social conflicts may disrupt, delay or suspend infrastructure projects in the future, which could have a material adverse effect on our business, financial performance and our concessional infrastructure.

Recently in Peru, high inflation and a political crisis are causing civil unrest and rioting, including strikes and the blockade of main roads, which has affected business operations in certain regions of the country. On December 7, 2022, Peru's former President Pedro Castillo illegally announced the dissolution of Congress and was arrested. Dina Boluarte, Castillo's first vice president, was sworn in as president the same day to serve until July 2026. After Pedro Castillo's vacancy in December 2022, several riots and road blockades took place, mainly in the southern regions of Peru. In addition, amidst ongoing protests, the new government has made a series of proposals to Congress to approve early elections, however, Congress has not obtained sufficient votes to accelerate the presidential elections. Since December 2022, the number of demonstrations and their intensity has decreased significantly. Scarce tumults in Puno are still ongoing. If this situation continues or intensifies, it could have an adverse effect on our business and financial performance.

In addition, in October 2019, Chile suffered from widespread social unrest and vandalism that has had a significant economic and political impact on the country. As a result, the Chilean congress convened a plebiscite in March 2020, which was rescheduled to October 25, 2020 as a result of the COVID-19 pandemic, in which Chilean congressmen voted to amend the Chilean Constitution. The new Chilean Constitution was drafted by a political body whose members were elected in May 2021. In September 2022, a plebiscite rejected the new text of the Chilean Constitution. Nevertheless, the Chilean Congress approved a new process to amend the Constitution to be held during 2023. This process may result in further social unrest and protest, and could also result in substantial structural changes in Chile that could adversely impact the private sector, including our operations in the country.

Additionally, on June 16, 2022 Colombia elected the left-wing candidate Gustavo Petro as President. In his victory speech, Petro stated that his government will seek unity and develop a capitalist model. Despite a strong Constitutional Court, an independent central bank, and a strong private sector, the result of these elections could lead to civil unrest, including a national strike and anti-government protests such as those experienced during 2021, and cause our Colombian operations to be adversely impacted by changing economic, political and social conditions in Colombia and by the new government's response to such conditions. Developments around major reforms in health, pension, and labor, as well as the result of the proposal to suspend the granting of new oil exploration contracts will be key factors influencing the behavior of the economy and financial markets.

New projects may require the prior approval of local indigenous communities

The legislative branches of Colombia, Chile and Peru have enacted legislation in accordance with the International Labor Organization Convention No. 169 (*Ley del Derecho a la Consulta Previa a los Pueblos Indígenas y Originarios, Reconocido en el Convenio 169 de la Organización Internacional del Trabajo*) that establishes prior non-binding consultation procedures (*procedimiento de consulta previa*) with respect to indigenous communities.

Under these laws the government must carry out non-binding consultation procedures with local indigenous communities, whose rights may be directly affected by new legislative or administrative measures, including the granting of certain permits or new concessions or similar contracts, such as for mining, energy and oil and gas projects. Local indigenous communities do not have a veto right; and therefore, upon completion of this prior consultation procedure, the government retains the discretion to approve or reject the applicable legislative or administrative measure. However, we cannot assure you that these consultation procedures will not negatively influence a decision by government to grant us a permit, concession or consent and, therefore, adversely affect new projects and concessions, or cause or incite confrontation if the government's decision is perceived to be adverse to the communities' opinion. Accordingly, our business and financial performance may be materially and adversely affected.

Our backlog and our ratio of historical backlog to revenues may not be reliable indicators of future revenues or profit

The amount of our backlog is not necessarily indicative of future revenues or profits related to the performance of the related contracts. Our backlog amount is subject to revision over time and our ability to realize revenues from our backlog is subject to a number of uncertainties. Cancellations, scope adjustments or deferrals may occur, from time to time, with respect to contracts reflected in our backlog and could reduce the amount of our backlog and the revenue and profits that we actually earn. Contracts may also remain in our backlog for an extended period of time and poor performance could also impact our profit from the contracts in our backlog. In addition, our backlog is expressed in U.S. dollars based on period-end exchange rates while a significant portion of our contracts are payable in soles or other local currencies. As a result, any depreciation of local currency would diminish the amount of revenues eventually earned relative to backlog.

Our backlog may decline in the future. We cannot assure you that we will be able to obtain sufficient contracts in the future in number and magnitude in order to increase our backlog. Additionally, the number of new contracts that we obtain can fluctuate significantly from period to period due to factors that are beyond our control.

Moreover, the ratio of our historical backlog to revenues earned in subsequent years is volatile and substantially affected by a number of factors, some of which are outside our control, including levels of contract scope adjustments and our ability to enter into new contracts (which are substantially influenced by general macroeconomic conditions), delays and cancellations, foreign exchange rate movements and our ability to increase the scale of our operations to expand the amount of work we carry out beyond that previously contracted. Accordingly, historical correlations between backlog and revenues may not recur in future periods.

Our success depends on key personnel

Our success depends, to a significant degree, upon the performance of our senior management, Board of Directors and other key personnel. Members of our management team are not subject to non-competition agreements with us. We cannot assure you that we will be successful in retaining our current senior management or members of our Board of Directors, nor can we assure you that, in such event, we would be able to find suitable replacements. In addition, the success of our business depends on our ongoing ability to attract, train and retain qualified engineers and other personnel. In recent years, the availability in Peru of qualified personnel who have the necessary expertise and experience has been lower than demand and, therefore, competition for human resources has become intense. We cannot assure that we will be able to hire and retain the number of qualified personnel required to meet the needs of, or to grow, our business. If we are unable to attract, train and retain the qualified personnel that we require at reasonable cost, our business and financial performance could be adversely affected.

Our success depends, to a large extent, on our reputation for the quality, reliability, timely delivery and safety of our products and services

We believe our track record and reputation are key factors in our clients' evaluation of whether to engage our services and purchase our products, encouraging key industry players to partner with us, and recruiting and retaining talented personnel to our company. Our reputation is based, to a large extent, on the quality, reliability, timeliness and safety of our products and services. If our products do not meet expected standards or we fail to meet our deadlines, our relationship with our clients and partners could suffer, the reputation of our company could be adversely affected, we may not be invited to new bidding processes and our ability to capture new business could be severely diminished.

The nature of our business exposes us to potential liability claims and contract disputes

We may be subject to a variety of legal or administrative proceedings, liability claims or contract disputes. The government, clients and other third parties may present claims against us for injury or damage caused, directly or indirectly, by our operations, for example for alleged failures in our E&C segment, the operation of our infrastructure concessions (such as our toll roads or the Lima Metro), and real estate developments we sell. Although we have a range of insurance coverage policies and have adopted risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event resulting from the services we have performed or products we have provided could result in significant professional or product liability, warranty or other claims against us as well as reputational harm, especially if public safety is impacted. We may in the future be named as a defendant in legal proceedings where our clients or third parties may make a claim for damages or other remedies with respect to our projects or other matters. Any liability not covered by our insurance, or in excess of our insurance limits, could result in a significant loss for us, which may affect our financial performance.

We may not be able to recover on claims against clients for payment

If a client fails to pay our invoices on time or defaults in making its payments to us, we could incur significant losses. We occasionally bring claims against clients for delayed payments, additional costs that exceed the contract price or for amounts not included in the original contract price, including change orders. These types of claims can occur due to matters such as owner-caused delays or changes from the initial project scope, and, occasionally, these claims may be disputed through lengthy proceedings. When these types of events occur and unresolved claims are pending, we may invest significant working capital in projects to cover cost overruns pending the resolution of the relevant claims. Moreover, we have recently encountered difficulties collecting on claims, even following successful arbitration awards, particularly against the government. A failure to promptly recover on these types of claims and change orders could have a material adverse effect on our financial performance.

We are susceptible to operational risks that could affect our business and financial performance

Our business is subject to numerous industry-specific operational risks, including natural disasters, adverse weather conditions, operator errors or other accidents, such as spillovers in the energy business, mechanical and technical failures, explosions and other events and accidents, many of which are beyond our control. Such occurrences could result in injury or loss of life, severe damage to and destruction of property and equipment, business interruption, pollution and other environmental damage, clean-up responsibilities, regulatory requirements, investigations and penalties, potential liability claims and contractual disputes. In addition, such occurrences could materially impact our reputation. Although we maintain comprehensive insurance covering our assets and operations at levels that our management believes to be adequate, our insurance coverage will not be sufficient in all circumstances or to protect against all hazards. The occurrence of such an operational risk could have a material adverse effect on our business and financial performance.

Deterioration in our safety record could adversely affect our business and financial performance

Our ability to retain existing clients and attract new business is dependent on our ability to safely operate our business. Existing and potential clients consider the safety record of their services providers to be of high importance in their decision to award service contracts. Some of our activities, in particular in our E&C segment, can be high risk by their nature. If one or more accidents were to occur at a site, the affected client may terminate or cancel our contract and may be less likely to continue to use our services. Although our track record on safety matters is consistent with industry standards, we cannot assure you that we will not experience accidents in the future, causing our safety record to deteriorate. Accidents may be more likely as we continue to grow, particularly if we are required to hire less experienced employees due to shortages of skilled labor. Moreover, often times we do not perform these activities by ourselves and accidents can happen due to errors committed by partners and subcontractors over whom we have no control. Because many of our clients require us to report our safety metrics to them as part of the bidding process and because a substantial part of our client base is comprised of major companies with high safety standards, a general deterioration in our safety record could have a material adverse impact on our business including our ability to bid for new contracts.

Any safety incidents or deterioration in our safety record could adversely impact our ability to attract and retain qualified employees. In addition, we could also be subject to liability for damages as a result of accidents and could incur penalties or fines for violations of applicable safety laws and regulations.

Increases in the prices of energy, raw materials, equipment or wages could increase our operating costs

Our business requires significant purchases of energy, raw materials and components, including, among others, large quantities of fuel, cement and steel, as well as purchases or leases of equipment. Certain supplies used in our operations are susceptible to significant fluctuations in prices, over which we may have little control. The prices of some of these supplies are affected to a significant extent by the prices of commodities, such as oil and iron. Global oil prices decreased in 2018, increased in 2019, declined significantly in 2020 as a result of the COVID-19 pandemic but reached pre-COVID-19 levels by the end of 2020, increased in 2021 due to supply shocks and the resurgence of demand, and, more recently, rose sharply in early 2022 due to the conflict between Ukraine and Russia.

We cannot assure you that oil prices will decrease in the future (although increased oil prices would benefit revenues in our Energy segment). Substantial increases in the prices of such commodities generally result in increases in our suppliers' operating costs and, consequently, lead to increases in the prices they charge for their products. Moreover, we do not have long-term contracts for the supply of our key inputs, and, as a result, if prices increase significantly or if we are required to find alternative suppliers, our costs to procure these inputs may increase significantly. In addition, growing demand for labor, especially when coupled with shortages of qualified employees in the countries where we operate, may result in significant wage inflation. To the extent that we are unable to pass along to our clients increases in the prices of our key supplies or increases in the wages that we must pay, our operating margins could be materially adversely impacted.

If we are unable to enter into consortia or other strategic alliances, our ability to compete for new business may be adversely affected

We may join with other companies to form joint operations or other strategic alliances to compete for a specific concession or contract, including with partners that contribute expertise in a specific field. Because a consortium or alliance can often offer stronger combined qualifications than a company on a stand-alone basis, these arrangements can be important to the success of a particular bid. If we are unable to enter into consortia or other strategic alliances, our ability to compete for new business may be adversely affected.

Our consortia and other strategic alliances may be affected by disputes with, or the unsatisfactory performance by, our partners

Although we have a thorough partner selection process, consortia and other strategic alliances that we enter into as part of our business, including arrangements where operating control may be shared with unaffiliated third parties, may involve risks not otherwise present when we operate independently, including: sharing approval rights over major decisions; responsibility for our partners' unpaid obligations or liabilities; ensuring ethical and compliance behavior; our partners' capacity to contribute with their share of project capital expenditures and inconsistencies in our and our partners' economic or business interests or goals. Any disputes between us and our partners may result in delays, litigation or operational impasses. We may also incur liabilities as a result of action taken by or against our partners. In addition, if we participate in consortia or other strategic alliances where we are not the controlling party, we may have limited control over operational, financial and other management decisions and actions and the success of the consortium or other strategic alliance will depend largely on the performance of our partners. These risks could adversely affect our ability to transact the business of such consortium or other strategic alliance and could result in the termination of the applicable concession or contract. Under these circumstances, we may be required to make additional investments and provide additional services to ensure adequate performance and delivery. These additional obligations could result in reduced profits or, in some cases, increased liabilities or significant losses for us. In addition, failure by a partner to comply with applicable laws or regulations could negatively impact our business and, in the case of government contracts, could result in fines, suspension or even debarment from participating in bidding processes. As a result, our business, reputation and financial performance could be adversely affected by disputes involving our consortia or other strategic alliances.

We are dependent upon third parties to complete many of our contractual obligations

We rely on third-party suppliers to provide a significant amount of the materials and equipment used in our businesses. A portion of the work performed under our infrastructure concessions and, to a lesser extent, other contracts is performed by third-party subcontractors. As a result, the timely completion and quality of our projects may depend on factors beyond our control, including the quality and timeliness of the delivery of materials supplied for use in the project and the technical skills of subcontractors hired for the project. If we are unable to find qualified suppliers or hire qualified subcontractors, our ability to meet our contractual obligations could be impaired. In addition, if the amount we are required to pay for supplies, equipment or subcontractors exceeds what we have estimated, we may suffer losses under our contract. If a supplier or a subcontractor fails to provide supplies, equipment or services as required under a negotiated arrangement for any reason, or provides supplies, equipment or services that are not of an acceptable quality, we may be required to source those supplies, equipment or services on a delayed basis or at a higher price than anticipated, which could impact our financial performance. In addition, faulty materials or equipment could result in claims against us for failure to meet contractual specifications, and failure by suppliers or subcontractors to comply with applicable laws and regulations could negatively impact our reputation and our business and, in the case of government contracts, could result in fines, suspension or even debarment from participating in bidding processes. These risks may be intensified during economic downturns if these suppliers or subcontractors experience financial difficulties. As a result, our business and financial performance may be adversely affected by our dependence on third-party providers.

Failure to comply with, or changes in, laws or regulations could have a material adverse effect on our business and financial performance

We operate in highly regulated industries. Our business and financial performance depends on our ability and the ability of our clients, suppliers, subcontractors and partners to comply on a timely and efficient basis with extensive national, regional and municipal laws and regulations relating to, among other matters, environmental, health and safety, building and zoning, labor, tax and other matters. The cost of complying with these laws and regulations can be substantial. In addition, compliance with these laws and regulations can cause scheduling delays. Although we believe we are in compliance with applicable laws and regulations in all material respects, including our concessions or similar contractual obligations, we cannot assure you we have been or will be at all times in full compliance. Failure by us or our clients, suppliers, subcontractors or partners to comply with these laws and regulations, or our concessions or similar contractual obligations, could result in a range of adverse consequences for our business, including subjecting us to significant fines, civil liabilities and criminal sanctions, requiring us to comply with costly restorative orders, the shutdown of operations, and revocation of permits and termination of concessions or similar contracts. In addition, we cannot assure you that future changes to existing laws and regulations, or stricter interpretation or enforcement of existing laws and regulations, will not impair our ability to comply with such laws and regulations, increase our compliance costs or impair our ability to perform our obligations with our clients, suppliers, subcontractors or partners as agreed.

We may be held liable for environmental damage caused by our operations

The nature of certain of our operations requires us to assume risks of causing environmental and other damages. We may be held liable for the environmental damage we cause, including the incidental consequences of human exposure to hazardous substances or other environmental damage. We may be subject to clean up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. Our environmental liability insurance may not be sufficient or may not apply to certain types of environmental damage. Any substantial liability for environmental damage could have a material adverse effect on our financial performance.

We are exposed to the risk of increasing environmental legislation and the broader impacts of climate change

With an increasing global focus and public sensitivity to environmental sustainability and environmental regulation becoming more stringent, our business could be subject to increasing environmental responsibility and liability. For example, the countries in which we operate are considering implementing, or have implemented, schemes relating to the regulation of carbon emissions. As a result, there is a risk that the consumer demand for some of the energy sources supplied by our company may gradually reduce in the long term. The nature and extent of future regulation in the various jurisdictions in which our operations are situated is uncertain but is expected to become more complex and stringent.

It is difficult to assess the impact of any such changes on our company. These schemes may result in increased costs to our operations that may not be able to be passed onto our customers and may have an adverse impact on prospects for growth of some businesses. To the extent such regimes (such as carbon emissions schemes or other carbon emissions regulations) become applicable to our operations (and the costs of such regulations are not able to be fully passed on to consumers), our financial performance may be impacted due to costs applied to carbon emissions and increased compliance costs.

Standards are set by these laws and regulations regarding certain aspects of environmental quality and reporting, provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where our operations are, or were, conducted. These laws and regulations may have a detrimental impact on the financial performance of our operations through increased compliance costs or otherwise. Any breach of these obligations, or even incidents relating to the environment that do not amount to a breach, could adversely affect our results of operations and our reputation and expose us to claims for financial compensation or adverse regulatory consequences.

Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate, which could result in more frequent and severe disruptions to our business and the markets in which we operate. In addition, customers' requirements for our services may vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, customers' demand for our services could increase or decrease depending on the duration and magnitude of changing weather conditions, which could adversely affect our business, results of operations and cash flows.

Additionally, changes in temperature and precipitation patterns associated with climate change may increase the energy consumption our infrastructure or cause service disruption due to extreme temperature waves, floods or extreme weather events. In addition, these changes may cause increases in the price of electricity due to, for example, reduction in hydraulic generation as a result of recurrent droughts. Further, as a result of global commitments to tackle climate change, new carbon dioxide taxes may be imposed and could affect, directly or indirectly, the company, and may have a negative impact on our results of operations.

Our ability to achieve our environmental, social and governance goals are subject to risks, many of which are outside of our control, and our reputation could be harmed if we fail to meet such goals

Companies across all industries are facing increasing scrutiny from stakeholders related to environmental, social and governance ("ESG") matters, including practices and disclosures related to environmental stewardship; social responsibility; diversity, equity and inclusion; and workplace rights. Our ability to achieve our ESG goals and objectives and to accurately and transparently report our progress presents numerous operational, financial, legal and other risks. If we are unable to meet our ESG goals or evolving stakeholder expectations and industry standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, our reputation, and therefore our ability to conduct business in each of the countries we operate, could be negatively impacted.

In addition, in recent years, investor advocacy groups and certain institutional investors have placed increasing importance on ESG matters. If, as a result of their assessment of our ESG practices, certain investors are unsatisfied with our actions or progress, they may reconsider their investment in our company.

We may not be able to effectively protect ourselves against financial market risks

Our operations are exposed to financial market risks, such as risks related to exchange rates, commodity prices and interest rates. Fluctuations in currency, commodity prices or interest rates could adversely affect our financial performance. We cannot assure you that derivative financial instruments, if any, will protect us from the adverse effects of financial market risks. While hedging transactions are intended to reduce market risks, such transactions may expose us to other risks, such as counterparty risk. We may not be able to adequately protect ourselves against financial market risks and may not ultimately achieve an economic benefit from our hedging strategy.

The loss of a key client in some of our lines of business may affect our business and financial performance

In some of our lines of business, such as our Infrastructure segment or our Colombian operations, a substantial amount of the revenue we receive is concentrated among a limited number of clients, including the Peruvian government. If one or more of these major clients fail or delay in paying our fees, or if there is a significant reduction or cancellation of business by one or more of these major clients, our business and financial performance may be adversely affected. If we are not able to capture new clients to replace the loss of business from existing key clients, our financial performance may be adversely affected.

Labor unrest could adversely affect our financial performance

All of our manual laborers and a portion of our employees are members of labor unions. Our practice is generally to extend benefits we offer our unionized employees to non-unionized employees. In our E&C segment, collective bargaining agreements are negotiated at two levels, on an annual basis between the Peruvian National Federation of Civil Construction and the Peruvian Chamber of Construction, without our direct involvement, and on a per project basis directly between the unions and us in accordance with such annual agreement.

We also have collective agreements with our employees in certain of our business segments, which are also negotiated periodically. Although we consider that our relationship with unions is currently positive, we cannot assure you that we will not experience work slowdowns, work stoppages, strikes or other labor disputes in the future, situations that could result in the interruption or delay of our operations. Such interruptions or delays could have an adverse impact on our business, including on the cost of our projects and our ability to make timely delivery. Moreover, our operations may also be affected by labor unrest in the workforces of our clients, suppliers, sub-contractors or partners.

The proceeds from our insurance policies may not be sufficient and we may not be insured against all risks

We maintain insurance coverage both as a corporate risk management strategy and in order to satisfy the requirements under certain regulations and contracts. We cannot assure you that proceeds from our insurance policies, however, will be sufficient to cover the damages resulting from any event covered by such policies. Certain risks are not covered under the terms of our insurance policies, such as interruption of operations. In such event, we may incur significant expenses to rebuild our facilities, repair or replace our equipment, or cover other damages. In addition, if any of our third-party insurers fail, abruptly cancel our coverage or otherwise cannot satisfy their insurance requirements to us, then our overall risk exposure and operational expenses could be increased. Moreover, we may not be able to renew our insurance policies on favorable terms, or at all. Although in the past we have been generally able to cover our insurance needs, we cannot assure you that we will be able to secure all necessary insurance in the future.

An increase in import duties and controls, supply shocks, or other restrictions on our obtaining instruments and equipment, may have a material adverse effect on our financial performance

Our future success depends in part on our ability to select and purchase high quality mechanical instruments and equipment at attractive prices. While we have historically been able to do so, such instruments and equipment may become subject to higher import taxes than currently apply. We cannot assure you that there will not be further increases in import taxes, changes in laws related to imports or the imposition of quotas by countries from which we import mechanical instruments and equipment, any of which could have a material adverse effect on our business. Additionally, particularly with the COVID-19 pandemic, supply shocks, including delays at ports has affected the cost, timely delivery and availability of certain machinery and spare parts, which may have an adverse effect on our business.

Furthermore, our and certain of our subsidiaries' ability to pay our instrument or equipment suppliers from abroad could be affected by possible failure to obtain, on a timely basis, authorization from the Ministry of Justice pursuant to Law 30737 to make such payments. Law 30737 requires that companies such as our company and certain of our subsidiaries that have been partners of companies that have been, or whose officers or representatives have been, convicted of, or have admitted to, corruption, money-laundering or similar crimes, submit money transfers abroad to the Peruvian Ministry of Justice for pre-approval. We cannot assure you that any such approvals will be granted in a timely manner or at all, and such restrictions may limit our ability to purchase necessary instruments and equipment.

Debarment from participating in government bidding processes could have an adverse impact on our business and financial performance

As a result of the ongoing investigations against our company, UNNA Transporte and Cumbra, will temporarily face debarment from participating in government bidding processes or entering into new contracts with the Peruvian government for two years after the homologation process. We cannot assure you that other subsidiaries will not face similar debarment sanctions in the future.

Approximately 0.1%, 5.4%, and 7.3% of our E&C revenues for 2020, 2021 and 2022, respectively, came from public-sector contracts in Peru. As of December 31, 2022, 30.0% of our backlog is comprised of contracts with the public sector. As a result, if we are debarred from participating in government bidding processes, our business and financial performance could be affected. To extent that economic conditions reduce private sector investments, being debarred from contracting with the Peruvian or other governments could further impact our company.

We may not be able to successfully expand outside of Peru

One of our long-term strategies has been to continue to expand our operations outside of Peru, particularly in Chile, Colombia and Brazil. We cannot assure you that we will be able to replicate our success in Peru in other countries. Our international expansion is subject to additional challenges, including: our ability to assimilate cultural differences and practices; our limited familiarity with local laws, regulators and contractors; our ability to attract and manage foreign personnel; the absence of a local workforce formed in our corporate values and familiar with our operations; competition in foreign markets, including from industry players with significantly greater local experience and reputation; and other risks specific to these countries. Moreover, we may not be able to make equity investments when needed by our foreign operations, due to restrictions imposed by Law 30737 on our ability to transfer funds abroad without pre-approval of the Peruvian Ministry of Justice.

Many countries in Latin America have suffered significant economic, political and social crises in the past, and these events may occur again in the future. If we are unable to overcome these challenges, we may not be able to successfully expand internationally.

We may not be able to make successful acquisitions

In the past, part of our long-term strategy was to evaluate strategic acquisition opportunities to expand our operations and geographic footprint, especially in Chile, Colombia and Brazil. We may not be able to identify appropriate acquisition opportunities, or, if we do, we may overpay for these acquisitions or may not otherwise be able to negotiate terms and conditions that are acceptable to us. We may also face difficulties obtaining financing to pay for acquisitions. Law 30737 currently requires that payments we make abroad be submitted to the Peruvian Ministry of Justice for pre-approval, and we cannot assure you that any such approvals will be granted in a timely manner or at all.

In addition, we may not be able to obtain regulatory approvals, including antitrust approvals, required to consummate acquisitions. Furthermore, even if we are able to successfully consummate an acquisition, we may encounter challenges in integrating the acquired business effectively and profitably into our operations. The integration of an acquisition involves a number of factors that may affect our operations, including diversion of management's attention, difficulties in retaining personnel and entry into unfamiliar markets. Acquired businesses may not achieve the levels of productivity anticipated or otherwise perform as expected. Acquisitions may bring us into businesses we have not previously conducted and expose us to additional business risks that are different from those we have traditionally experienced, including new geographic, market, operating and financial risks. Moreover, acquisitions involve special risks, including the potential assumption of unanticipated liabilities and contingencies. Even if such liabilities are assumed by the sellers, we may have difficulties enforcing our rights, contractual or otherwise. We cannot assure you that future acquisitions will meet our strategic objectives.

Our IT security measures may be breached or compromised and we may sustain system outages

Security breaches, whether intentional or unintentional, may threaten the confidentiality, integrity or availability of our information resources and may allow unauthorized access to our systems, disrupt our digital operations, corrupt data, or allow persons to misappropriate confidential data. Any breach of our network security measures could cause interruptions in our services or operations, damage our reputation and harm our ability to operate our business. This may result in client or supplier dissatisfaction and a loss of business. Our security measures may be inadequate to prevent security breaches, and we may be required to expend significant capital and other resources to protect against the threat of security breaches and to alleviate problems caused by breaches as well as by any unplanned unavailability of our IT systems caused by other reasons, which may adversely affect our business and financial performance.

Additional Risks Related to our Infrastructure Business

Our return on our investment in our concessions may not meet estimated returns

Our return on any investment in a concession is based on the terms and conditions of the concession, its duration and the amount of capital invested as well as the amount of revenues collected, debt service costs, payment of penalties and other factors. For example, traffic volume at toll roads may be affected by a number of factors beyond our control, including security conditions; general economic conditions; demographic changes; fuel prices; reduction in commercial or industrial activities in the regions served by the roads; changes in laws regarding toll payments, including related to the effects of the COVID-19 pandemic; and natural disasters. Although some of our concessions allow for adjustments based on economic conditions, certain concessions provide that adjustment requests be approved only if certain limited events specified in our concession contracts have occurred. If a request of adjustment is not granted, our financial performance could be affected. Given these factors and the possibility that governmental authorities could implement policies that affect our contractual return on investment in a way that we did not anticipate, we cannot assure you that our return on any investment under any concession will meet our estimates.

Governmental entities may prematurely terminate our concessions and similar contracts under various circumstances, some of which are beyond our control

Our ability to continue operating our concessions and similar public-sector contracts depends on governmental authorities, which may terminate the concession or contract pursuant to the provisions set forth therein or in accordance with applicable legislation, including the failure to comply with any contractual terms (including the concessionaire's default on debt) or applicable law, including after giving effect to changes in laws (including any changes related to the effects of the COVID-19 pandemic). Moreover, the relevant governmental authority may terminate and/or repossess a concession at any time, if, in accordance with applicable law, the governmental authority determines that it is in the public interest to do so. The relevant governmental authority may also assume the operation of a concession in certain emergency situations, such as war, public disturbance or threat to national security. In addition, in the case of force majeure, the relevant governmental authority may require us to implement certain changes to our operations. If the government terminates any of our concessions, under Peruvian law, it is generally required to compensate us for the amount of our unrecovered investment, unless the concession is revoked pursuant to applicable law or the terms of the concession which would imply a serious breach of the concession's terms by us. Such compensation process is likely to be time consuming and the amount paid to us may not fully compensate us. We cannot assure you that we would receive such compensation on a timely basis or in an amount equivalent to the value of our investment in a concession plus lost profits.

We are exposed to risks related to the operation and maintenance of our concessions and similar contracts

The operation and maintenance requirements under our concessions could encounter delays or cause us to exceed our budgeted costs for such projects, which could limit our ability to realize the expected return on these projects, increase our operating or capital expenses and adversely affect our business and financial performance. In addition, our operations may be adversely affected by interruptions or failures in the technology and infrastructure systems that we use to support our operations, including toll road collection and traffic measurement systems. The Lima Metro in particular may be susceptible to outages due to power loss, telecommunications failures and similar events. The failure of any of our technology systems may cause disruptions in our operations, adversely affecting our profitability. While we have business continuity plans in place to reduce the adverse impact of information technology system failures on our operations, we cannot assure you that these plans will be effective. Furthermore, accidents and natural disasters may also disrupt the construction, operation or maintenance of our projects and concessions, which could adversely affect our business and financial performance.

We may not be successful in obtaining new concessions

The market for infrastructure concessions in the Latin America region is competitive. We compete with Peruvian and foreign companies for infrastructure concessions, some of whom may have greater financial and other resources or particular expertise pertinent to a specific concession. Additionally, our public-sector clients may face budget deficits that may prohibit the development of infrastructure concessions, which could affect our business. We may also not be able to obtain additional concessions if the government decides not to award new concessions, due to budget constraints or policy changes or because alternative financing mechanisms are used. Recently, the awarding of concessions and the use of public-private associations in Peru have stalled, due in part to concerns related to the corruption scandal surrounding Odebrecht and its potential effect on government officials in the country. In addition, we are temporarily unable to bid for or participate in new public procurement contracts due to the Collaboration and Benefits agreement that we executed with Peruvian prosecutorial authorities. Our inability to bid for or obtain new concessions may adversely affect our business and financial performance.

Additional Risks Related to our Energy Business

A substantial or sustained decline in oil prices would adversely affect our financial performance

The revenue of our energy business depends upon prevailing prices for oil. Historically, oil prices and markets have been volatile and are likely to continue to be volatile in the future. Moreover, global oil prices have fluctuated significantly in recent years, with the average Brent crude prices increasing to US\$66.00 per barrel in 2019. The price of oil dropped precipitously due in part to the COVID-19 pandemic as well as to disputes between OPEC members, to US\$18.83 as of April 30, 2020. The price of oil recovered slowly during 2020 and early 2021, reaching US\$48.93 as of December 31, 2020 and US\$72.39 as of December 31, 2021. On March 31, 2022, the price of oil reached US\$104.64 per barrel. As of December 31, 2022, the price of oil was US\$77.02 per barrel.

Oil is a commodity and its price is subject to wide fluctuations in response to relatively minor changes in supply and demand for oil, market uncertainty, and a variety of additional factors beyond our control. Those factors include, among others: global demand and supply; political developments in producing regions; weather conditions; governmental regulations; international conflicts and acts of terrorism; the price and availability of alternative sources of energy; and overall local and global economic conditions. Moreover, lower oil prices may not only decrease our revenues on a per unit basis but may also reduce the amount of oil we can produce economically, if any, and, as such, may have a negative impact on the reserves of the fields in which we operate. As result, our financial performance could be materially and adversely affected by declines in oil prices.

Our reserves estimates depend on many assumptions that may turn out to be inaccurate and are not subject to review by independent reserve auditors

The process of estimating oil and gas reserves is complex, although the fields where we produce oil and gas are mature (Block III for approximately 100 years, Block IV for approximately 95 years and Block V for over 50 years). In order to prepare our reserves estimates presented in this annual report, we must project production rates and timing of development expenditures as well as analyze available geological, geophysical, production and engineering data, and the extent, quality and reliability of this data can vary. The process also requires economic assumptions about matters such as oil prices, drilling and operating expenses, capital expenditures, taxes, and availability of funds. Therefore, estimates of reserves are inherently imprecise. Moreover, our reserve estimates included in this annual report have been prepared internally by our team of engineers and have not been audited or reviewed by independent engineers. Future real production, oil and gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable reserves will most likely vary from the estimates presented in this annual report, and those variances may be material. Any significant variance could materially affect the estimated reserves of the fields in which we operate.

Our license, service and operation contracts with Perupetro and Petroperu have expiration dates

We operate and extract oil and natural gas from Blocks III and IV under 30-year license agreements with Perupetro, which expire in April 2045. Additionally, we operate and extract oil and natural gas from Block V under a 30-year hydrocarbon extraction service contract with Perupetro, which was extended for an additional 10-year term and expires in October 2023. Our operations in Block I expired on December 26, 2021. The concession of Terminales del Peru for the operation of the north and central fuel terminals for PetroPeru have 20-year terms, providing storage. We cannot assure you that we will maintain these operations after the expiration of the contracts, on similar terms or at all, or that we will be able to cease the operation of such assets on favorable terms for the company.

We may not be able to finance our mandatory capital expenditure requirements in connection with our oil and gas operations and storage and distribution business

We operate and extract oil from Blocks III and IV under two license agreements with Perupetro. Pursuant to the license agreements, we have assumed mandatory investment commitments of 560 wells on both blocks. If we are not able to fulfill our mandatory capital expenditures under our license agreements, our business and financial performance could be adversely affected. See “Item 4.B. Information on the Company—Business Overview—Energy.”

Additionally, we operate five fuel terminals in the northern and central regions of Peru with mandatory capital expenditure requirements. If we are not able to fulfill our mandatory capital expenditures under our contracts or if the recognition of investments is delayed, our business performance could be adversely affected.

Additional Risks Related to our Real Estate Business

We are exposed to risks associated with the development of real estate

Our real estate business is subject to the risks that generally affect the real estate industry, such as availability and prices of suitable land, environmental and zoning regulations, interruptions in supply and volatility of the prices of construction materials and equipment, and changes in the demand for real estate. Our real estate business is specifically affected by the following risks: macroeconomic conditions in Peru that may impact the growth of the real estate sector as a whole, particularly in the residential market, including an increase in unemployment or a decrease in wage levels; an increase in prevailing interest rates or lack of available credit; changes in government subsidies for affordable housing; unfavorable real estate market conditions, such as an oversupply of residential units or scarcity of suitable land in particular areas; the level of customer interest in our new projects or the sales price per unit necessary to sell the unit may be lower than expected; customer perception of the security, convenience and attractiveness of our projects and the areas in which they are located; cost overruns, many of which may be beyond our control, that exceed our estimates and affect our profit margins, including the price of labor, land, insurance, taxes and public charges; the construction and sale of units may not be completed on schedule; bankruptcy or significant financial difficulties of large industry players, which cause a loss of confidence in the industry; limitations when contracting with government entities; and restrictions on real estate development imposed by local, regional and national authorities which may render restrictive laws and regulations. To a lesser extent, the real estate business has also been negatively impacted by modifications by the government to a program (*Bono de Buen Pagador*) that encourages social interest housing sales and access to credit. Any of the above events may have a material adverse effect on our business and financial performance.

Real estate prices may decline

Real estate prices in Peru have generally risen over the last decade, supported by a higher demand for housing and an increase in the cost of construction materials. Although real estate prices are expected to continue to rise in the coming years due to a shortage of housing, they are not expected to grow at the same rate as in the past, and we cannot assure you that they will rise at all. In particular, real estate prices in Peru may decline due to political conflict, a rise in interest rates and lack of subsidies from the government. If real estate prices decline significantly, our business and financial performance could be materially and adversely affected.

Our business may be adversely affected if we are not able to obtain the necessary licenses and/or authorizations for our developments on a timely basis

Real estate development requires obtaining certain licenses, authorizations and registrations. In Peru, municipal authorities are responsible for issuing most of the licenses that are required during the development stage, including zoning, demolition, construction and conformity (*conformidad de obra*) licenses, among others. As of December 31, 2022, we have approximately six real estate projects in various stages of development. For some of these projects, we have not yet initiated administrative proceedings with the appropriate authorities, or such proceedings are pending approval. A denial or an extended delay in issuing licenses, authorizations or registrations, or an extended delay by municipal authorities in approving licensing procedures, may render land unsuitable for development, delay the completion of planned projects, increase our costs or otherwise negatively impact the pricing of projects and adversely affect our business and financial performance.

The current political situation in Peru, and the economic uncertainty that may result, could adversely affect the ability or willingness of prospective buyers to purchase real estate properties. The scarcity of financing, an increase in interest rates or an increase in the security required by financial institutions as collateral may adversely affect the ability or willingness of prospective buyers to purchase our real estate properties. In most cases, the purchasers of our residential or commercial properties finance at least part of the purchase price with mortgage loans. On the other hand, in 2020, 2021 and 2022, approximately 91%, 92% and 92% respectively, of our residential units were sold to purchasers who received government subsidies to finance the purchase of homes. An increase in interest rates, whether as a result of market conditions or government action, may cause a decrease in the demand for our residential and commercial properties and for land development. An increase in interest rates could also increase our own financing costs, which may, in turn, increase the sale price of our projects and adversely affect our business and financial performance.

We may experience difficulties in finding desirable land and increases in the price of land may increase our cost of sales and decrease our earnings

The continued growth of our real estate business depends in large part on our ability to continue to acquire land at a reasonable cost, free of liens and encumbrances and in locations suitable for development. As more developers enter or expand their operations in the Peruvian real estate sector, land prices could rise significantly and suitable land could become scarce or overpriced due to increased demand or decreased supply. A resulting rise in land prices may increase our cost of sales and decrease our earnings. We may not be able to acquire suitable land at reasonable prices in the future, which may have a negative impact on our financial performance.

Changing market conditions may adversely affect our ability to sell home inventories in our land and at expected prices

There is a lag between the time we acquire land and the time that we can bring the developed properties to market. Lag time varies by sector and on a project-by-project basis. As a result, we face the risk that demand for real estate may decline or that other developments may occur during this period that affect market conditions, and that we will not be able to dispose of developed properties or undeveloped land at expected prices or profit margins or within anticipated time frames or at all. Significant expenditures associated with investments in real estate, such as maintenance costs, architectural fees in high-end projects, construction costs and debt payments, cannot generally be reduced if changes in market conditions cause a decrease in expected revenues from our properties. Moreover, the market value of home inventories and undeveloped land can fluctuate significantly because of changing market conditions. As a result of these and other factors beyond our control, we may be forced to sell properties or land at a loss or for prices that generate lower profit margins than we anticipate.

Additionally, the Peruvian government has adopted the *Nuevo Crédito MiVivienda* and *Techo Propio* programs, among others, which promote access to affordable housing in Peru by providing government subsidies to individuals for the purchase of homes. If these subsidies are reduced or eliminated, we may not be able to sell our expected home inventories at expected prices and our revenues and backlogs could be affected.

Determinations by INDECOPI may adversely affect our ability to enforce binding contracts

In resolving consumer protection complaints in the real estate sector, INDECOPI has made determinations against real estate developers resulting in the modification of contractual provisions applicable to purchasers. Some purchasers of real estate properties have taken advantage of these INDECOPI determinations and filed complaints against developers before INDECOPI and/or made public claims through the media seeking to obtain compensation for alleged deficiencies in housing construction as well as the modification of the terms of their contracts, which may have a negative impact on our real estate business. Although we have a small number of such complaints in INDECOPI, an increase in consumer complaints and consumer protective measures, particularly those resulting in the modification of contractual terms, may affect our ability to enforce our contracts under their original terms if we are not able to counter such claims, which in turn may have a negative impact on our real estate business.

Additional Risks Related to our Engineering and Construction Business

We are vulnerable to the cyclical nature of the end-markets we serve

Demand for our engineering and construction services is dependent on conditions in the end-markets we serve, which include, among others, the mining, power, oil and gas, transportation, real estate and other infrastructure sectors in Peru, as well as the mining sector in Chile and the energy sector in Colombia. Consequently, our engineering and construction business is closely linked to the performance and growth of these sectors, and it is exposed to many of the risks faced by our clients operating in these sectors, over which we have no control. These industries tend to be cyclical in nature and, as a result, although downturns can impact our entire company, our engineering and construction business has historically been subject to periods of very high and low demand.

Factors that can affect these sectors include, among others, macroeconomic conditions, climate conditions, the level of private and public investment, the availability of credit, changes in laws and regulations, and political and social stability. Mining and oil and gas sectors, in particular, are also driven by worldwide demand for the underlying commodities, including, among others, silver, gold, copper, oil and gas, which can be affected by such other factors as global economic conditions and geopolitical affairs.

A decline in prices for minerals, oil and gas has had in the past, and could have in the future, a significant impact on our clients' exploration and production activities and, as a result, on their demand for our engineering and construction services. Many of these sectors were adversely affected by the COVID-19 pandemic and governments' extraordinary measures to limit the spread of the virus. Adverse developments in the end-markets served by our engineering and construction business could have a material adverse effect on our financial performance.

Decreases in capital investments by our clients may adversely affect the demand for our services

Our engineering and construction business is directly affected by changes in private-sector and, to a lesser extent, public-sector investments for large-scale infrastructure projects. In addition, our engineering and construction business is directly affected by the availability and cost of financings for these projects. In the markets where we operate, investments and financings for large-scale projects have historically been influenced by macroeconomic and other factors which are beyond our control, including in the case of public-sector investment or government spending levels. As a result, we cannot assure you that clients will not choose to limit or not undertake new projects or delay, suspend or cancel existing projects.

In 2020, Peru experienced a decrease in the growth rate of 16.2% in private and public investments compared to an increase of 35.0% in 2021 and 0.9% in 2022. Reductions in anticipated capital investments or available financing for large-scale projects could have a material adverse effect on our financial performance.

Our revenues may fluctuate based on project cycles, which we may not control

The substantial majority of the revenues from our engineering and construction business is generated from project awards, the timing of which may be unpredictable and outside of our control, especially considering the highly competitive bidding processes and complex and lengthy negotiations they involve. These processes can be impacted by a wide variety of outside factors including governmental approvals, financing contingencies and overall market and economic conditions. Moreover, because a significant portion of our revenues is generated from largescale projects, our results of operations can fluctuate quarterly or yearly depending on whether and when project awards occur and the commencement and progress of work under awarded contracts. As a result, we are subject to the risk that revenues may not be derived from awarded projects as quickly as anticipated.

Our business may be adversely affected if we incorrectly estimate the costs of our projects

We conduct our engineering and construction business under various types of contractual arrangements where costs are estimated in advance. In some of our contracts (i.e., lump-sum, unit price and EPC), we bear the risk of some or all unanticipated cost overruns, including those due to inflation or certain unforeseen events. Risks under contracts which could result in cost overruns include: difficulties in performance of our subcontractors, suppliers, or other third parties; changes in laws and regulations or difficulties in obtaining permits or other approvals; unanticipated technical problems; unforeseen increases in the cost of inputs, components, equipment, labor, or the inability to obtain these on a timely basis; delays caused by weather conditions; incorrect assumptions related to productivity or scheduling estimates; and project modifications that create unanticipated costs or delays. These risks tend to be exacerbated for longer term contracts since there is increased risk that the circumstances under which we based our original bid could change. In many of our contracts, we may not be able to obtain compensation for additional work performed or expenses incurred. Our failure to estimate accurately the resources and time required to complete a project could adversely affect our profitability. Even under our cost-plus contracts, our inability to complete projects within the estimated budget could affect our relationship with our clients and negatively impact awards of future contracts. As a result, if we incorrectly estimate the costs of our projects, our business and financial performance could be adversely affected.

We may be unable to deliver our services in a timely manner

The success of our engineering and construction business depends on our ability to meet the standards and schedules required by our clients. Significant delays that prevent us from providing our services on agreed time frames could adversely affect our client relations and reputation. Delays may occur for a number of reasons, including: the COVID-19 pandemic and government measures to curb the spread of the virus; our inability to adequately foresee the needs of our clients; delays caused by our joint operation partners, subcontractors or suppliers; insufficient production capacity; equipment failure; shortage of qualified workers; changes to applicable regulations; and natural disasters. Failure to finish construction by the contractual completion date set forth in the contract could result in costs that reduce our projected profit margins, including a requirement to pay daily penalties and damages. If we are unable to meet deadlines, either due to internal problems or as a result of events over which we have no control, we may lose the trust of our clients and, therefore, experience a decrease in the demand for our services. In such event, our business and financial performance could be adversely affected.

Equipment that we need, including spare parts and components required for project development, may become unavailable or difficult to procure, inhibiting our ability to maintain full availability of existing facilities and also our ability to complete development projects on scope, schedule and budget

Equipment and spare parts may become unavailable or difficult to procure on terms consistent with those that we have budgeted for. For example, some jurisdictions in which we operate have experienced supply chain challenges resulting from bottlenecks caused by, among other things, increases in demand and challenges involved with ramping up to meet this demand.

While supply chain disruptions that occurred globally in 2021 did not materially impact our business or operations, supply chains could be further disrupted in the future by factors outside of our control. This could include (1) a reduction in the supply or availability of the commodities required to produce the parts and components that we need to maintain existing projects and develop new projects from our development pipeline, (2) lockdowns and workforce disruptions caused by the ongoing COVID-19 pandemic, (3) the potential physical effects of climate change, such as increased frequency and severity of storms, precipitation, floods and other climatic events and their impact on transportation networks and manufacturing centers, and (4) economic sanctions or embargoes, including those relating to human rights concerns in jurisdictions that produce key materials, components or parts.

Any material delays in procuring equipment or significant cost increases could adversely impact our business and financial condition.

We may not be able to obtain compensation for additional work or expenses incurred as a result of client-requested change orders

Clients often determine, after commencement of the project, to change various elements of the project. Some of our contracts may also require that clients provide us with design or engineering information or with equipment or materials or land rights to be used on the project. In some cases, the client may provide us with deficient design or engineering information or equipment or materials or may provide the information or equipment or materials or land rights to us later than required by the project schedule.

Our project contracts generally require the client to compensate us for additional work or expenses incurred due to client requested change orders or failure of the client to provide us with specified design or engineering information or equipment or materials or land. Under these circumstances, we generally negotiate with the client with respect to the amount of additional time required to make these changes and the compensation to be paid to us.

We are subject to the risk that we are unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate amounts to compensate us for the additional work or expenses incurred by us due to client-requested change orders or failure by the client to timely provide required items. A failure to obtain adequate compensation for these matters could require us to record an adjustment to amounts of revenue and gross profit that were recognized in prior periods. Any such adjustments, if substantial, could have a material adverse effect on our financial performance.

We may have difficulty obtaining performance bonds that we require in the normal course of our operations

In our engineering and construction business, it is industry practice for customers to require performance bonds or other forms of credit support to secure, among other things, bids, advance payments and performance. We cannot assure you that in the future we will not encounter difficulties in obtaining such performance bonds or credit support. The Peruvian market for these types of credit instruments is small; moreover, under Peruvian banking regulations, lenders are required to impose limits on the amount of credit they extend to a group of affiliated companies. Failure to provide performance bonds or credit support on terms required by clients may result in our inability to compete for or win new projects.

Moreover, under certain contracts, we may be obligated to maintain performance bonds during the course of litigation, significantly increasing the costs incurred as a result of a dispute. This also may expose us to the risk that a client may enforce the performance bond without regard to the merits of its claim which, in turn, may debilitate our negotiating position with the client and consequently impair our ability to favorably resolve the dispute. The enforcement of a performance bond by any of our clients may affect our ability to obtain new performance bonds for new projects.

Our use of the percentage-of-completion method of accounting for our Engineering and Construction segment could result in a reduction of previously recorded profits

Revenue from (E&C) contracts is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance; the Company's performance creates or improves an asset that the customer controls as the asset is created or improved; and the Company's performance does not create an asset with an alternative use to which the Company fulfills its obligations, as there is a continuing transfer of control of the deliverable to the customer in accordance with the terms of those contracts. For these reasons, the Corporation accounts for revenue over time by measuring progress toward complete satisfaction of its performance obligations under each contract.

The Company uses the output method to measure the physical percentage of completion based on performance analysis of projects performed by the Company's experts. AENZA believes that this method represents the transfer of control of goods or services to clients on a periodic basis of project performance which provides an accurate representation of the transfer of services to the client, as it reflects an enforceable right of payment by the Company for work performed to date.

The Company assesses whether changes in rights and obligations in a contract modification are enforceable when one or more of the following conditions are met: a) the contract, applicable law or other evidence provides a legal basis for the modification; b) the additional costs were caused by unforeseen circumstances at the date of execution of the contract and not as a result of deficiencies incurred by the Company's performance; c) the costs related to the modification are identifiable and considered reasonable in light of the work performed; or d) the evidence supporting the modification is objective and verifiable. When one or more of the above conditions are met, the Company considers the changes in rights and obligations in the contract modification to be enforceable.

The nature of some contracts, such as cost plus fee contracts, unit price contracts or similar contracts give rise to variable consideration that may include reimbursable costs, incentives and penalties. The Company estimates the change in the transaction price resulting from variable consideration when the transaction price has not yet been approved by the customer, in accordance with the requirements of IFRS 15. To include variable consideration related to a contract modification in the estimated transaction price, the Company must conclude that it is "highly probable" that a significant revenue reversal will not occur. The Company determines the likelihood of revenue reversal occurring (and, therefore, whether such price will be recovered) based on an analysis of whether any of the following factors are present: i) contractual entitlement; ii) past practice with the customer; iii) specific discussions or preliminary negotiations with the customer; or iv) verbal approval by the customer. If, as a result of such analysis, the Company concludes that it is "highly probable" that there will not be a significant reversal of the amount of revenue recognized, it recognizes the variable consideration related to the contract modification. When the benefit of the contract cannot be reliably estimated, the associated revenue is recognized to the extent that the costs incurred are recoverable. Revenue is invoiced upon receipt of customer approval. When it is probable that total contract costs will exceed the related revenue, the expected loss is recognized immediately.

The Company estimates the amount of revenue to be recognized as variable consideration using judgmental judgments and estimates to determine the most probable value, based on which is expected to best predict the amount of consideration to which the Company will be entitled.

While management believes that the estimates made are reasonable and made in accordance with the above methodology, given the uncertainties associated with these types of contracts and inherent in the nature of some of the industries in which we operate, it is possible for actual costs to vary from estimates previously made, including due to changes in facts and circumstances, which may result in reductions or reversals of previously recorded profits.

Risks Related to Peru

Economic, social and political developments in Peru could adversely affect our business and financial performance

The substantial majority of our operations are conducted in Peru and depend on economic and political developments in the country. As a result, our business may be materially and adversely affected by economic downturns, currency depreciation, inflation, interest rate fluctuation, government policies, regulation, taxation, social instability, political unrest, drug trafficking, terrorism and other developments in or affecting the country, over which we have no control. In the past, Peru has experienced periods of severe economic recession, large currency devaluation and high inflation. We cannot assure you that Peru will not experience similar adverse economic developments in the future. In addition, Peru has experienced periods of political instability that has included a succession of regimes with differing economic policies and programs. Previous governments have imposed controls on prices, exchange rates, local and foreign investments and international trade, restricted the ability of companies to dismiss employees, expropriated private-sector assets and prohibited the remittance of profits to foreign investors. We cannot assure you that the Peruvian government will continue to pursue open-market policies that stimulate economic growth and social stability and that the risk of expropriation of the concessions where we operate will not materialize.

Moreover, investigations against former or current government officials relating to bribery payments made by Odebrecht have, and may continue to, result in political uncertainty in Peru. In March 2018, President Pedro Pablo Kuczynski presented his resignation, due to allegations of corruption for vote-buying in connection with the impeachment proceeding against him, and his first vice president, Martín Vizcarra, was sworn in as acting president. In September 2019, the executive branch, invoking article 134 of the constitution, dissolved Congress and called for new legislative elections which were held in January 2020. Following these elections, the Peruvian executive and legislative branches have been at odds over several important economic and social measures, including initiatives to address the economic and social impact of the COVID-19 pandemic on Peru. In November 2020, Congress impeached and removed from power Mr. Vizcarra and appointed Manuel Merino as President, who in turn resigned five days after his appointment as was replaced by Francisco Sagasti. Criminal investigations have been initiated against former presidents Alejandro Toledo, Ollanta Humala, Alan García, Pedro Pablo Kuczynski and Martín Vizcarra. On April 17, 2019, former President Alan García committed suicide as prosecutors were preparing to detain him over matters relating to criminal investigations. Several corruption scandals regarding authorities at municipal, regional and national government levels are also ongoing, and former government officials have been detained. These corruption investigations resulted in lower investments in large projects.

Peru's general elections to elect the president and all congressional members for 2021-2026 were held on April 11, 2021. As a result, the candidates for president, Mr. José Pedro Castillo Terrones and Mrs. Keiko Sofia Fujimori Higuchi obtained the highest number of votes but no outright majority, giving place to a ballottage presidential run-off that was held on June 6, 2021, with Mr. Castillo resulting elected as the new President.

On December 7, 2022, Peru's former President Pedro Castillo illegally announced the dissolution of Congress, among other measures such as the intervention of the Prosecutor's Office, the Judicial System and the Constitutional Court, and was arrested. Dina Boluarte, Castillo's first vice president, was sworn in as president the same day to serve until July 2026. After Pedro Castillo's vacancy in December 2022, several riots and road blockades took place, mainly in the southern regions of Peru. In addition, amidst ongoing protests, the new government has made a series of proposals to Congress to approve early elections, however, Congress has not obtained sufficient votes to accelerate the presidential elections.

We cannot assure you whether the Peruvian government will continue to pursue business-friendly and open-market economic policies that stimulate economic growth and stability. Moreover, we cannot assure you that measures negatively impacting private investment, such as higher taxation or exchange controls, will not be implemented.

Uncertainty derived from the current political situation may cause clients to postpone investment decisions or may disrupt Peruvian markets which, in turn, could have a significant negative effect on our business. The political instability caused by these events could also affect macroeconomic conditions in the country, including currency volatility, as well as have a negative effect on our business.

Fluctuations in the value of Peruvian sol could adversely affect financial performance

Fluctuations in the value of the sol relative to the U.S. dollar could adversely affect Peru's economy. In addition, fluctuations in the value of the sol to the U.S. dollar can materially adversely affect our results of operations.

In 2020, 36.1% and 47.4% of our revenues were denominated in soles and U.S. dollars, respectively, whereas 49.3% and 29.5% of our costs of sales were denominated in soles and U.S. dollars, respectively. In 2021, 40.0% and 42.6% of our revenues were denominated in soles and U.S. dollars, respectively, whereas 61.4% and 18.8% of our costs of sales were denominated in soles and U.S. dollars, respectively.

In 2022, 39.3% and 43.8% of our revenues were denominated in soles and U.S. dollars, respectively, whereas 55.8% and 25.9% of our costs of sales were denominated in soles and U.S. dollars, respectively. In the past the exchange rate between the sol and the U.S. dollar has fluctuated significantly. We cannot assure you that the value of sol against other currencies will not fluctuate significantly in the future, which could adversely affect the Peruvian economy and our business, financial condition, and results of operations.

In addition, although Peruvian law currently imposes no restrictions on the ability to convert soles to foreign currency, in the past, Peru imposed exchange controls, including controls affecting the remittance of dividends to foreign investors. We cannot assure you that exchange controls in Peru will not be implemented in the future. The imposition of exchange controls could have an adverse effect on the economy and on your ability to receive dividends from us as a holder of ADSs.

Inflation could adversely affect our financial performance

In the past, Peru has suffered through periods of hyperinflation, which have materially undermined the Peruvian economy and the government's ability to create conditions that support economic growth. A return to a high inflation environment would also undermine Peru's foreign competitiveness, with negative effects on the level of economic activity and employment.

As a result of reforms initiated in the 1990s, Peruvian inflation decreased significantly from four-digit inflation during the 1980s. The Peruvian economy experienced annual inflation of 2.0% in 2020, as measured by the Peruvian Consumer Price Index (*Indice de Precios al Consumidor del Peru*). Nonetheless, in 2021 the inflation rate rose to 6.4% and 8.5% in 2022, a 30-year peak, due mostly to global supply chain issues and the recovery of global demand in relation to the COVID-19 pandemic.

If Peru experiences substantial inflation in the future, our costs of sales and administrative expenses could increase which could affect our operating margins. Inflationary pressures may lead to governmental intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Peruvian economy. For example, in response to increased inflation, the Peruvian Central Bank, which sets the Peruvian basic interest rate, may increase or decrease the basic interest rate in an attempt to control inflation or foster economic growth.

Changes in tax laws may increase our tax burden and, as a result, negatively affect our financial performance

The Peruvian Congress and government regularly implement changes to tax laws that may increase our tax burden. These changes may include modifications in our tax rates and, on occasions, the enactment of temporary taxes that in some cases have become permanent taxes. The effects of any tax reforms that could be proposed in the future and any other changes that result from the enactment of additional reforms have not been, and cannot be, quantified. However, any changes to our tax regime may result in increases in our overall costs and/or our overall compliance costs, which could negatively affect our financial performance.

Earthquakes, severe weather and other natural disasters could adversely affect our business and financial performance

Peru is located in an area that experiences seismic activity and occasionally is affected by earthquakes. For example, in 2007, an earthquake with a magnitude of 7.9 on the Richter scale struck the central coast of Peru, severally damaging the region south of Lima. Such conditions may result in physical damage to our properties and equipment, closure of one or more of our project sites and infrastructure concessions, inadequate work forces in our markets and temporary disruptions in the supply of construction materials. In addition, Peru has also experienced adverse climate conditions (due to climate change or otherwise) and adverse weather patterns, such as El Niño, an oceanic and atmospheric phenomenon that causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Peru and potentially flooding in certain areas of Peru, on the one hand, and simultaneous draughts in the southern Andean region of the country, on the other hand.

In the beginning of 2023, Peru has experienced intense rainfall and weather conditions resulting in overflow risk, mudslides and floods. Most recently, on March 15, 2022, heavy rainfall led to floods and landslides in the town of Retamas, La Libertad, which caused the destruction of many homes and caused several deaths. In addition, the National Service of Meteorology and Hydrology of Peru (*Servicio Nacional de Meteorología e Hidrología del Perú*) and the National Study of the El Niño Phenomenon (*Estudio Nacional del Fenómeno El Niño*), maintained a state of alert as it expects El Niño conditions to continue until at least July 2023. Poor weather conditions can have significant adverse effects on our engineering and construction activities as well as on our operation and maintenance of infrastructure assets business. Any of these factors may materially adversely affect the Peruvian economy and our business and financial performance.

A resurgence of terrorism in Peru could adversely affect the Peruvian economy and, as a result, our business and results of operations

In the past, Peru experienced severe terrorist activity that reached its peak of violence against the government and private sector in the late 1980s and early 1990s. In the mid-1990s, terrorist groups suffered significant defeats, including the arrest of leaders, resulting in considerable limitations in their activities. Despite the suppression of terrorist activity, we cannot assure you that a resurgence of terrorism in Peru, or other organized criminal activity, including drug trafficking, will not occur, or if there is such a resurgence, it will not disrupt the economy of Peru and our business.

The Peruvian economy could be affected by adverse economic developments in regional or global markets

Financial and securities markets in Peru are influenced, to varying degrees, by economic and market conditions in regional or global markets. Although economic conditions vary from country to country, investors' perceptions of events occurring in one country may adversely affect cash flows and securities from issuers in other countries, including Peru. Changes in social, political, regulatory and economic conditions in large economies or in laws and policies governing foreign trade or affecting global financing conditions could create uncertainty in the international markets and could have a negative impact on emerging market economies, including the Peruvian economy, which in turn could have a negative impact on our operations. Since mid-March of 2020, the ongoing COVID-19 pandemic has disrupted economic activity and caused a global recession. The worsening of current global conditions or a new economic or financial crisis could affect Peru's economy and, consequently, materially adversely affect our business and financial performance.

Risks Related to Chile, Colombia and other Latin American Countries

We face risks related to our operations outside of Peru

Latin American economic, political and social conditions may adversely affect our business. In 2022, the Latin America region underwent political and governmental shifts towards anti-capitalist political agendas. In the countries where we operate (Peru, Colombia and Chile), the changes of government have generated greater uncertainty about their economic and social stability. Our financial performance may be significantly affected not only by general economic, political and social conditions in Peru but also in other markets where we operate or intend to operate, including Chile and Colombia. During 2020, 2021 and 2022 approximately 18.2%, 18.9% and 17.8%, respectively, of our revenues on a consolidated basis derived from operations outside of Peru. The change in the legal framework of the countries where we operate could adversely affect our business and financial performance. These countries have suffered significant economic, political and social crises in the past, and these events may occur again in the future. We cannot predict whether changes in current administrations will result in changes in governmental policy and whether such changes will affect our business. Instability in the region has been caused by many different factors, including: significant governmental influence over local economies, substantial fluctuations in economic growth, high levels of inflation, changes in currency values, exchange controls or restrictions on expatriation of earnings, high domestic interest rates, wage and price controls, changes in governmental economic or tax policies such as including retroactive changes, imposition of trade barriers such as import duties on information technology equipment, electricity rationing, liquidity of domestic capital and lending markets, unexpected changes in regulation, expropriations, and high levels of organized crime, terrorism and social conflicts as well as overall political, social and economic instability. Moreover, macroeconomic conditions in these countries are highly influenced by global commodity prices, including the price of copper for Chile and the price of oil and gas for Colombia.

In addition, beginning in October 2019, Chile has suffered from widespread social unrest and vandalism that has had a significant economic and political impact on the country. The protests began over the government's announcement of an increase in subway fares in Santiago and quickly grew into broader unrest over economic inequality, including claims about transportation costs, funding for education, health care costs and pension amounts, among others. The Chilean government imposed a state of emergency and nighttime curfews in Santiago and other cities; however, protests and violence continued. The Chilean government took a series of social and economic measures to tackle the issues at the heart of the unrest and the Chilean congress convened a plebiscite initially to be held in March 2020, which was rescheduled to October 25, 2020 as a result of the COVID-19 pandemic, to determine whether constitutional amendments should be implemented. By democratic majority, the Chilean constituents to the plebiscite voted to amend the Chilean Constitution. A new Chilean Constitution was drafted by a constitutional convention whose members were elected in May 2021 and subsequently rejected by a national plebiscite held in September 2022. Following the plebiscite's rejection, the Chilean congress approved a second constitutional process which is expected to be submitted for ratification in December 2023. The new constitution may contain changes that generate uncertainty and potential instability. In addition, in December 2021, Mr. Gabriel Boric Font was elected as the new President of Chile and took office in March 2022. We cannot assure you that the newly-elected Chilean government will continue to pursue business-friendly and open-market economic policies that stimulate economic growth and stability.

Beginning in November 2019 and more recently in 2021, Colombia has experienced civic unrest, including a national strike and anti-government protests. Demonstrators in the country, protesting for several reasons, including opposing certain economic and political reforms proposed by the administration of President Duque (including those intended to address the negative effects on the Colombian economy caused by the COVID-19 pandemic), public corruption, and the implementation of the peace agreement between Colombia and the guerrilla Fuerzas Armadas Revolucionarias de Colombia (FARC). In addition, protestors have demanded reforms related to pensions, access to education, environmental protection and inequality, among others. We cannot predict the policies that will be adopted by the Colombian government and whether those policies would have a negative impact on the Colombian economy or our business and financial performance. Our Colombian operations could be adversely impacted by rapidly changing economic, political and social conditions in Colombia and by the Colombian government's response to such conditions. On June 16, 2022 Colombia elected the left-wing candidate Gustavo Petro as President. Gustavo Petro has announced plans to increase government intervention, reduce oil production and impose higher taxes on oil companies; measures that could adversely affect the economy and potentially impact our business and financial performance.

Risks Related to our ADSs

We have identified material weaknesses in the information technology general controls (“ITGCs”) related to our information technology (“IT”) systems and in the design and implement process-level control activities related to the recognition of revenue and costs within our engineering and construction segment with regards to compliance with IFRS 15 – Revenue Recognition (IFRS 15) , and if we cannot maintain effective internal controls or provide reliable financial and other information in the future, investors may lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our ADSs

Based on the assessment of our internal control over financial reporting as of December 31, 2022, as required by Section 404 of the U.S. Sarbanes Oxley Act of 2002 (“SOX”), management has concluded that, as of such date, our internal control over financial reporting was not effective at the reasonable assurance level due to control deficiencies that constituted two material weaknesses. The material weakness consisted of deficiencies in the operational effectiveness of controls over SOX compliance related to i) our ITGCs related to our IT systems; and ii) the design and implementation of process-level control activities related to the recognition of revenue and costs within our engineering and construction segment with regards to compliance with IFRS 15 – Revenue Recognition (IFRS 15).

The revenue-related control deficiencies resulted in immaterial misstatements to revenue, cost of sales, deferred revenue, work in progress, accounts receivable and accounts payable that have been corrected in our consolidated financial statements as of and for the years ended December 31, 2021, and 2020. However, these control deficiencies created a reasonable possibility that a material misstatement to our annual consolidated financial statements would not be prevented or detected on a timely basis. Therefore, management concluded that the deficiencies represent material weaknesses in our internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2022. For more information, see “Item 15. Controls and Procedures.” A “material weakness” is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement in financial statements will not be prevented or detected in a timely basis.

We are in the process of implementing measures to address these material weaknesses. We may not be able to remediate these identified material weaknesses. Moreover, we may in the future discover other areas of our internal controls that have material weaknesses or that need improvement, particularly with respect to businesses that we acquire.

Any failure to maintain an effective internal control over financial reporting, or implement required new or improved controls, could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified opinion regarding the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our ADSs.

The market price of our ADSs may fluctuate significantly, and you could lose all or part of your investment

Volatility in the market price of our ADSs may prevent you from being able to sell your ADSs at or above the price you paid for them. The market price and liquidity of the market for our ADSs may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, among others: actual or anticipated changes in our results of operations, quarterly fluctuations, or failure to meet expectations of financial market analysts and investors; the impact of corruption allegations and investigations; investor perceptions of our prospects or our industries; operating performance of companies comparable to us and increased competition in our industries; new laws or regulations or new interpretations of laws and regulations applicable to our business; general economic trends in Peru; catastrophic events, such as earthquakes and other natural disasters; and developments and perceptions of risks in Peru and in other countries.

Substantial sales of ADSs or common shares could cause the price of our ADSs or common shares to decrease

Significant shareholders hold a large number of our common shares. These securities are eligible for sale. The market price of our ADSs could decline significantly if we or our significant shareholders sell securities in our company or the market perceives that we or our significant shareholders intend to do so.

We may raise additional capital in the future through the issuance of equity securities, which may result in dilution of the interests of our shareholders

We may need to raise additional capital and may opt for obtaining such capital through the public or private placement of common shares, debt securities or debt securities convertible into our common shares. In such event we may seek to obtain financing through the exclusion of the preemptive rights of our shareholders, which may dilute the percentage interests of investors in our common shares.

On November 2, 2020, the general shareholders' meeting of the company approved a financial plan that included (i) the issuance by the company of convertible bonds in an amount up to US\$90 million and (ii) the issuance of corporate bonds in an amount up to US\$350 million. On August 13, 2021, AENZA issued bonds convertible into common shares. The total principal amount of the convertible bonds was US\$89.9 million. The bonds mature in February 2024, bear interest at a rate of 8%, and are payable quarterly. Pursuant to the terms and conditions of the convertible bonds, they may be converted into shares as of the sixth month from the date of issuance. In accordance with the terms and conditions of the convertible bonds, holders of convertible bonds in a principal amount equivalent to US\$11 million exercised their conversion rights and on February 28, 2022 we issued 37,801,073 new common shares (equivalent to 11,000 convertible bonds). Additionally, on March 31, 2022, holders of convertible bonds, in a principal amount equivalent to US\$79 million exercised their conversion rights and we issued for an additional 287,261,051 new common shares (equivalent to 78,970 convertible bonds). After these conversions, the convertible bonds have been fully cancelled.

Holders of ADSs may be unable to exercise voting rights with respect to our common shares underlying the ADSs at our shareholders' meetings

As a holder of ADSs representing common shares being held by the depositary in your name, you may exercise voting rights with respect to the common shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. Holders of our common shares will receive notice of shareholders' meetings through publication of a notice 25 days in advance, in accordance with Peruvian law, in the official gazette in Peru, a Peruvian newspaper of general circulation and the website of the Peruvian Securities Commission, and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders will not receive notice directly from us. Instead, pursuant to the deposit agreement, we will notify the depositary, who will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which voting instructions may be given. To exercise their voting rights, ADS holders must instruct the depositary how to exercise the voting rights for the common shares which underlie their ADSs. Due to these additional procedural steps involving the depositary, the process for exercising voting rights may take longer for ADS holders than for holders of our common shares.

Holders of ADSs also may not receive voting materials in time to instruct the depository to vote the common shares underlying their ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions of the holders of ADS or for the manner of carrying out such instructions, unless such failure can be attributed to gross negligence, bad faith or willful misconduct on the part of the depository or its agents. Accordingly, holders of ADSs may not be able to exercise voting rights, and they will have little, if any, recourse if the underlying common shares are not voted as requested.

Our shareholders' ability to receive cash dividends may be limited

Our shareholders' ability to receive cash dividends may be limited by the ability of the depository to convert cash dividends paid in soles into U.S. dollars. Under the terms of our deposit agreement with the depository for the ADSs, the depository will convert any cash dividend or other cash distribution we pay on the common shares underlying the ADSs into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If this conversion is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depository to distribute the foreign currency only to those ADS holders to whom it is possible to do so. If the exchange rate fluctuates significantly during a time when the depository cannot convert the foreign currency, you may lose some or all of the value of the dividend distribution.

Additionally, under the terms of the agreement with the Prosecutor's Office and with the Attorney General's Office, we cannot distribute dividends until 40% of the civil penalty is paid.

Holders of ADSs may be unable to exercise preemptive or accretion rights with respect to the common shares underlying their ADSs

Under Peruvian corporate law, if we issue new common shares as part of a capital increase, unless otherwise agreed to by holders of 40% of our subscribed voting common shares and, provided that such capital increase does not favor, directly or indirectly, certain shareholders to the detriment of others, our shareholders will generally have the right to subscribe to a proportional number of common shares of the class held by them to maintain their existing ownership percentage, which is known as preemptive rights. In addition, shareholders are entitled to the right to subscribe for the unsubscribed common shares at the end of a preemptive rights offering, on a pro rata basis, which is known as accretion rights. You may not be able to exercise the preemptive or accretion rights relating to common shares underlying your ADSs unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the common shares relating to these preemptive and accretion rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is available, you may receive only the net proceeds from the sale of your preemptive and accretion rights by the depository or, if the preemptive and accretion rights cannot be sold, they will be allowed to lapse. As a result, U.S. holders of our ADSs may suffer dilution of their interest in our company upon future capital increases.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement without the prior consent of the ADS holders

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement without the prior consent of the ADS holders. Any change related to an increase in deposits or charges for book-entry securities services or any modification that might hinder the rights of the ADS holders will be effective within 30 days after the ADS holders have received notice of such change or modification and such holders will have no right to any compensation whatsoever.

Peru has different corporate disclosure and accounting standards than those you may be familiar with in the United States

Financial reporting and securities disclosure requirements in Peru differ in certain significant respects from those required in the United States. There are also material differences among IFRS, Peruvian GAAP and U.S. GAAP. Accordingly, the information about us available to you will not be the same as the information available to holders of shares issued by a U.S. company. In addition, the Peruvian Securities Market Law, which governs open or publicly listed companies, such as us, imposes disclosure requirements that are more limited than those in the U.S. in certain important respects. Although Peruvian law imposes restrictions on insider trading and price manipulation, applicable Peruvian laws are different from those in the United States, and the Peruvian securities markets are not as highly regulated and supervised as the U.S. securities markets.

Our status as a foreign private issuer allows us to follow alternate standards to the corporate governance standards of the New York Stock Exchange, which may limit the protections afforded to investors

We are a foreign private issuer within the meaning of the New York Stock Exchange (“NYSE”) corporate governance standards. Under NYSE rules, a foreign private issuer may elect to comply with the practices of its home country and not to comply with certain corporate governance requirements applicable to U.S. companies with securities listed on the exchange. We currently follow certain Peruvian practices concerning corporate governance and intend to continue to do so. Accordingly, holders of our ADSs will not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

For example, the NYSE listing standards provide that the Board of Directors of a U.S. listed company must have a majority of independent directors at the time our company ceases to be a “controlled company.” Under Peruvian corporate governance practices, a Peruvian company is not required to have a majority of independent members on its Board of Directors. The listing standards for the NYSE also require that U.S. listed companies, at the time they cease to be “controlled companies,” have a nominating/corporate governance committee and a compensation committee (in addition to an audit committee). Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards. Under Peruvian law, a Peruvian company may, but is not required to, form special governance committees, which may be composed partially or entirely of non-independent directors. In addition, NYSE rules require the independent non-executive directors of U.S. listed companies to meet on a regular basis without management being present. There is no similar requirement under Peruvian law.

The NYSE’s listing standards also require U.S. listed companies to adopt and disclose corporate governance guidelines. In July 2002, the Peruvian Securities Commission and a committee comprised of regulatory agencies and associations prepared and published a list of suggested non-mandatory corporate governance guidelines called the “Principles of Good Governance for Peruvian Companies.” Although we have implemented these measures, we are not legally required to comply with the corporate governance guidelines, only disclose whether or not we are in compliance.

Minority shareholders in Peru are not afforded equivalent protections as minority shareholders in other jurisdictions and investors may face difficulties in commencing judicial and arbitration proceedings against our company or the controlling shareholder

Our company is organized and existing under the laws of Peru. Accordingly, investors may face difficulties in serving process on our company, officers and directors or significant shareholders in the United States of certain other jurisdictions, and in enforcing decisions granted by courts located in other jurisdictions against our company, our officers and directors or significant shareholders that are based on securities laws of jurisdictions other than Peru.

In Peru, there are no proceedings to file class action suits or shareholder derivative actions with respect to issues arising between minority shareholders and an issuer, its controlling shareholders or directors and officers. Furthermore, the procedural requirements to file actions by shareholders differ from those of other jurisdictions, such as in the United States. As a result, it may be more difficult for our minority shareholders to enforce their rights against us, our directors, officers or significant shareholders as compared to the shareholders of a U.S. company. The deposit agreement provides that the depository has no obligation to commence or become involved in any judicial proceedings and any other legal actions relating to the ADSs or the deposit agreement, either on behalf of the ADS holders or on behalf of any other person.

Judgments of Peruvian courts with respect to our common shares will be payable only in soles

If proceedings are brought in the courts of Peru seeking to enforce our obligations in respect of the common shares, we will not be required to discharge our obligations in a currency other than soles. Under Peruvian exchange control limitations, an obligation in Peru to pay amounts denominated in a currency other than soles may be satisfied in Peruvian currency only at the exchange rate, as determined by the Peruvian Central Bank, in effect on the date the judgment is obtained, and such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then prevailing exchange rate may not afford non-Peruvian investors with full compensation for any claim arising out of or related to our obligations under the ADSs.

If securities or industry analysts publish unfavorable research about our business or if they cease to follow our business, the price and trading volume of the ADSs could decline

The trading market for the ADSs will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades the ADSs or publishes unfavorable research about our business, the price of the ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for the ADSs could decrease, which could cause the price and trading volume of the ADSs to decline.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

AENZA, formerly known as Graña y Montero S.A.A., is a leading Peruvian conglomerate with operations in the infrastructure, energy, real estate and engineering and construction sectors, with a diversified and difficult-to-replicate portfolio of best-in-class assets and an attractive growth strategy. Our core growth strategy is centered around the expansion of our concession platform, which is the current concessionaire for the Lima Metro, the largest mass-transit rail system in Peru, operates three toll roads and a wastewater treatment plant. Also, we have more than 22 years of experience providing services to maintain and operate infrastructure projects, currently operating and maintaining 1,592.8 km of Peruvian roads and highways.

Moreover, we are one of the main oil and gas producers and operators in Peru with long-term contracts. Additionally, we operate three producing oil fields and five multiple fuel storage facilities under long-term government contracts, and we own a gas processing plant. Through our Energy segment, we accounted for 8% of the oil production, 1.5% of the liquefied petroleum gas (“LPG”) production and 19% of the fuel dispatch within Peru during 2022, according to the Ministry of Energy and Mines of Peru (“MINEM”).

Furthermore, we own Cumbra, the largest construction company in Peru in terms of revenues according to Construcción Latinoamericana, with more than 89 years of operations and a long-standing track record for operational excellence. We have completed some of the most complex and large-scale infrastructure projects in Peru. We believe we are an integral part of Peru’s ongoing transformation with projects that contribute to the overall economic development of the country and our expertise, track record, scale and operational capabilities in Peru position us to take advantage of the country’s long-term favorable economic conditions and growth opportunities. We are also a niche leader in the real estate sector, focusing primarily on the affordable housing market.

With a permanent presence in Peru, Chile and Colombia, we are strategically located in Latin American countries with among the highest sustained growth rates in the region. We are well-positioned to capitalize on the significant infrastructure deficit and other business opportunities in Latin America.

Our Board of Directors is fully committed with the highest standards of ethics and transparency. The diversity of its members, including Peruvian, Chilean, Brazilian and Spanish citizens, is a sign of the issuer's strategic interest in international growth. Likewise, our management, led by our CEO Andre Mastrobuono and our corporate vice president Dennis Fernandez, brings experience from across South America that is highly relevant to the development of our business, including the transformation and turnaround of companies undergoing restructuring processes. This management team has implemented a new corporate structure organized by processes, focusing on risk management and synergy generation within the framework of a culture of accountability. We safeguard the health and safety of our workforce and all the persons participating in our operations and services.

The history of the company dates back to 1933, and the company has been listed on the Lima Stock Exchange since 1997 and on the New York Stock Exchange since 2013:

- The company traces its origins to its original predecessor, GRAMONVEL, which was founded more than 89 years ago.
- We expanded our operations internationally in 1943 with our contract to build a Nestle factory in Venezuela.
- In 1948, we began one of our largest projects since our founding—the construction of the city of Talara for the International Petroleum Company, which was completed in 1957.
- In 1949, GRAMONVEL merged with Morris y Montero to form Graña y Montero Contratistas Generales S.A. (now Cumbra, our engineering and construction subsidiary), expanding its service offerings and increasing its capacity to undertake large-scale infrastructure projects.
- In 1983, we began a diversification strategy by developing complementary lines of business. In 1984, we founded UNNA Energía, our oil and gas subsidiary. In 1985, we partnered with Sonda S.A. (a Chilean IT services company) to form GMD S.A. ("GMD"), our IT services subsidiary. Beginning in 1987, we founded our real estate development business, which currently operates under Viva, which was incorporated in 2008.
- In 1996, we reorganized our subsidiaries and founded Graña y Montero S.A.A., which became the principal shareholder of all our subsidiaries. In 1997, we listed our company on the Lima Stock Exchange.
- In 1998, our company built Larcomar, a landmark shopping center in Lima that has become a popular tourist destination, which we sold in 2010.
- In 2003, 2006 and 2007, we were awarded the concessions for the construction, operation and maintenance of the Norvial, Canchaque and Survial toll roads, respectively.
- In 2007, we also developed the first large-scale affordable housing project in Lima, consisting of 3,400 apartment units and located in the district of El Agustino.
- In 2012, we began operating the Lima Metro.
- In July 2013, we listed our company on the NYSE.
- In 2012 and 2013, we acquired 74.0% and 6.4%, respectively, of Ingeniería y Construcción Vial y Vives S.A. ("Vial y Vives"), an engineering and construction company specializing in the Chilean mining sector. In August 2013, we acquired 86.0% of DSD Construcciones y Montajes S.A. ("DSD Construcciones y Montajes"), a Chilean engineering and construction company specialized in providing services to the energy, oil and gas, cellulose and mining sectors in Chile and Latin America. In July 2014, our subsidiary Vial y Vives merged with DSD Construcciones y Montajes to form Vial y Vives-DSD S.A. ("Vial y Vives-DSD"), through our subsidiary GyM Chile SpA, we hold an 86.2% interest in Vial y Vives-DSD. As of the date of this annual report, we hold a 94.5% interest in Vial y Vives-DSD.
- In December 2014, our subsidiary Cumbra acquired 70% of the share capital of Morelco, a Colombian engineering and construction company specialized in the oil and gas and other energy sectors. As of December 2022, we own 100% of Morelco.

- In April 2015, UNNA Energía started operations of its hydrocarbon extraction services in Blocks III and IV for Perupetro, in the provinces of Talara and Paita in northern Peru.
- In 2020, Lima Airport Partners awarded our company, as a member of the Inti Punku Consortium, with a contract for the construction of the second runway of the Jorge Chávez International Airport.
- In November 2020, the annual shareholders' meeting of the company approved the change of the company's name from Graña y Montero S.A.A. to AENZA S.A.A., and, effective November 12, 2020, our common shares and ADSs became tradeable on the Lima Stock Exchange and the NYSE, under the ticker symbols "AENZ" and "AENZAC1", respectively. We have also re-named certain of our subsidiaries.
- In May 2021, the company entered into a Collaboration and Benefits Agreement (*Acuerdo Preparatorio de Colaboración Eficaz y Beneficios*) with Peruvian prosecutorial authorities, setting the amount of S/333.3 million plus US\$40.7 million for civil reparations. On September 15, 2022, we signed the Final Collaboration and Benefits Agreement. The validity of the agreement is subject to consent (control of legality) by the Judiciary, and its specific terms and conditions are subject to confidentiality.
- In August 2021, IG4 Capital Infrastructure Investments LP successfully concluded its public tender over the company's shares and ADSs, becoming a significant shareholder of the company. A new, diverse Board of Directors was elected, and a new CEO, with 25 years of experience in infrastructure and capital-intensive industries, has been appointed. The newly appointed board and CEO are undertaking a turnaround process of the company.
- In August 2021, we issued bonds convertible into common shares (the "Convertible Bonds"), raising US\$89.9 million in proceeds.
- In September 2021, Cumbra, as a member of the Inti Punku consortium, was awarded with a contract for the construction for the expansion of Lima's airport passenger terminal. This is the second mayor project that we have with our client Lima Airport Partners.
- In February and March 2022, 100% of the bondholders of our Convertible Bonds exercised their conversion rights. As a result, our capital stock has increased to S/1,196,979,979 as of December 31, 2022.
- In March 2022, we entered into a bridge loan agreement for up to US\$120 million.

AENZA is a publicly-held corporation (sociedad anónima abierta) organized under the laws of Peru. Our principal executive office is located at Avenida Petit Thuars 4957, Miraflores, Lima, Peru, and our main telephone number is +511-213-6565. Our website address is www.aenza.com.pe. Information contained on, or accessible through, our website is not incorporated in this annual report, and you should not consider any such information part of this annual report. The SEC maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

For information on our organizational structure, see "Item 4.C. Information on the Company—Organizational Structure."

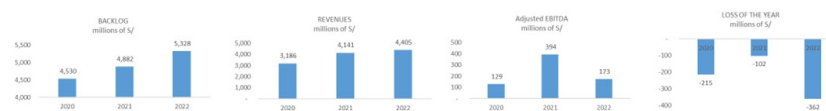
For information on our capital expenditures and divestitures, see "Item 5.B. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures."

B. Business Overview

Overview

We have a diversified portfolio of business units that includes a leading infrastructure management and development platform in Peru, one of the top oil and gas companies in Peru, a leading position in the affordable housing market in Peru and the largest engineering and construction company in Peru with permanent presence in Colombia and Chile.

The tables below show our backlog, revenues, adjusted EBITDA and loss for the year from 2020 to 2022.



During 2022, we generated revenues of S/4,405.1 million (US\$1,153.2 million), adjusted EBITDA of S/173.3 million (US\$45.4 million), and loss of the year of S/362.1 million (US\$94.8 million).

Our Strengths

We believe our company's strengths provide us with significant competitive advantages. Our principal strengths include the following:

Leading Presence with a Strong Legacy

We are a leader in the infrastructure sector in Peru, with a diversified and difficult-to-replicate portfolio of best-in-class assets and an attractive growth strategy. Our concession platform is the concessionaire for the Lima Metro, the largest mass-transit rail system in Peru, and operates three toll roads and a waste water treatment plant. Also, we have more than 22 years of experience providing services to maintain and operate infrastructure projects, currently operating and maintaining 1,592.8 km of Peruvian roads and highways.

On the energy side, we are one of the largest oil and gas producers and operators in Peru with long-term contracts. We operate three producing oil fields and five multiple fuel storage facilities under long-term government contracts, and we own a gas processing plant. Through our Energy segment, we accounted for 8% of the oil production, 1.5% of the LPG production and 19% of the fuel dispatch within Peru during 2022, according to MINEM.

We are also the largest construction company in Peru, with more than 89 years of operations and a long-standing track record for operational excellence. We have completed some of the most complex and large-scale infrastructure projects in the country, and we believe we are an integral part of Peru's ongoing transformation with projects that contribute to the overall economic development of the country. We believe our expertise, track record, scale and operational capabilities in Peru position us to take advantage of the country's long-term favorable economic conditions and growth opportunities. We are also a niche leader in the real estate sector, focusing primarily on the affordable housing market.

Resilient Cash Flow Generation from High-Quality Asset

Our assets have proven to be consistent, generating positive and stable results over the years. Indeed, Lima Metro's revenues do not depend on demand as our revenues consist of a quarterly fee that we receive from the Ministry of Transport and Communications based on the kilometers travelled per train and adjusted for inflation. This concession still has 19 years left and generated dividends of US\$12.1 million in 2022 and an adjusted EBITDA US\$27.8 million in 2022, with limited capital expenditures of US\$12.1 million.

Moreover, under our Norvial concession, we operate and maintain part of the only major highway that connects Lima to the north of Peru. Norvial's revenues have proven to be stable as the toll rate is adjusted in accordance with a contractual formula that considers the sol/U.S. dollar exchange rate and Peruvian and U.S. inflation. Furthermore, traffic is resilient as the road is highly transited both by heavy vehicles, primarily for the purpose of transporting goods, and by passenger vehicles. Finally, Norvial charges toll fees in both directions, unlike other toll roads in Peru.

Our energy platform is one of the largest oil and gas producers and operators in Peru with long-term contracts. On the extraction side, we see limited demand risk given oil deficit in Peru and the fact that for the two most relevant blocks (III and IV) UNNA Energia sells the oil to Petroperu (Quasi-Government entity – BB+ by Fitch Rating), a solid off-taker backing expected cash flow. Moreover, our activities are focused on proved reserves development and production and are conducted in mature oil fields, which have been producing oil for over 100 years in the case of Block I, over 95 years in the case of Block III, over 95 years in the case of Block IV, and over 50 years in the case of Block V. As such, we believe our activities in these fields bear limited exploration risk.

Well-Positioned in Strategic Locations

With a presence in Peru, Chile and Colombia, we are strategically located in Latin American countries known for their business-friendly policies, with relative macroeconomic stability and among the highest sustained growth rates in the region. We are well-positioned to capitalize upon the significant infrastructure deficit and other business opportunities in Latin America.

Best-in-class Corporate Governance

Our Board of Directors is fully committed to the highest standards of ethics and transparency. The diversity of its members, including Peruvian, Chilean, Brazilian and Spanish citizens, is a sign of the company's strategic interest in international growth. Likewise, our management, led by our CEO Andre Mastrobuono and our corporate vice president Dennis Fernandez, has implemented a new corporate structure organized by processes, focusing on risk management and synergy generation within the framework of a culture of accountability. Our board includes representatives from our largest shareholders, three independent directors and a female member for the first time in our history. In addition to its plenary sessions, our board is organized into four committees: the Audit and Compliance Committee, the Talent Committee, the Finance, Risks, and Investments Committee, and the Environmental, Social and Governance Committee. This organization allows for comprehensive corporate oversight.

Highly Experienced Management, Talented Engineers and Skilled Workforce

Our management team, led by our CEO Andre Mastrobuono and our corporate vice president Dennis Fernandez, brings experience from across South America that is highly relevant to the development of our business, including the transformation and turnaround of companies in restructuring processes. Our CEO has demonstrated experience turning around companies across the region in the infrastructure, oil and gas, real estate and other industries. He has overseen several companies undergoing transformations and has successfully led their restructuring processes.

Our management team has implemented a new corporate structure organized by processes, focusing on risk management and synergy generation within the framework of a culture of accountability. In addition, we motivate our management through performance-based compensation, which align their interests with those of our shareholders. Through our efforts to attract, train and retain our workforce, we have built a talented team of employees, including more than 1,500 engineers. We also have access to a network of approximately 43,000 manual laborers throughout Peru that can supplement our workforce when required by our construction pipeline. Thanks to our extensive and talented team, we have the capability and scale to undertake large and complex projects in Peru and elsewhere.

We safeguard the health and safety of our collaborators and of all the persons participating in our operations and services. To that end, we provide safe work conditions, we manage risks in a timely manner, and we promote a culture of prevention, starting from the leadership and commitment of our senior management. In 2022, we had an accident incidence rate of 0.17%, calculated over 200,000 hours worked.

Significant Backlog

Our backlog amounted to S/5,327.6 million (US\$1,394.7 million) as of December 31, 2022. We believe that our backlog, which as of December 31, 2022 represented approximately 1.2x of our related 2022 revenues, provides visibility as to our potential for growth in the coming years, although backlog may not always be an accurate indicator of future revenues. See "Item 3.D. Key Information—Risk Factors—Risks Related to our Company—Our backlog and our ratio of historical backlog to revenues may not be reliable indicators of future revenues or profit." Moreover, we believe our backlog is strategically targeted to our key end-markets such as mining, infrastructure, power, energy and real estate. Approximately 52.9% of our backlog across our segments as of December 31, 2022 is comprised of contracts with the private sector. Furthermore, we continuously evaluate bidding on contracts arising from the significant ongoing private and public investments in Latin America.

Our Strategies

Our overall strategy is to strengthen our business units, with the goal of becoming one of the leading Latin American infrastructure development platforms. We recognize that Peru, as well as the rest of Latin America, faces a significant infrastructure deficit that limits the overall growth of the region. We believe that Latin American governments also recognize this deficiency and will seek to invest heavily in this sector over the next years, a situation we expect will provide important growth opportunities for our company.

Considering the high entry barriers that the infrastructure business entails, the company's plan is to build on top of its leadership as an infrastructure company in Peru, expanding its business to nearby countries like Chile, Colombia, and Brazil, through new concessions and public-private partnerships ("PPPs"), while also considering the possibility of inorganic growth through the acquisition of concessions and PPPs from third parties. To achieve this, we intend to participate in new tenders and acquisitions in Peru and other countries in the region, including Chile, Colombia and Brazil, with the goal of creating one of the largest regional platforms for the development of infrastructure projects.

In addition, as part of our strategy for the next years, we will also enhance our other business units. Our Real Estate business will seek to grow in the affordable housing sector. Our E&C segment will work to consolidate its position in Chile and Colombia and continue to strengthen its focus in Peru, while we explore options for a strategic partnership. In our Energy business we will continue to deliver refined hydrocarbons from the terminals that we operate, and we will seek to advance production from Blocks III and IV and our gas plant in Talara.

Our strategy for the next years is to focus on the following initiatives:

- full and timely compliance with our legal and civil commitments to the Peruvian public prosecutor (*fiscalía*) and the Peruvian attorney general (*procuraduría*), including payment of civil reparations and/or fines according to the schedule agreed with these two institutions;
- enhancing our compliance best practices, including the continued strengthening of a strong compliance structure, policies, procedures and training in line with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption and anti-money laundering rules and regulations, supported by the redesign and implementation of new committee structures;
- strengthening the company's corporate governance structure with best practices, including changes to the organization of our Board of Directors, which now consist of four committees, that will allow for a comprehensive corporate oversight and demonstrate the company's commitment to the highest corporate governance standards; and
- financial restructuring, including the restructuring of project finance and other long-term debt, the increase of capital of certain subsidiaries and the issuance of long-term bonds in the local and international capital markets.

Infrastructure

We are an important toll road concessionaire in Peru, operating three toll roads. Moreover, we are the concessionaire for the Lima Metro, the largest mass-transit rail system in Peru, and a wastewater treatment plant. Also, we provide services to maintain and operate different infrastructure projects.

The table below sets forth selected financial information for our Infrastructure business segment. This segment includes Norvial, Survial, Canchaque, UNNA Transporte, Line 1 of the Lima Metro, La Chira and Via Expresa Sur.

	As of and for the year ended December 31,			
	2020	2021	2022	2022
	(in millions of S/, except as indicated)			(in millions of US\$) ⁽¹⁾
Revenues	815.6	867.9	1,007.7	263.8
(Loss) profit for the year	(35.5)	69.8	144.2	37.7
(Loss) profit attributable to non-controlling interest	(7.2)	(21.5)	(31.5)	(8.2)
Net profit margin	(4.4%)	8.0%	14.3%	14.3%
adjusted EBITDA	99.2	194.7	288.9	75.6
adjusted EBITDA margin	12.2%	22.4%	28.7%	28.7%
Backlog (in millions of S/) ⁽²⁾	1,784.6	1,782.1	2,009.1	525.9
Backlog/revenues ratio ⁽²⁾	2.2x	2.1x	2.0x	-

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

(2) For more information on our backlog, see “—Backlog.” Does not include our Norvial toll road concession. Backlog is calculated as of the last day of the applicable year. Revenues are calculated for such year and converted into U.S. dollars based on the exchange rate published by the SBS on December 31 of the corresponding year. Includes revenues only for businesses included in backlog.

Our strategy for our infrastructure segment is to leverage our leadership position as an infrastructure company in Peru and to expand our business into nearby countries such as Chile, Colombia, and Brazil. We look to grow both organically and inorganically via the acquisition of existing assets across the region to become a leading concession development platform in the region. Considering the significant infrastructure deficit in Latin America and the high entry barriers to the infrastructure business, our acquired know-how and the synergy between the concessions and our in-house operating and maintenance company (including providing construction services to other subsidiaries, negotiating energy contracts with suppliers, and UNNA Transporte providing services to other concessions) positions us to take advantage of opportunities and expand our current geographical footprint. The following table shows selected information about our current concessions and long-term contracts as of December 31, 2022.

Project	Year Granted	Initiated Operations	Expiration	Characteristics	% Owned by Us	Status
Toll Roads:						
Norvial ⁽¹⁾	2003	2003	2028	183 km	67.0%	Operating
Survial	2007	2008	2032	758 km	99.9%	Operating
Canchaque	2006	2010	2025	77 km	99.9%	Operating
Mass Transit:						
Lima Metro	2011	2012	2041	33.1 km	75.0%	Operating
Water Treatment:						
La Chira	2010	2016	2037	Avg. treatment capacity of 6.3 m3/sec (expected)	50.0%	Operating

(1) In June 2018, the company transferred economic rights over 48.8% of the share capital of Norvial to Inversiones en Autopistas S.A. by transferring its Class B shares. Our company continues to hold 67% of voting rights of Norvial and an economic interest of 18.2% of Norvial’s share capital. JJC Contratistas Generales S.A. owns 16.80% and Inversiones en Infraestructura Peru SAC owns 16.20%.

Principal Infrastructure Lines of Business

Toll Roads

Peru’s economic development is underpinned by a strong government commitment to infrastructure investment, with a particular focus on improving the country’s road system through the award of new concessions to the private sector. We believe this commitment offers significant opportunities to our Infrastructure segment. The following map shows the location of the Norvial road in Peru.

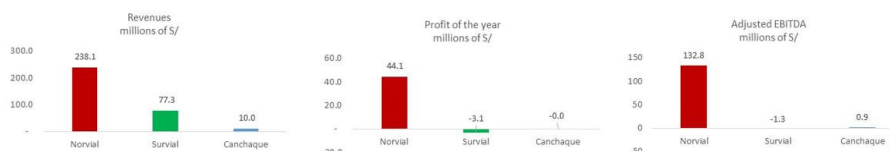


Our Infrastructure segment currently has three toll road concessions through our subsidiaries Norvial, Survial and Canchaque. All three toll roads are currently in operation, and we have the authorizations, permits and licenses necessary to fulfill our obligations under each concession, including releases of rights of way. All of our toll road concessions have utilized the construction services of our E&C segment and the roads are currently operated and maintained by our subsidiary UNNA Transporte. The table below sets forth selected financial information relating to our toll roads.

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
Revenues	206.6	256.8	325.4	85.2
(Loss) profit for the year	(0.1)	34.6	41.1	10.7
Net profit margin	(0.3%)	13.5%	12.6%	12.6%
adjusted EBITDA	78.0	118.2	132.4	34.7
adjusted EBITDA margin	37.8%	46.0%	40.7%	40.7%

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

The charts below set forth the breakdown of our revenues, profit of the year, and adjusted EBITDA from our toll road concessions for 2022.



Norvial

Under our Norvial concession, we operate and maintain part of the only major highway that connects Lima to the northwest of Peru. This 183-km road, known as Red Vial 5, runs from the cities of Ancón to Pativilca and has three toll stations. The concession was awarded to Norvial in 2003 for a 25-year term. In June 2018, the company transferred economic rights over 48.8% of the share capital of Norvial to Inversiones en Autopistas S.A. by transferring its Class B shares. Our company continues to possess 67% of voting rights of Norvial and an economic interest of 18.2% of Norvial's share capital. JJC Contratistas Generales S.A. owns 16.80% and Inversiones en Infraestructura Peru SAC owns 16.20%.

Norvial's revenue derives from the collection of tolls. For the Norvial toll road, the toll rate is set out in the Norvial concession agreement and adjusted in accordance with a contractual formula that takes into account the sol/U.S. dollar exchange rate and Peruvian and U.S. inflation. We are required to transfer 5.5% of our monthly toll revenue to the Peruvian Ministry of Transport and Communications and pay a 1% regulatory fee to the Peruvian Supervisory Agency for Investment in Public Transportation Infrastructure.

Our obligations under the concession include expanding the already existing road by, among other things, adding two additional lanes. The first stage of construction was completed in 2008, and the second stage commenced in the second quarter of 2014 and was completed by the end of 2019. The capital investment for the second stage was US\$88.6 million (S/322.7 million).

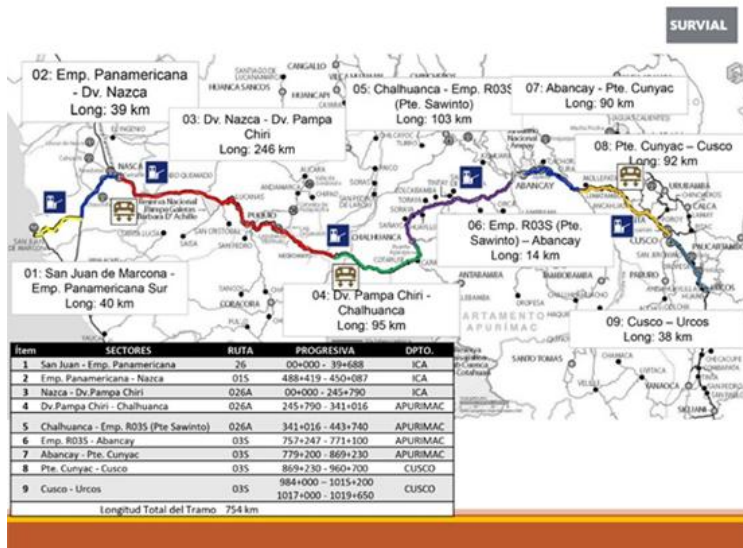
Unlike other toll roads in Peru, Norvial charges toll fees in both directions. Our road is highly transited both by heavy vehicles, primarily for the purpose of transporting goods, and also by passenger vehicles, which typically use the road to access tourist destinations. In June 2018, we signed an investment agreement with BCI Peru to monetize future dividends of Norvial. The amount of the transaction was US\$42.3 million, the proceeds of which were applied to the reduction of indebtedness related to GSP. In May 2020, the Peruvian Congress suspended the payment of tolls on roads during the initial period of COVID-19 quarantine. Although the Peruvian Constitutional Court struck down the statute effective June 30, 2020, we have yet to collect compensation for tolls which were suspended during that period. The following table sets forth average daily traffic volume and average toll fees charged for vehicle equivalents in respect to the Norvial toll road concession for 2020, 2021 and 2022.

	For the year ended December 31,		
	2020	2021	2022
Average daily traffic by vehicle equivalents ⁽¹⁾	24,072	31,260	32,151
Average toll fee charged for vehicle equivalents (in S/)	15.86	16.09	17.56

(1) Each automobile is counted as one equivalent vehicle and commercial vehicles (such as trucks or buses) represent the number of equivalent vehicles equal to the ratio between the toll rate applicable to commercial vehicles and that which is applicable to one automobile.

Survial

Under our Survial concession, we operate and maintain a 758 km road from the San Juan de Marcona port to Urcos, Peru, which is connected to an interoceanic road that runs up to the Peruvian-Brazilian border. The road has five toll stations and three weigh stations. The concession was awarded to Survial in 2007 for a 25-year term. We own 99.9% of Survial. The following map shows the location of the road in Peru.



Our obligations under the concession include the construction of the road, which was completed in 2010.

Our revenue from this concession consists of an annual fee paid to Survial by the Peruvian Ministry of Transport and Communications in consideration for the operation and maintenance of the road, which fee can vary depending on the amount of maintenance required due to road damages. In 2020, 2021 and 2022, the fee amounted to US\$16.2 million (S/58.6 million), US\$8.5 million (S/34.1 million), and US\$20.2 million (S/77.0 million), respectively. Our revenue in this concession does not depend on traffic volume.

Additional revenues of the concession are generated from the execution of additional works, work we perform as a result of catastrophic events and emergency maintenance. These revenues are billed when approval is received from the grantor and/or the regulator of the work in progress. In 2020, 2021 and 2022, the additional revenues amounted to US\$0.6 million (S/2.1 million), US\$0.3 million (S/1.0 million) and US\$0.02 million (S/0.1 million), respectively.

Canchaque

Under our Canchaque concession, we operate and maintain a 77 km road from the towns of Buenos Aires to Canchaque, in Peru. The road has one toll station. The concession was awarded to Canchaque in 2006 for a 15-year term, and operations commenced in 2010. We own 99.96% of Canchaque. Our obligations under the concession include the construction of the road, which was completed in 2009. Our revenue from this concession consists of an annual fee paid by the Peruvian Ministry of Transport and Communications in consideration for the operation and maintenance of the road, which fee can vary depending on the amount of road maintenance required due to road wear and tear. In 2020, 2021 and 2022, the fee amounted to US\$1.3 million (S/4.9 million), US\$1.3 million (S/5.2 million), and US\$1.4 million (S/5.2 million), respectively. Our revenue in this concession does not depend on traffic volume.

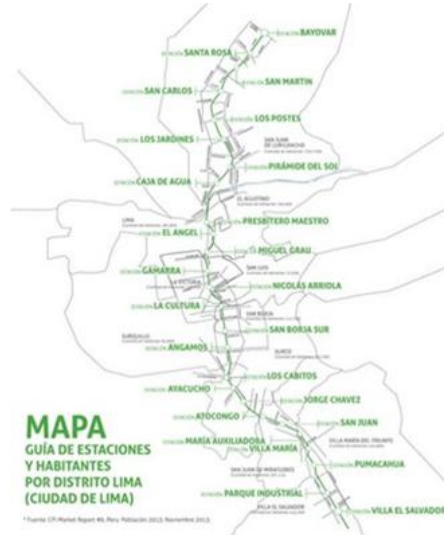
Additional revenues of the concession are generated from the execution of additional works, work we perform as a result of catastrophic events and emergency maintenance. These revenues are billed when approval is received from the grantor and/or the regulator of the work in progress. In 2020, 2021 and 2022, the additional revenues amounted to US\$0.6 million (S/2.3 million), US\$3.6 million (S/14.5 million) and US\$0.03 million (S/0.1 million), respectively.

Mass Transit

In 2011, we were awarded a 30-year concession for the operation of Line 1 of the Lima Metro, Peru's only urban railway system. The concession was awarded to our subsidiary Línea 1, in which we hold a 75% ownership interest, with the other 25% being held by Ferrovías Participaciones S.A. Our obligations under the contract include: (i) the operation and maintenance of the five trains provided by the government; (ii) the acquisition of 19 new trains on behalf of the Peruvian government, which will be the legal owner of such trains; (iii) the operation and maintenance of the 19 new trains (24 trains in the aggregate); and (iv) the design and construction of the railway maintenance and repair yard, which was built by our E&C segment. The construction of the second stretch of Line 1 was completed in July 2014, and started operations on July 25, 2014.

We entered into the fourth addendum to the Lima Metro concession contract on July 11, 2016, in order to expand the transportation capacity of Line 1. In accordance with the fourth addendum, the expansion project involves: (i) the purchase of 20 new trains with five-car from Alstom; (ii) the purchase of 39 new cars from Alstom, to be coupled with the 19 existing Alstom trains and the 20 new Alstom trains, resulting in a consolidated fleet of 39 Alstom trains with a six-car configuration; and (iii) the expansion and improvement of the existing infrastructure, including revamping and improvement of five stations, improvements in the electrical systems, a new access route to the maintenance workshop and new switches on the main track. The construction of the expansion of the infrastructure was carried out by our E&C segment and completed by the end of 2018, with the additional trains and rail cars delivered by the end of 2019.

The map below shows the route of Line 1.

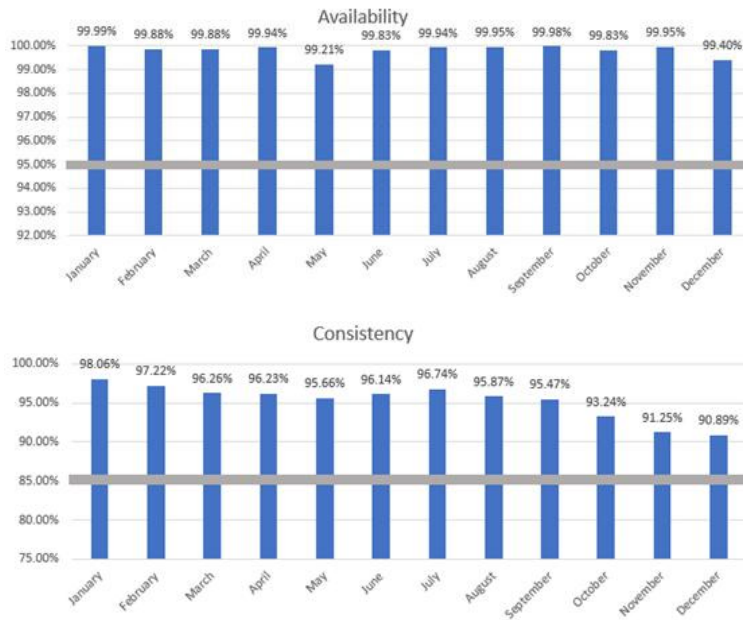


During 2022, Línea 1 spent a total of S/46.3 million (US\$12.1 million) in capital expenditures in connection with the Lima Metro.

Our revenue from this concession consists of a quarterly fee that we receive from the Ministry of Transport and Communications based on the kilometers travelled per train and adjusted for inflation, with the fee per kilometer, the number of trains required to be in operation and the number of kilometers that we are required to travel established by the terms of the concession. Our revenues do not depend on passenger traffic volume.

As of December 31, 2022, we operated 44 trains (including four backup trains), which we expect to enable us to travel 4,811,779.65 kilometers per year. The average frequency of the trains is 3 to 10 minutes, depending on the schedule and the price per kilometer traveled is, for our original 24 trains, S/96.84, and for our 20 newer trains, S/63.25.

Pursuant to the concession, we must comply with certain requirements in the operation of the trains. According to the concession, at least 95% of our trains must be running and available for use and not less than 85% of our trains that are available for use must arrive to destination on scheduled time. The table below shows our monthly average results during 2022.



Water Treatment

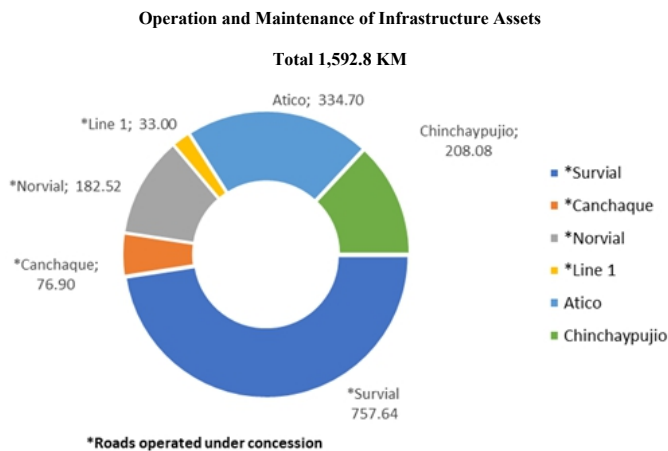
In 2010, we were awarded a 25-year concession for the construction, operation and maintenance of La Chira wastewater treatment plant in the south of Lima. The project is aimed at addressing Lima’s environmental problems caused by sewage discharged directly into the sea. We hold a 50% share in this concession and our partner Acciona Agua holds the remaining 50%. The plant began operations in June 2016.

La Chira's total investment in the concession was S/250 million (US\$74.4 million). La Chira is entitled to collect (i) an annual payment for the investment made in the construction of the project for an amount of S/24.2 million (approximately US\$7.1 million), and (ii) an annual payment for the operation and maintenance of the project for an amount of S/8.5 million in 2022. These fees are paid by Sedapal S.A., the public utility company responsible for the supervision of the water service in Lima, for a period of 25 years. We funded our construction costs related to La Chira through the sale of government certificates to financial institutions, and, as a result, will not receive future cash flows from item (i). See "Item 5.A. Operating and Financial Review and Prospects—Operating Results—Factors Affecting Our Results of Operations—Infrastructure." A joint operation in which our E&C segment participated in the construction of the wastewater treatment plant.

Operation and Maintenance of Infrastructure Assets

We began providing our operation and maintenance of infrastructure assets services in 1994 when we were awarded the concession for the Arequipa Matarani highway in southern Peru. With this experience, in 2003, we began providing operation and maintenance services to Norvial. In 2007, the Peruvian government-initiated Proyecto Peru, a program aimed at maintaining roads not under concession to ensure their longevity. Proyecto Peru allowed us to develop new business opportunities providing maintenance services to more than 4,000 km of public roads in Peru.

Our revenue in the operation and maintenance of infrastructure assets is generated either from fees we charge to Norvial, Survial, Canchaque, Chinchaypujio and the Line 1 to operate and maintain our concessions or from government payments through maintenance service contracts we have been awarded. As depicted in the chart below, we operate and maintain 1,592.8 km of Peruvian roads and highways, including our own highway concessions, in addition to the Line 1.



The below map illustrates the roads in Peru for which we currently provide operation and maintenance services.



Project	Km
Survial	757.64
Canchaque	76.9
Norvial	182.52
Línea 1	33.00
Atico	334.70
Chinchaypujio	208.08

We provide the following road operation and maintenance services:

- **Routine Maintenance.** These services aim to preserve roads through ongoing maintenance, including road demarcation, cleaning, drainage, road fissure treatment which seals cracks in roads to prevent water infiltration, slurry sealing and micro-paving which seals asphalt to prevent aging and improve resistance to water and surface wear.
- **Periodic Maintenance.** These services entail activities that are performed periodically, intended to prevent the occurrence or exacerbation of defects, conserve the structural integrity of roads and correct major defects.
- **Emergency maintenance.** This maintenance work is performed whenever the need arises such as when natural disasters damage road surfaces.

We also administer toll stations and weighing stations, offer road patrolling services, operate assistance call centers and provide emergency medical services.

The operation and maintenance services we provide to the Lima Metro aim to preserve the mass transit system through ongoing maintenance, including cleaning of the trains and stations and providing train operators, among other services.

With respect to operation and maintenance contracts with the Peruvian government, we obtain new contracts through public bidding. With respect to contracts with our Infrastructure segment, we participate in direct negotiation. Contract length typically ranges from three to five years.

Competition

Our ability to grow through successful bids for new infrastructure concessions or other long-term contracts could be affected as a result of competition. We view our competition as including both Peruvian and international infrastructure concession operators including joint operations with partners with specialized expertise in the relevant sector. Competition varies on a case-by-case basis, depending on the main purpose of the concession.

Energy

We operate three producing oil fields and five multiple fuel storage facilities under long-term government contracts, and we own a gas processing plant.

The table below sets forth selected financial information for our Energy segment.

	As of and for the year ended December 31,			
	2020	2021	2022	2022
	(in millions of S/, except as indicated)			(in millions of US\$) ⁽¹⁾
Revenues	369.8	541.9	633.8	165.9
(Loss) profit for the year	12.6	57.8	63.9	16.7
(Loss) profit attributable to non-controlling interest	9.2	51.3	(7.1)	(1.9)
Net profit margin	3.4%	10.7%	10.1%	10.1%
adjusted EBITDA	109.4	173.7	184.2	48.2
adjusted EBITDA margin	29.6%	32.0%	29.1%	29.1%

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

Our strategy is to develop the oil reserves of Block III and IV, to consolidate our storage business, and to look for new opportunities in the natural gas business. Through our Energy segment, we have participated with 8% of the oil production, 1.5% of the liquefied petroleum gas (LPG) production and 19% of the fuel dispatch within Peru during 2022, according to the Ministry of Energy and Mines of Peru (MINEM).

The following table shows selected information for our Energy business as of December 31, 2022.

Project	Year Granted	Initiated Operations	Expiration	Characteristics	% Owned by Us	Status
Energy:						
Block V	1993	1993	2023	Avg. daily production of 105 bbl (2022)	100.0%	Operating
Block III	2015	2015	2045	Avg. daily production of 627 bbl (2022)	100.0%	Operating
Block IV	2015	2015	2045	Avg. daily production of 2,331 bbl (2022)	100.0%	Operating
Gas Processing	2006	2006	N/A	Avg. daily processing capacity of 31.68 MMcf	100.0%	Operating
North and Central Fuel Terminals	2014	2014	2034	Aggregate storage capacity of 2,695 Mbbl	50.0%	Operating

We currently operate three energy businesses within our Energy segment:

- (i) **Exploration and Production:** We have been operating and extracting oil from four onshore fields (Block I, Block III, Block IV and Block V) located in the provinces of Talara and Paita in northern Peru. We had two hydrocarbon extraction service contracts with Perupetro, the Peruvian entity responsible for the administration and supervision of all exploration and production contracts in Peru, under which we have been operating two oil producing fields, Block I which expired on December 26, 2021 and Block V that will expire in October 2023. In addition, we have two long-term license contracts with Perupetro, a state-owned oil and gas company, for two other blocks, Block III and IV, which started operations in April 2015 and oil production from these blocks is sold to Petroperu. During 2022, the oil production of our four blocks was approximately 3,063 bbl per day on average.
- (ii) **Natural Gas:** We own and operate a natural gas processing plant located in northern Peru, which processes and fractions natural gas, sells the liquids and delivers dry gas to a gas-fired power generation company under a long-term processing and fractionation agreement.
- (iii) **Transport and Distribution:** We are a 50% partner in Terminales del Peru, a consortium which has a contract with Petroperu to operate and maintain five fuel storage terminals until 2034.

In addition, we are a 50% partner in Oil Tanking Andina Services S.A.C. (“OTAS”). This subsidiary operates a fuel terminal named Terminal Marino Pisco Camisea under a contract subscribed with Pluspetrol to operate an export terminal for gasoline, diesel, propane and butane. Additionally, through OTAS, we are also a 25% partner in Logística Químicos del Sur S.A. (“LQS”), which operates the Terminal de Químicos de Matarani and which dispatched 57,508 tonnes of sodium hydrosulfide for international mining companies in 2022.

The pie charts below set forth the breakdown of our revenues, net income before minority interest and adjusted EBITDA from our Energy segment for 2022.



Oil and Gas Production

We have been operating and extracting oil from four mature fields (Blocks I, III, IV and V) located in the provinces of Talara and Paita in northern Peru. Two of these fields, Blocks I and V, have been operated under service contracts under which we provide hydrocarbon extraction services to Perupetro. Hydrocarbons extracted from these two blocks belong to Perupetro, which in turn pays us, once a month, a variable fee per barrel of extracted hydrocarbons. This extraction fee is based on a basket of international crude prices and the level of production. The service contract of Block I expired on December 26, 2021 and the Block V contract will expire on October 2023. The other two fields, Blocks III and IV, are operated under long-term license contracts with Perupetro. The hydrocarbons extracted are owned by our subsidiary UNNA Energía, who sells the oil to Petroperu based on the average prices of three international crude oil prices: Fortis, Suez Blend and Oman Blend crudes. UNNA Energía pays royalties, to Perupetro, calculated in accordance with a contractual formula that accounts for price, volume, income and expenses of each block. Our activities are focused on proved reserves development and production and are conducted in mature oil fields, which have been producing oil for over 100 years in the case of Block I, over 95 years in the case of Block III, over 95 years in the case of Block IV, and over 50 years in the case of Block V. We believe our activities in these fields bear limited exploration risk.

The following table shows selected information about our fields.

Property	Basin	UNNA Energía's Ownership	Expiration	Developed Acres	Undeveloped Acres
Block I (terminated)	Talara	100%	December 2021	25,154	4,110
Block III	Talara	100%	2045	7,475	39,254
Block IV	Talara	100%	2045	10,240	47,776
Block V	Talara	100%	2023	1,880	20,502

Block I:

We operated and extracted oil and natural gas from Block I under a 30-year hydrocarbon extraction service contract with Perupetro, which was extended for an additional 10-year term and expired on December 26, 2021. Average daily production during 2021 was 537 barrels of crude oil. We operated 205 wells using various oil extraction systems and operated a network of production batteries and pipelines to collect, measure and deliver oil in a control point close to the Talara refinery. The field is located in the province of Talara, department of Piura, in northern Peru, approximately five miles from the Talara refinery, the second largest refinery in the country. Block I is the oldest oil producing field in Peru and has been producing oil since around 1890. Perupetro has signed an agreement with Petroperu which has taken over the operation of this field.

Block III:

We operate and extract oil and natural gas from Block III under a 30-year license agreement with Perupetro, which expires in April 2045. Average daily production during 2022 was 627 barrels of crude oil. We operate 172 wells using various oil extraction systems and operate a network of production batteries and pipelines to collect, measure and deliver oil in a control point close to the Talara refinery, which purchases the oil according to a contract based on an average price of three international crude oil prices: Fortis Blend, Suez Blend and Oman crudes, as adjusted by certain factors. The field is located between the provinces of Talara and Paita, department of Piura, in northern Peru, approximately 43 miles from the Talara refinery. Our principal capital expenditure commitment under this agreement consists of (i) the Exploitation Phase (years 2-11): Drill 23 development wells per year (230 wells); and (ii) Exploitation Phase 2 (years 12-26): Drill at least 10% of the locations of proved undeveloped reserves identified in the reserves report submitted yearly to Ministry of Energy and Mines. In 2022, we started the first drilling campaign (out of ten campaigns) and completed nineteen of the twenty-three wells with a capital expenditure of US\$18.6 million. The estimated average capital expenditure per well is US\$1 million.

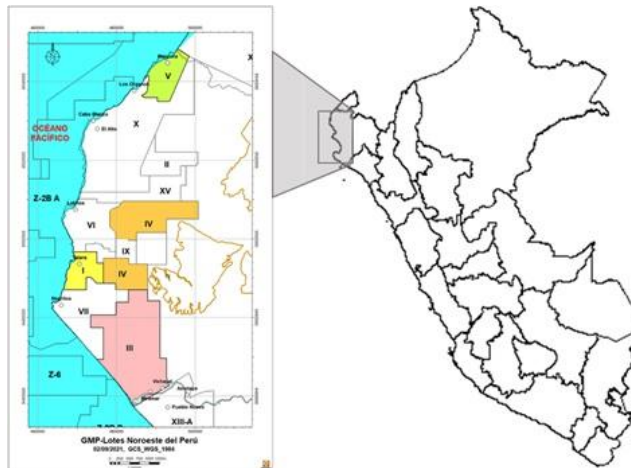
Block IV:

We operate and extract oil and natural gas from Block IV under a 30-year license agreement with Perupetro, which expires in April 2045. Average daily production during 2022 was 2,331 barrels of crude oil. We operate 359 wells using various oil extraction systems and operate a network of production batteries and two pipelines to collect, measure and deliver oil in a control point close to the Talara refinery, which purchases the oil according to a contract based on an average price of three international crude oil prices: Fortis Blend, Suez Blend and Oman crudes, adjusted for costs related to hydrocarbon transportation. The field is located in the province of Talara, department of Piura, in northern Peru, approximately 21 miles from the Talara refinery. Our principal capital expenditure commitment under this agreement consists of (i) the Exploitation Phase (years 2-11): Drill 33 development wells per year (330 wells); and (ii) Exploitation Phase 2 (years 12-26): Drill at least 10% of the locations of proved undeveloped reserves identified in the reserves report submitted yearly to the Ministry of Energy and Mines. As of December 31, 2022 we have drilled 181 development wells and two exploratory wells at a cost of US\$113.4 million. The estimated average capital expenditure per well is US\$0.643 million. On February 28, 2022, we started the fifth drilling campaign. On October 12, 2022, we started the sixth drilling campaign and so far have completed 16 wells (out of 33 wells per year).

Block V:

We operate and extract oil and natural gas from Block V under a 30-year hydrocarbon extraction service contract with Perupetro, which was extended for an additional 10-year term and expires in October 2023. Average daily production during 2022 in this field was 105 barrels of crude oil. We operate 46 wells in this field using various oil extraction systems. The Block V field is located in the province of *Los Órganos*, department of Piura, Peru, close to the border with Ecuador. Block V has been producing oil since the 1950s.

The map below shows the geographic location of our oil producing blocks in northern Peru.



For Block V, we are entitled to a variable fee paid by Perupetro, which is based on the level of production of each field and a price formula that is based on an average price of three international crude oil prices: Fortis blend, Suez blend and Oman crudes, and a discount over this price of approximately of 72% per barrel. For Block III and Block IV, we pay royalties to Perupetro based on an average price of three international crude oil prices, Fortis blend, Suez blend and Oman crudes, as well as the production and the incomes and expenses of each block. The royalties paid to Perupetro were US\$10.08 per barrel during 2020, US\$24.00 per barrel during 2021, and US\$45.05 per barrel during 2022.

During 2020, 2021 and 2022, we received an average revenue (for all blocks) of US\$41.22, US\$68.73, and US\$93.24 respectively, per barrel of extracted oil, which was equivalent to approximately 91.29%, 91.2%, and 92.14% respectively, of average Brent crude oil prices in the same years. We are not committed to provide a fixed volume of oil or natural gas under our four contracts.

We produce natural gas as a byproduct of the production of crude oil (an average of 5.5 MMcf per day during 2022). In Block IV, a certain volume of natural gas extracted is used as fuel and the excess is sent to our Pariñas plant to be processed and commercialized as liquid and dry gas. In June 2022, we started our contract with Lima Gas to compress and sell compressed natural gas (CNG) (average of 0.89 MMcf per day). In Block V, we reinject the natural gas produced back into the wells. In Block III, we use part of the produced gas as fuel to operate well equipment (pumping units) and we are looking for a market to sell the excess. In this regard, we have signed an agreement with Gasnorp to start delivering natural gas in 2023. Our revenues for the sale of natural gas (liquid and dry gas) were US\$4.6 million in 2022 in our Exploration & Production unit.

Estimated Proved Reserves:

The following table sets forth estimated proved crude oil and natural gas reserves in Blocks III, IV and V as of December 31, 2022. We have only included estimates of proved and have not included any estimates of probable and possible reserves.

	<u>Crude Oil (Mbbbl)</u>	<u>Natural Gas (MMcf)</u>	<u>Crude Oil Equivalents (MBoe)</u>
Block III:			
Proved developed producing	2,383.8	829.7	2,522.1
Proved developed non—producing	513.6	140.2	537.0
Proved undeveloped	9,451.7	638.3	9,558.1
Total proved reserves	12,349.2	1,608.2	12,617.2
Block IV:			
Proved developed producing	6,616.1	9,462.5	8,193.2
Proved developed non—producing	679.3	912.5	831.4
Proved undeveloped	6,324.3	12,017.4	8,327.2
Total proved reserves	13,619.7	22,392.4	17,351.8
Block V:			
Proved developed producing	30.6	-	30.6
Proved developed non—producing	2.9	-	2.9
Proved undeveloped			
Total proved reserves	33.5	-	33.5
Total:			
Proved developed producing	9,030.5	10,292.2	10,745.9
Proved developed non—producing	1,195.9	1,052.7	1,371.3
Proved undeveloped	15,776.0	12,655.7	17,885.3
Total proved reserves	26,002.4	24,000.6	30,002.4

Proved reserves are those quantities of oil and natural gas which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations. The term “reasonable certainty” implies a high degree of confidence that the quantities of oil and/or natural gas actually recovered will equal or exceed the estimate. To achieve reasonable certainty, we employed methodologies that have been demonstrated to yield results with consistency and repeatability. The methodologies and economic data used in the estimation of the proved reserves in the fields include, but are not limited to, well logs, geologic maps and available down hole and production data, seismic data, and well test data.

Reserve amounts were based on the 12-month unweighted arithmetic average of the first-day-of-the-month Brent crude price for each month in the period January through December 2021, which, pursuant to our contractual agreements, resulted in average oil and gas prices of US\$100.25 per barrel and US\$6.40 MMcf, respectively, that for the purpose of reserve amount estimation were assumed to remain constant.

Proved undeveloped reserves in the fields as of December 31, 2022 were 17,885.3 Mboe, consisting of 15,776.0 MBbl of crude oil and 2,109.3 Mboe (12,655.7 MMcf) of natural gas. We estimate that during 2022, proved undeveloped reserves decreased by 5,322.3 Mboe of crude oil, mainly as a result of a decrease of natural gas considering the volume of natural gas available pursuant to the agreement between UNNA Energia and Gasnorp contracted from August 2022 to August 2025.

In 2022, approximately 5,500 Mboe of proved undeveloped reserves were converted into proved developed reserves, consisting of 1,977MBbl of crude oil and 494 Mboe (2,965 MMcf) of natural gas due to drilling campaigns in Block III and Block IV.

Capital expenditures made during 2022, for both drilling activities and workovers, to convert undeveloped reserves to proved developed reserves, amounted to approximately US\$46.1 million (S/176.1 million).

The principal changes in proved undeveloped reserves during 2022 were:

- In Block IV, proved undeveloped crude oil reserves decreased 794 Mbbl during 2022, as a result of revisions to the power dispatch curves used in our drilling operations.
- In Block III, proved undeveloped crude oil reserves decreased 81 Mbbl during 2022 as a result of revisions to the power dispatch curves used in our drilling operations.

For changes in proved developed and undeveloped reserves from December 31, 2021 to December 31, 2022, see supplementary data (unaudited) annexed to our audited annual consolidated financial statements included in this annual report.

Qualifications of Technical Persons and Internal Controls Over Reserves Estimation Process:

The reserves estimates shown in this annual report have been prepared internally by our engineers in accordance with the definitions and guidelines of the SEC. Our reserves are estimated at the property level and compiled by our engineering staff. Our engineering staff interacts with our internal staff of operations engineers and geoscience professionals and with accounting employees to obtain the necessary data for the reserves estimation process. Our reservoir engineers and geoscience professionals have worked to ensure the integrity, accuracy and timeliness of the data, methods and assumptions used in the preparation of the reserves estimates. Mr. Javier Portuguez is our Reservoir Engineer. The reserves estimate report was submitted to our Committee of Reserves, which is formed by Mr. Ivan Miranda (Exploration and Production Technical Manager), Mr. Jose Pisconte Lomas (Chief of Geology), and Mr. Manuel Gomez (Chief of Reservoir Engineering). Mr. Portuguez holds a Petroleum Engineering degree from Universidad Nacional de Ingenieria in Lima, Peru and has 29 years of experience, developed as a production and reservoir engineer at Mercantile and Interoil Peru. Mr. Gomez holds a Petroleum Engineering degree from Universidad Nacional de Ingenieria in Lima, Peru and has 15 years of experience, most of it as drilling, completion, stimulation, and reservoir engineer. Mr. Pisconte Lomas, holds a Geologist Engineering degree and a Regional Geology Master's degree from Universidad Nacional Mayor de San Marcos and has 30 years of experience in the oil industry. Mr. Miranda holds a degree in Petroleum Engineering from Universidad Nacional de Ingenieria in Lima and a Petroleum Engineering Master's degree from Texas A&M University of Texas—USA, and has 38 years of experience in the oil industry developed at PetroPeru, Unipetro ABC, and UNNA Energía.

Production, Revenues, Prices and Costs:

The following table sets forth information regarding our production, revenues, prices and production costs for 2020, 2021, and 2022.

	For the year ended December 31,		
	2020	2021	2022
Production volumes(1):			
Crude oil (Mbbbl)			
Block I (terminated)	219.6	195.9	-
Block III	247.7	192.4	225.6
Block IV	785.4	690.7	850.8
Block V	34.6	34.1	38.3
Total (crude oil Mbbbl)	1,287.4	1,113.1	1,114.7
Natural gas (MMcf)			
Block I (terminated)	1,540.2	1,518.3	696.1
Block III	1,337.31	1,225.0	-
Block IV	202.8	293.3	696.1
Block V	—		
Total (natural gas MMcf)	1,540.2	1,518.3	696.1
Crude oil equivalents (Mboe)	273.8	269.9	116.0
Total Company	1,561.2	1,383.0	1,238.4
Average sales prices(2):			
Crude oil (US\$/bbl)	38.06	64.61	93.24
Natural Gas (US\$/Mcf)	3.27	5.23	2.62
Crude oil equivalents (US\$/boe)	31.79	58.34	85.10
Costs and expenses(2):			
Production expenses (US\$/boe)	14.43	20.92	21.35
Royalties (US\$/boe)	7.12	19.24	39.96
General and administrative expenses (US\$/boe)	2.19	2.37	2.67
Depreciation, depletion, amortization and accretion expenses (US\$/boe)	8.61	10.34	10.84

- (1) Hydrocarbons extracted from Blocks I and V belong to Perupetro, which in turn pays us a per barrel fee for extracted hydrocarbons. Hydrocarbons extracted from Blocks III and IV belong to UNNA Energía, which in turn pays a royalty to Perupetro for the amount of extracted hydrocarbons.
- (2) Crude oil sales volume differs from total production volume due to operational circumstances such as the inventory of product stored in our field batteries at the end of each monthly measurement. "Average sales prices" refers to the fees received in consideration for our extraction services, which do not equal the sales prices of crude oil. Average sales prices have been calculated using a basket price formula according to the service and license contracts of each block. Those pricing formulation is at a discount to global oil prices for Blocks I and V, and for Blocks III and IV we pay royalties on the oil extracted. Per unit costs have been calculated using sales volumes.

Acreage, Productive and Development Wells, Drilling:

The following table sets forth certain information regarding the total developed and undeveloped acreage as of December 31, 2022.

Formation ⁽¹⁾	Developed Acreage	Undeveloped Acreage
Block III		
Salina Mogollón	7,475	3,983
Redondo	105	1,035
Amotape	1,750	2,370
Total Block III	7,475	39,254
Block IV		
Pariñas	4,155	3,402
Palegreda	7,421	2,665
Mogollón	1,505	2,571
Total Block IV	10,240	47,776
Block V		
Verdun	530	650
Ostrea	175	115
Mogollón	1,350	120
Total Block V	1,880	20,502
Total	19,595	107,532

(1) Represents the areas of the main reservoirs quantified by blocks, which are multi-reservoirs at different depth levels and overlap with each other.

As of December 31, 2022, we had a total of 576 producing wells. Our wells are oil wells, many of which also produce natural gas. We do not have interests in wells that only produce natural gas. The following table shows the number of development and exploratory wells drilled during 2020, 2021, and 2022 in Blocks III, IV and V.

	For the year ended December 31,		
	2020	2021	2022
Development Wells			
Productive	18	15	67
Dry	—	-	2
Total	18	15	69
Exploratory Wells			
Productive	—	1	-
Dry	—	-	-
Total	0	1	-

During 2020, 2021, and 2022 we invested US\$12.26 million (\$/44.44 million), US\$8.5 million (\$/33.9 million), and US\$45.7 million (\$/174.6 million) respectively, in drilling activities. During 2022, we drilled a total of 49 wells in Block IV (one well was classified as not productive) and 19 wells in Block III (so far all productive wells). Under the terms of our agreements with Perupetro, at the time the contract terminates, we are required to close non-producing wells that we have drilled. As of December 31, 2022, we estimated that we will be required to close 99 wells in Block I through the end of 2026, and 17 wells in Block V through the end 2025, and 38 wells in Block III and 48 wells in Block IV by April 2045. We have created a provision in our financial statements for the costs relating to those well closings. See Note 5.A (iii) to our audited annual consolidated financial statements included in this annual report.

Gas Processing Plant

We own a gas processing plant located 7 km north of the city of Talara in Piura, Peru. We currently have a delivery and gas processing and fractioning contract with *Enel Generación Piura* (formerly known as EEPISA), according to which *Enel Generación Piura* delivers wet natural gas that it purchases from onshore and offshore gas operators in the area. We then process and fraction the gas into two products: (i) dry natural gas, which can be used as fuel in *Enel Generación Piura's* gas-fired turbine; and (ii) natural gas liquids, which are sold in the Peruvian market. Under the terms of the agreement, we are responsible for all operating costs of the gas processing plant but are also entitled to keep revenues from the sale of the natural gas liquids to third parties after payment of a variable royalty, based on the volume of gas processed, to *Enel Generación Piura*. Our current gas processing and fractionation contract with *Enel Generación Piura* expires in 2023.

Our gas processing plant has the capacity to process up to 44 MMcf per day. We processed 28.40 MMcf per day during 2020, 30.41 MMcf per day during 2021, and 31.7 MMcf per day during 2022. Approximately 85.8 % of the volume processed by our gas processing plant depends on the gas volumes provided by *Enel Generación Piura* for processing and use on its gas-fired turbines. These volumes vary per month and depend upon the power dispatch curve of *Enel Generación Piura* among Peruvian power generation plants. In rainy months (December to April) where hydroelectric power generation in Peru is typically higher, gas volumes demanded by *Enel Generación Piura* are lower than in dryer months (May to November) in which activity of thermal generators tends to be higher. During 2022 approximately 8.7% of the volume processed by our gas processing plant depends on the volumes of gas extracted by UNNA Energía in Block IV, approximately 5.5% depends on the volumes of gas provided by SAVIA and 2.4% on the gas provided by CNPC which we process and commercialize as liquid natural gas.

Fuel Storage Terminals

We are a 50% partner in Consorcio Terminales with a Peruvian affiliate of Oiltanking GmbH, one of the world's largest operators of independent terminals for bulk liquid storage. Consorcio Terminales was first awarded a concession for the operation of the South Fuel Terminals in 1997 and in 1998 of the North Fuel Terminals. The operation of the North Terminals ended on 2014 and the South Fuel Terminals were reverted to Petroperu in November 2019.

In June 2014, Terminales del Peru, a new consortium that included our subsidiary UNNA Energía and Oiltanking Peru, was awarded a concession for the operation of the North and Central Fuel Terminals for PetroPeru. The contracts have 20-year terms and consist of the operation of four terminals in the north and one terminal in the center of the country, providing storage and dispatching bulk liquid fuel. The contractual commitment of the committed investments were completed in 2021 investing roughly US\$32 million (S/122.2 million) and achieving 100% completion on both projects. Regarding the additional investment (reimbursables), at the end of 2022, we reached a cumulative investment of US\$107 million (S/408.7 million) out of the contractual commitment of US\$186 million (S/710.5 million).

Our open-access terminals offer our customers dependable and critical handling and storage services for refined petroleum liquid products, maintaining high quality, safety and environmental standards. We provide storage, handling and loading and uploading services for a broad range of refined petroleum liquid products, including gasoline, aircraft fuel, diesel, LPG and heavy fuel oil. We deliver the liquids into two types of transportation systems, railroad cars and cistern trucks. Because of the strategic location of our assets, our deep-water access, inland terminals and our aggregate storage capacity of 2.69 MMbbl in the North and Central Terminals, we believe that we are well-positioned to cover the needs of our clients, the two principal refineries in Peru. The map below shows the location of each of our fuel storage terminals in Peru.



Under the contracts, Terminales del Peru receives revenues paid in connection with monthly reserved volume in tanks for refined crude products (storage fee) and for volumes loaded and delivered into railroad cars or cistern trucks to each terminal (throughput fee). The storage fee per barrel, is based upon reserved volumes whether they are received or not. The throughput fee is paid based on effective barrels delivered per month. During 2020, 2021, and 2022, Terminales del Peru generated revenues of US\$45.2 million (S/163.8 million), US\$48.3 million (S/193.1 million), and US\$51.9 million (S/198.2 million) (we are entitled to 50% of the joint operation revenues), respectively. Under the contract, Terminales del Peru are responsible for paying the fuel terminals operating and maintenance costs and also paying a royalty fee to Petroperu based on effective barrels delivered each month.

At the current stage of the contracts, any capital expenditure approved by Petroperu that we invest in the fuel storage terminals can be recouped from any present and future royalties we owe to Petroperu.

Other Terminal Operations

We are a 50% partner in Oiltanking Andina Services S.A.C. ("OTAS"). This subsidiary operates a fuel terminal named "Terminal Marino Pisco Camisea" under a contract subscribed with Pluspetrol to operate an export terminal for gasoline, diesel, propane and butane. In 2022, this terminal dispatched 23.7 million barrels and received 5.4 million barrels of natural gas liquids (LPG, Nafta, MDDBS, B-100, ULSD, B5 S50 y Diesel 2). This contract term has been extended until November 30, 2027.

Additionally, through OTAS, we are also a 25% partner in LQS, which operates the “Terminal de Químicos de Matarani”, which dispatched 57,508 tonnes of sodium hydrosulfide for international mining companies in 2022. During 2020, 2021, and 2022, these activities generated revenues in the aggregate of approximately US\$6.7 million (S/23.3 million), US\$6.8 million (S/26.4 million), and US\$7.9 million (S/30.2 million), respectively.

Real Estate

Our Real Estate segment is one of the largest apartment building developers in Peru, in terms of number of units sold and value of sales in 2022, and is focused on the development and sale of affordable housing and housing as well as other real estate projects. Since commencing our operations in 1987, we have developed approximately 1,444,650 m² of affordable housing (approximately 23,331 units); approximately 402,198 m² of housing (approximately 2016 units); approximately 170,416 m² of office space (approximately 903 offices); and approximately 43,000 m² of shopping centers (three shopping centers and strip malls). Moreover, we are currently building approximately 63,344 m² of affordable housing (approximately 1,120 units). Our Real Estate segment also owns land parcels in Lima, comprising approximately 9 hectares as of December 31, 2022, and we have sold undeveloped land in the past and intend to continue such sales in the future.

The table below sets forth selected financial information for our Real Estate business segment.

	For the year ended December 31,			
	2020	2021	2022	2022
	(in millions of S/, except as indicated)			(in millions of US\$, except as indicated) ⁽²⁾
Revenues ⁽¹⁾	182.4	239.3	367.3	96.1
(Loss) profit for the year	15.0	13.0	82.9	21.7
(Loss) profit attributable to non-controlling interest	(13.6)	(12.2)	(51.8)	(13.6)
Net profit margin	8.2%	5.4%	22.6%	22.6%
adjusted EBITDA	32.6	36.9	137.7	36.0
adjusted EBITDA margin (%)	17.8%	15.4%	37.5%	37.5%
Backlog (in millions of S/) ⁽³⁾	218.6	179.8	167.9	44.0
Backlog/revenues ratio ⁽³⁾	1.2x	0.89x	0.46x	-

(1) In 2020, 2021 and 2022 we recognized S/7.3 million, S/7.2 million, and S/146.3 million (US\$38.3 million) respectively, in revenues from land sales.

(2) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

(3) For more information on our backlog, see “—Backlog.” Backlog is calculated as of the last day of the applicable period. Revenues are calculated for such period and converted into U.S. dollars based on the exchange rate published by the SBS at such period.

We undertake a significant amount of the activities in our Real Estate segment with partners; through financing and commercial arrangements we use to purchase land and to develop real estate projects. See “—Financing.” See also “Item 5.A. Operating and Financial Review and Prospects—Operating Results—Results of Operations—General—Real Estate.” As a result, a significant amount of our net profit in the Real Estate segment is attributable to the non-controlling interest of our partners.

Principal Real Estate Activities

Our real estate developments include the following products:

- affordable housing;
- housing; and
- commercial real estate.

We began developing affordable housing projects in 2001, following the Peruvian government's efforts to address the country's housing deficit, particularly for low-income families. We launched the first major affordable housing project in Peru in 2007, Parque Agustino, in Lima's El Agustino neighborhood. Since 2001, we have completed 18 affordable housing projects. As of December 31, 2022, we are in the process of developing three affordable housing projects, including construction, presales and procuring required authorizations and permits. These projects consist of expansions of projects previously completed by us. Affordable housing consists of apartments, usually ranging between 50 and 72 m² in size, that are purchased using government-sponsored support programs. The Peruvian government has adopted the *Nuevo Crédito Mi Vivienda* and *Techo Propio* programs, among others, which promote access to affordable housing in Peru by providing government subsidies to individuals for the purchase of homes. In order for a unit to qualify for the *Nuevo Crédito Mi Vivienda* program, its selling price must range between S/65,200 and S/464,200. In order for a unit to qualify for the *Techo Propio* new housing purchase program, its selling price must be less than S/68,000 for a single family home or less than S/120,300 for a multi-family dwelling.

In order to be eligible for an affordable housing subsidy under the *Nuevo Crédito Mi Vivienda* program, a purchaser must not own any other home or have benefited from a housing subsidy program in the past, among other requirements. A purchaser must also provide a down payment between 10% and 20% of the total purchase amount. Housing subsidies under this program fluctuate between S/10,800 and S/25,700 which incentivize purchasers with fixed interest rates so long as they pay their mortgage loan payments on a timely basis. In addition, a Green Bond subsidy of S/5,400 is added when projects are sustainable, such as in the case of our affordable housing projects in Viva. In order to be eligible for an affordable housing subsidy under the *Techo Propio* program, a purchaser must have a monthly income that does not exceed approximately S/ 3,715 and must not have received any other government-sponsored housing benefit in the past, among other requirements. A *Techo Propio* purchaser must also show proven savings equal to at least 3.5% of the total purchase amount. Housing subsidies under this program is S/43,312. Purchasers of subsidized housing under both programs are also not required to pay a value-added tax normally applicable to residential purchases.

We develop substantially all of our affordable housing projects on land purchased from the private sector. To the extent these projects meet the requirements of a particular government subsidy program, purchasers can purchase units with government subsidies. Some of our affordable housing projects, however, such as Los Parques de Comas, are developed through government bidding processes. Government subsidy programs like *Nuevo Crédito Mi Vivienda* and *Techo Propio* have driven the demand for affordable housing in Peru, which has in turn increased our sales of affordable housing units.

Our housing developments consist of residential buildings comprised of apartments with a mid- to high-price range that do not qualify for government subsidies. Since 1987, we have developed 38 housing developments. As of December 31, 2022, we are developing four affordable housing projects, which are in the construction stage. Our housing units typically range between 67.58 m² and 125 m² in size.

Substantially all of our affordable housing and housing development projects are located in Lima. We have also purchased land to develop four affordable housing projects in Piura. We intend to develop affordable housing projects in other cities outside of Lima.

The table below sets forth number of units sold and not yet delivered, and number of units delivered, as well as the value of units sold and our sales revenue for the periods indicated.

	For the year ended December 31,		
	2020	2021	2022
Number of Units Delivered ⁽¹⁾ :			
Affordable Housing	1,123	1,437	1,272
Housing	2	77	35
Total	1,125	1,514	1,307
Number of Units Sold and Not Yet Delivered ⁽¹⁾ :			
Affordable Housing	1,247	1,479	1,141
Housing	59	22	3
Total	1,306	1,501	1,144
Total m2 Delivered:			
Affordable Housing	57,330	87,560	78,311
Housing	1,588	5,775	1,925
Total	72,918	93,335	80,236
Total m2 Sold and Not Yet Delivered:			
Affordable Housing	68,949	104,889	74,463
Housing	29,959	1,650	225
Total	98,908	106,539	74,668
Value of Units Delivered (in millions of S/):			
Affordable Housing	157	201	196
Housing	12	21	12
Total	169	222	208

(1) We typically pre-sell our affordable housing and housing units before construction begins and continue to sell during construction, although we recognize revenues at the time of delivery of units.

We develop and sell office and commercial buildings, such as shopping centers. On certain occasions, we have operated our commercial real estate and later sold it, such as Larcomar, a landmark shopping center which we built in 1998 and sold in 2010. We have also developed commercial real estate buildings in connection with our affordable housing and housing projects, such as the Parque Agustino shopping center. Since 1987, we have developed 16 office buildings, three shopping centers and one medical center.

Land Bank

We typically purchase land to develop real estate projects with the intention to begin construction within a 12- to 18-month period after the purchase of the land. We may also, from time to time, purchase land for subsequent resale. As of December 31, 2022, we owned approximately 80.6 hectares, of which 99% is located in Lima and 1% outside of Lima. We continually evaluate opportunities to purchase new land for our real estate development projects.

We have a 50.45% interest in Almonte, which owns approximately 71.4 hectares of undeveloped land in Lurín, located 30 km south of Lima, as of December 31, 2022. On May 31, 2018, Almonte signed a purchase agreement with PRINSUR for the sale of 420.9 hectares of land by Almonte to PRINSUR for an aggregate amount of US\$92.7 million, the final installment of which was paid in February 2020 upon the satisfaction of certain conditions precedent.

Financing

We generally fund land purchases for our housing and commercial real estate projects through cash from our operations. For our affordable housing projects, we generally partner with real estate investment funds and insurance companies that provide between 60% and 70% of the total capital required to purchase the land and cover certain pre-construction costs in exchange for equity in the project. Once we acquire land for a particular real estate development project, we obtain working capital through a credit line from a financial institution, which we utilize to finance additional project needs as they arise. We also obtain financing through pre-construction sales for our affordable housing and housing projects and, to a lesser extent, our commercial real estate projects. Our affordable housing and housing projects generally require less outside financing because they are generally financed with pre-construction sales.

Sales and Marketing

We typically pre-sell our affordable housing and housing units prior to and during construction and use the related proceeds to finance the construction of the units. Our commercial and sales processes differ depending on the type of development and market segment of the development. We primarily sell our real estate development projects through an internal sales force that is assigned to particular projects and, to a lesser extent, external brokers on a non-exclusive, commission-fee basis. Our marketing efforts consist of newspaper advertisements, radio and television commercials, billboards and promotional offers for referrals. We also advertise our real estate projects on our website and social media.

We believe our brand is associated with product quality, professional operations and reliable post-sale customer service. We provide customer service call centers through which residents can report complaints or defects. Engineers respond with site visits, and repairs are made as long as the property continues to be covered by the applicable warranty or guarantee.

For our affordable housing projects, we provide post-sale customer service through our Ayni program, which aims to preserve the long-term value of our affordable housing developments by promoting a cooperative community life. Through this program, we distribute manuals that teach best practices for living in communities, offer leadership workshops, budget workshops, promote small business development, facilitate conflict resolution and provide other services. These services are provided for a six- to eight-month period following project delivery. In 2012, we initiated the Ayni contest for residents of our affordable housing projects with the aim of stimulating the sustainability of their community. Participants present an enhancement project for their community, such as a recreation center, and a jury selects the best project, which we fund and construct.

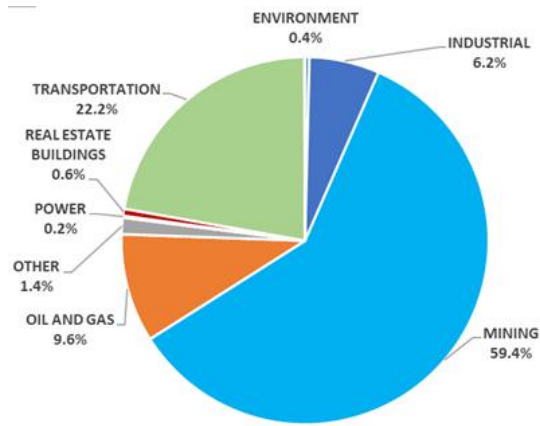
Competition

The Peruvian real estate development industry is highly competitive. The market is fragmented and no single company has a significant share of the national market. The principal competitors for our Real Estate segment are *Paz Centenario Inmobiliaria*, *Corporación Líder Peru S.A.*, *Urbana Peru*, *Los Portales*, *Imagina Grupo Inmobiliario*, *ENACORP*, *Besco S.A.*, and *DH Mont*, among others. In the coming years, we expect more competition from domestic and foreign real estate development companies who recognize the growth potential in the Peruvian residential market. The main factors that drive competition are product design and amenities, price, location and post-sale service offerings.

Engineering and Construction

Our E&C segment has a more than 89-year track record, undertaking a broad range of activities such as: engineering; civil works; electromechanics activities and building construction. We provide E&C services to a diverse range of end-markets, mainly focused on mining, industrial, oil and gas, infrastructure and real estate, among others. The following chart sets forth our 2022 revenues by end-market.

2022 E&C Revenues by End-Market



Our E&C segment mainly undertakes private-sector projects, particularly those with a high degree of complexity, which enable us to develop innovative and tailor-made solutions for our clients. We provide our clients with a comprehensive service offering by leveraging our various areas of expertise and engaging in virtually all aspects of project execution, thereby capturing a larger share of investment projects.

In 1999, we adopted the “lean construction” philosophy as a pillar in our design and construction projects. “Lean construction” aims to create value for customers by better understanding and considering clients’ needs to improve project design, functionality and cost optimization. “Lean construction” also provides techniques and tools that significantly reduce construction waste by improving planning reliability, process design, coordination and collaboration.

Although we primarily undertake engineering and construction projects in Peru, our clients often ask to undertake engineering and construction of large and complex projects in other countries, such as Mexico, the Dominican Republic, Bolivia, Guyana, Panama and Chile. As a result, we have developed extensive experience executing projects throughout Latin America. To further capitalize on our capabilities and expertise, we have expanded our activities into other key markets, such as Chile and Colombia, which have been benefitting from high levels of investment and are aligned with our areas of strategic focus. In 2022, approximately US\$223.1 million (S/852.4 million) of our E&C revenues were derived from international projects outside of Peru.

The acquisition of two companies, Vial y Vives and DSD, which were later merged, has solidified our presence in Chile. While we have been undertaking projects in Chile since 1995, such as the construction of the transmission line and crusher of the Caserones mine for SCM Minera Lumina Copper, we believe we will continue benefitting from the established and long-lasting presence in the country of both Vial y Vives and DSD Construcciones y Montajes. Moreover, through the acquisition of Morelco in December 2014, an engineering and construction company focused on the oil and gas and other energy sectors, we established a presence in the Colombian market.

Given the prevalence of mining operations in our main markets, we have significant expertise with respect to specialized engineering and construction services for the mining sector. As a result, we believe we are one of the leading mining construction companies in Latin America and leverage this expertise within our main markets and in the undertaking of complex projects across the region.

The table below sets forth selected financial information for our E&C business segment.

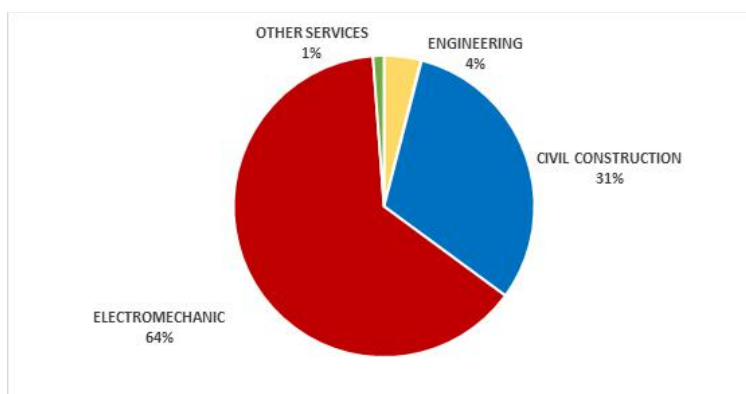
	As of and for the year ended December 31,			
	2020	2021	2022	2022 ⁽¹⁾
	(in millions of S/, except as indicated)		(in millions of US\$)	
Revenues	2,131.7	2,754.0	2,679.2	701.4
(Loss) profit for the year	(104.4)	(81.5)	(147.5)	(38.1)
(Loss) profit attributable to non-controlling interest	4.3	(0.6)	1.8	0.5
Net profit margin	(4.9)%	(3.0)%	(5.5)%	(5.5)%
adjusted EBITDA	(23.2)	89.6	(30.3)	(7.9)
adjusted EBITDA margin	(1.1)%	3.3%	(1.1)%	(1.1)%
Backlog (in millions of S/) ⁽²⁾	2,966.9	3,374.0	3,660.6	958.3
Backlog/revenues ratio ⁽²⁾	1.4x	1.2x	1.4x	-

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

(2) For more information on our backlog, see “—Backlog.” Backlog is calculated as of the last day of the applicable year. Revenues are calculated for such year and converted into U.S. dollars based on the exchange rate published by the SBS on December 31 of the corresponding year.

Principal Engineering and Construction Activities

The following charts sets forth our 2022 revenues by E&C activity.



Civil Works

Our civil works activities focus on infrastructure projects, including airport terminals and runways, earthworks, the construction of roads, highways, transportation facilities (e.g., mass transit systems such as the Lima Metro), dams, hydroelectric plants, water supply and sewage projects, excavation, structural concrete construction and tunneling. Our civil construction projects are generally large and complex, requiring the use of large construction equipment and sophisticated managerial and engineering techniques.

Electromechanics

Our electromechanics activities include the construction and assembly of concentrator plants, pipelines, transmission lines, oil and gas pipelines networks, and electric substations, predominantly for energy projects and industrial plants.

Engineering Services

Our engineering activities consist of a broad range of services relating to engineering, supervision, geometrics and environmental consultancy, including pre-investment studies, pre-feasibility studies, process design, project development, supervision of executive designs and construction management, including construction site reviews.

Building Construction

Through our building construction activities, we respond to Peruvian real estate demand for the construction of hotels, affordable housing projects, residential buildings, office buildings, shopping centers, and industrial plants.

Other Services

Other services we provide include procurement services, maintenance of plants and industrial facilities and rental of construction equipment.

Major Projects

The company plays an active role in the infrastructure sector in Peru, as well as other countries in Latin America, including the construction of roads, hotels, hospitals, shopping centers, housing developments, concentrator plants, hydroelectric power plants, thermal power plants and transmission lines as well as water supply and sewage projects, irrigation projects and dam building, among others. Throughout our history, we have participated, on our own or through minority or majority interests in joint operations, in a diverse range of landmark projects, including the following:

- in 2010, the Melchorita liquefaction plant for Peru liquified natural gas, Camisea project;
- in 2010, the Gran Teatro Nacional, the most modern theater in Peru;
- in 2011, the Pueblo Viejo Mine concentrator plant for Barrick Gold Corp. in the Dominican Republic;
- in 2011, the first stretch of Line 1 of the Lima Metro for the Peruvian Ministry of Transport and Communications;
- in 2012, for project manager Bechtel, the Antapaccay copper concentrator developed by Xstrata Copper, the world's fourth largest copper producer;
- in 2013, expansion of the plant for Cementos Lima, the largest cement producer in Peru;
- in 2014, the second stretch of Line 1 of the Lima Metro for the Peruvian Ministry of Transport and Communications;
- in 2014, construction of the Nueva Fuerabamba city, an integral real estate development project for the population surrounding the Las Bambas mining project;
- in 2015, construction of a copper concentrator plant for the Las Bambas mining project, managed by Bechtel and developed by Xstrata Copper;
- in 2015, expansion of the process plant for the Cerro Verde mine, one of the biggest concentrator plants in Latin America;

- in 2015, engineering, procurement and construction of Guyana Goldfields' Aurora gold project in Guyana, with the scope of works including a 1.75 Mt/a processing plant, power station and integration management;
- in 2015, design, engineering, procurement and construction of a new stock pile and 10,000 conveyor belts for the Escondida Mine, managed by Bechtel;
- in 2016, engineering, procurement and construction of the 510 MW Cerro del Águila S.A. hydroelectric plant for IC Power, which represents approximately 10% of Peru's installed generation capacity;
- in 2016, engineering, procurement and construction of La Chira, a waste water treatment plant for the city of Lima for which we also have the concession through a joint operation with Acciona Agua;
- in 2016, engineering, procurement and construction of a concentrator plant for the La Inmaculada silver and gold project, developed by Hochschild Mining, with a daily processing capacity of 3,500 tonnes;
- in 2018, construction and rehabilitation of an expressway known as Line Amarilla for Vinci;
- in 2018, construction and design of the Talbot project, a luxury business complex consisting of offices and a hotel with state-of-the-art technology in Lima;
- in 2018, execution of civil works and assembly of structures for the wet area of the Toquepala mine in Southern Peru;
- in 2019, execution of civil works in the Quellaveco mine for AngloAmerican in Peru;
- in 2019, civil works for a modernization project in the Aceros Arequipa plant for Aceros Arequipa Corporation in Peru;
- in 2019, structural reinforcement project in Plaza del Sol office building in Lima;
- in 2019, construction and rehabilitation of the Norvial highway;
- in 2019, ball mill stator replacement in Antamina, located in Ancash, Peru;
- in 2019, construction of a new water recirculation system and implementation of the north branch for the transfer of tailings in Antofagasta, Chile;
- in 2020, construction of a hospital for INEN (*Intituto Nacional de Enfermedades Neoplásicas*) in Lima, Peru;
- in 2020, crushing and transportation of material in Minera Spence in Chile;
- in 2021, construction of the Iberostar Hotel in Miraflores;
- in 2021, construction of a luxury Ibis Hotel in San Isidro with 9 floors and 2 basements;
- in 2021, execution of electromechanical, civil works and complete "punch list" activities in the construction of the Mina Justa mine for Marcobre;
- in 2021, the solution for condensate recovery and power generation system at the Chichimene station in Colombia;
- in 2022, construction of tunnels to transport thick mineral and mineral waste in Quellaveco Mine, Moquegua in Peru;

- in 2022, engineering, procurement and construction of a 271 km long, high pressure gas distribution network in Piura, Peru.
- in 2022, installation of the new recovered water pumping system in Ancash, Peru.
- in 2022, replacement of Ball Mill Stators for Antamina in Ancash, Peru.
- in 2022, electromechanical civil assembly of the water treatment plant, cooling towers, turbogenerators and evaporators for the MAPA project for Celulosa Arauco Constitution in Chile, and
- in 2022, construction of an overpass for the integrity of hydrocarbon transport systems in Colombia.

We currently have a diversified portfolio of ongoing projects, whether through our subsidiaries or through majority or minority interests in joint operations, in a wide range of sectors in Peru and the other countries in which we operate, including the following:

- execution of complementary works for the auxiliary units of the Talara refinery for Cobra Peru (three contracts), which is scheduled to be completed in May 2023;
- electromechanical works and construction of the Concentrator plant for Quellaveco Mine in Moquegua, Peru, which was completed in February 2023;
- earthworks and asphalt for the new Jorge Chavez Airport runway, auxiliary roads, aircraft parking area and electromechanical support facilities for landing in Callao, Peru, which was completed in March 2023;
- construction of mine tailings facilities and filter for Southern Peru Copper in Quebrada Honda, which is scheduled to be completed in May 2023;
- construction of maintenance hangar for Southern Peru Copper in Toquepala Mine, which is scheduled to be completed in April 2023;
- pebble grinding and crushing construction of the Quebrada Blanca 2 concentrator for Minera Teck Quebrada Blanca in Chile, which is scheduled to be completed in August 2023;
- design, procurement, and construction of the electric reinforcement of La Guajira: Lines Riohacha-Maicao 110kv and Riohacha-Cuestecitas 110 kv in La Guajira, Colombia, which is scheduled to be completed in December 2024, and operation and maintenance which is scheduled to be completed in October 2030;
- maintenance and civil works for ENAP, which is scheduled to be completed in July 2023;
- engineering, procurement, construction, commissioning and start-up of a material handling system for the transport of rubble for Spence Mine Ruble Reprocessing project in Chile, which is scheduled to be completed in 2025;
- design, engineering, supply and construction of the new terminal of Jorge Chavez Lima Airport, which is scheduled to be completed in 2025;
- construction of a Coarse Particle Flotation Plant for Quellaveco Mine, which is scheduled to be completed in August 2023;
- earthworks for the construction of platforms and the water dam for the gold project for Buenaventura in San Gabriel mine, which is scheduled to be completed in July 2024;

- integral solution for the treatment for the facilities of the CPF Santa Monica and its auxiliary services, which is scheduled to be completed in October 2024;
- maintenance works and adjustments to ensure the integrity of storage tanks for the hydrocarbon transportation infrastructure, to comply with the ODC tank maintenance plan at the Vasconia and Coveñas plants in Colombia, which is scheduled to be completed November 2024;
- works to update the fire systems of the stations that are part of the hydrocarbon transportation infrastructure in Colombia, which is scheduled to be completed July 2023;
- integral solution for a steam and energy generation system for the closure of the combined cycle in Termosuria, of Ecopetrol, which is scheduled to be completed in August 2024;
- maintenance works and adjustments to ensure the integrity of storage tank for the hydrocarbon transport infrastructure in Colombia, which is scheduled to be completed November 2024;
- civil, mechanical, piping, electrical and instrumentation works for plants and stations that are part of the hydrocarbon transportation infrastructure in Colombia, which is scheduled to be completed September 2024; and
- technical management, construction, engineering and project management services for Goldfield mine in Cajamarca, which is scheduled to be completed in 2023.

Clients

We believe we have developed long-term relationships with many clients as a result of our performance over the years and are focused on the successful and on-time execution of complex projects. Our extensive experience of operational excellence has allowed us to gain deep market knowledge and expertise, which help us better serve our clients. Key E&C clients include renowned domestic and multinational mining, power, oil and gas, transportation and infrastructure development companies, such as *AngloAmerican, Southern Peru, Cobra Peru, Marcobre, Antamina, Buenaventura, Lima Airport Partners (LAP), Corporación Aceros Arequipa, Compañía Minera TECK Quebrada Blanca S.A., Minera Spence S.A., ENAP Refinerías, Minera Escondida LTDA, Celulosa Arauco, Ecopetrol* and *Cenit*, among others.

Project Selection and Bidding

We win new engineering and construction contracts through private and public bidding processes or direct negotiation, from a variety of sources, including potential client requests, proposals from existing or former clients, opportunities sought by our commercial team and from requests by the Peruvian government. Approximately 99.9%, 94.6% and 92.7%, of our 2020, 2021 and 2022 revenues in our E&C segment, respectively, came from private-sector contracts. The Peruvian government and its agencies typically award construction contracts through a public bidding process conducted in accordance with the Peruvian State Contracting Law (*Ley de Contrataciones del Estado*). In the private sector, in addition to obtaining new projects, another important source of revenue involves increases in the scope of work to be performed in connection with already existing projects. These arrangements are typically negotiated directly with the client, often during the work we are already performing for that client.

We have a designated team that oversees the management of project proposals and a commercial team that reviews and evaluates potential projects to estimate costs. We also have a business development committee, which makes decisions about whether to apply for projects. In considering whether to bid for a potential project, we principally consider the following factors: competition and the probability of being awarded the project; project size; the client; our experience undertaking similar projects; and the availability of resources, including human resources. As part of the project selection process, our commercial team performs a detailed cost analysis utilizing sophisticated software we developed to assist in determining whether the project is viable and cost-effective. If we choose to pursue a project, a budget leader is assigned to prepare the offer that is eventually presented to our potential client.

Despite the budgeting risks generally associated with engineering and construction contracts, our management believes that our experience generally allows us to estimate our project costs accurately. Our project management teams also periodically review project budgets for inconsistencies between budgeted and actual costs in order to recover for cost variations through contract renegotiation. Budgeting risks are also mitigated through advance payments. Considering that we receive advance payments for most of our E&C contracts, our E&C projects typically do not require significant working capital investment. Our E&C segment secures financing primarily to purchase machinery and equipment for our construction services.

We are required, in the majority of our construction contracts, to provide a performance bond to guarantee project performance and completion, which remain in effect for the contract's duration. We are also required to provide performance bonds to secure any advance payments provided to us by our clients. These bonds are periodically reduced during the project's execution in accordance with project advancement. After the expiration of the contract term, we are typically required to provide an additional performance bond that remains valid for one or two years to guarantee the quality of works executed.

Contracts

We principally enter into four types of engineering and construction contracts:

- **Cost-plus fee contracts.** The contract price is based upon actual costs incurred for time and materials plus a fee, which may be a percentage of the costs incurred or a pre-determined fee. Sometimes, cost-plus fee contracts include a target price, and a contractual arrangement that determines our responsibility in the event the total cost of the project exceeds the target price or the benefit we receive if the total contract price results in cost savings. Cost-plus fee contracts tend to involve the least budgeting risk for us.
- **Unit price contracts.** The contract price is based upon a price per unit (i.e., variable quantities of work priced at defined unit rates). Each line item of the project budget, such as cubic meter of earth excavated or cubic meter of concrete poured, has a defined price, but the quantities of the units may vary. Our bid price reflects our estimate of the costs that we expect to incur for each work unit. These contracts typically include an "escalation" clause which is essentially an adjustment mechanism to account for Peruvian inflation.
- **Lump-sum contracts.** The contract price is fixed. Our bid is meant to cover all costs and include a profit. The principal risk in these types of contracts are errors in calculating our costs, including those of raw materials; miscalculation of the number of units or workers needed to complete the project; unanticipated technical complexities; or other unexpected events or circumstances that may increase our costs.
- **Engineering, procurement and construction (EPC) contracts.** EPC contracts, known as "single source" or "turn-key" contracts, are also lump-sum contracts. Pursuant to EPC contracts, we provide a broad range of basic and detailed engineering services, including preparation of the technical project specifications, detailed drawings and construction specifications; technical studies; and identification of lists of materials and equipment necessary for the project. These contracts, which we utilize predominantly for our mining contracts, require a high-level of expertise and generally involve the most budgetary risks for us.

For further information, see "Item 5.A. Operating and Financial Review and Prospects—Operating Results—Results of Operations."

Raw Materials

The main inputs our E&C segment used are, among others, fuel and hydrocarbons derivatives, cement and steel. These and the other products may be subject to the availability of raw materials, such as oil and iron, and commodity pricing fluctuations, which we monitor on a regular basis. Normally, our aim is to enter into master supply agreements for periods between six months and one year. Although we obtain most of our inputs needs in Peru, we believe we have access to numerous global supply sources. The availability of these inputs, however, may vary significantly from year to year due to various factors including client demand, producer capacity, market conditions, transport costs and specific material shortages, and we may incur additional costs in obtaining them.

We purchase and lease the equipment we require for our E&C business from several local and international suppliers, currently with no significant concentration with any particular suppliers. While we do not have difficulty obtaining required equipment, we may face difficulties finding skilled personnel able to operate certain equipment and machinery.

Competition

We generally compete with some of the largest contractors in Peru and in the countries we operate. Because the E&C sector is highly competitive, the markets served by our business generally require substantial resources and experienced, highly-skilled technical personnel. Main competitors of our E&C segment include local companies such as Besalco S.A., Cosapi S.A., San Martín Contratistas Generales, JJC Contratistas Generales S.A., and international companies such as Techint S.A.C., SSK Montajes e Instalaciones S.A.C., Skanska del Perú S.A., Mota-Engil Perú S.A., Salfacorp S.A., OHL, Echeverría Izquierdo, Sigdo Koppers, Acciona, Grupo FCC, Sacyr, Ismocol, Termotecnia, Masa, Thiess and Redpath, among others. For certain projects, due to the size of the project, expertise required and other factors, we may choose to partner with our competitors, including the aforementioned companies.

Competition within the E&C segment is driven by performance, skill and project execution capabilities for completing complex projects in safe, timely and cost-efficient manner.

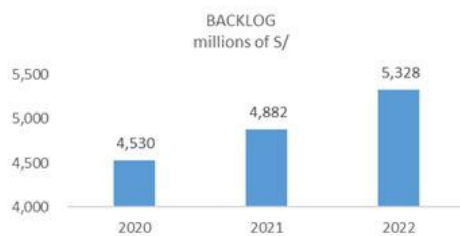
Backlog

We define our backlog as the U.S. dollar equivalent value of revenue we expect to realize in the future as a result of performing work under multi-period contracts that we have entered into. Backlog is not a measure defined by IFRS, and our methodology for determining backlog may not be comparable to the methodology used by other companies in determining their backlog. For contracts denominated in soles or other local currencies, amounts have been converted into U.S. dollars based on the exchange rate published by the SBS, in the case of Peru, or other relevant authority, in the case of other jurisdictions, on December 31 of the corresponding year.

We do not include backlog in this annual report for: (i) in our Infrastructure segment, our Norvial toll road concession, because its revenues from the concession are derived from toll fees charged to vehicles using the highway, and, as a result, such revenues are dependent on vehicular traffic levels; and (ii) our Energy segment because: (a) its revenues from hydrocarbon extraction services are dependent on the amounts of oil and gas we produce and their market prices, which fluctuate significantly; (b) our revenues from our gas processing plant are dependent on the amount of gas we process and market prices for natural gas liquids, which fluctuate significantly; and (c) our revenues from our fuel storage terminal operation partially depend on the volume of fuel dispatched.

When we present backlog on a segment basis, we do not include eliminations that are included in our consolidated backlog. For a description of how we calculate our backlog, see our segment backlog presented below. We have revised prior backlog data included in this annual report to exclude the presentation of entities that are presented as discontinued operations.

Our consolidated backlog as of December 31, 2022 was S/5,328 million (US\$1,395 million). We expect to recognize as revenues 59.5% of our backlog by December 31, 2023, 31.7% by December 31, 2024 and 8.8% thereafter. The following table sets forth our consolidated backlog from December 31, 2020 to December 31, 2022.



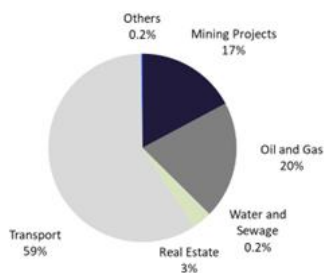
Our backlog in 2022 was higher than our backlog in 2021, mainly due to the increase in the backlog of the Engineering and Construction business. We cannot assure you that we will be able to continue obtaining sufficient contracts in the future in number and magnitude to grow our backlog. Additionally, the number and amounts of new contracts signed can fluctuate significantly from period to period.

The table below sets forth our ending backlog for 2020, 2021 and 2022 accounting for opening backlog for each year, annual contract bookings and annual revenues recognized.

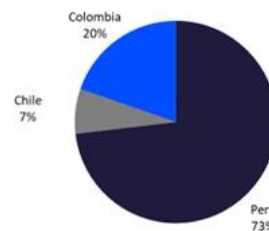
	<u>2020</u>	<u>2021</u>	<u>2022</u>
		(in millions of S/)	
Opening backlog (end of prior year)	5,066.3	4,997.4	4,665.0
Contract bookings during the year	2,304.6	3,032.3	4,454.8
Revenues recognized during the year	(2,840.9)	(3,147.3)	(3,792.1)
Ending backlog (end of current year)	4,529.9	4,882.3	5,327.6

The charts below set forth our consolidated backlog breakdown by end-market, geography and client sector as of December 31, 2022.

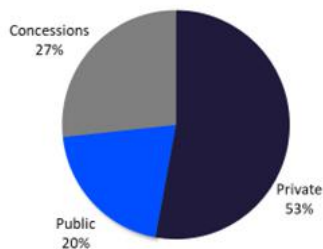
Backlog by End-Market



Backlog by Geography



Backlog by Client Type



Infrastructure Backlog

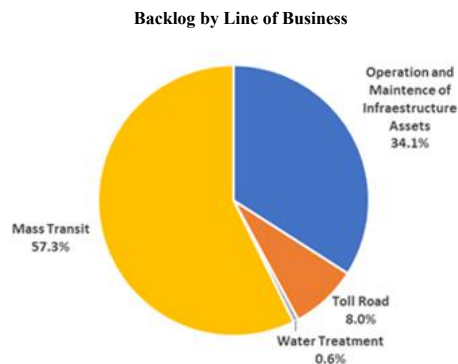
In reflecting an Infrastructure contract in our backlog, we assume that each party will satisfy all of its respective obligations under the contract. For our Infrastructure backlog, we only include contracted revenues expected to be paid during the next three years following the backlog calculation date. Infrastructure backlog in this annual report does not include our Norvial toll road concession.

Our Infrastructure segment backlog does not include intersegment eliminations. We calculate our Infrastructure backlog as follows:

- Mass transit: for the Lima Metro, our Infrastructure backlog assumes that for 2023, 2024 and 2025, we will operate 44 trains at full operation, which in the aggregate will travel 4.8 million kilometers per year;
- Toll roads: for our Survial and Canchaque concessions, we assume our contractually agreed upon annual fee, adjusted for inflation. For our 2023, 2024 and 2025 backlog, we utilize the same adjustment amount that was utilized for our 2016 fee, which has already been negotiated; and
- Water treatment: for La Chira, for 2023, 2024 and 2025, backlog is calculated to include the fees we will receive under the concession for our operation and maintenance, adjusted for inflation.
- Operation and maintenance of infrastructure assets: for UNNA Transporte, for 2023, 2024 and 2025, backlog is calculated based on contracts signed.

Our Infrastructure backlog as of December 31, 2022 was US\$525.9 million. We expect to recognize as revenues 36.4% of our backlog by December 31, 2023 and 63.6% of our backlog thereafter.

The following pie chart sets forth our Infrastructure backlog breakdown by line of business as of December 31, 2022.



The table below sets forth our ending Infrastructure backlog for 2020, 2021 and 2022, accounting for opening backlog for each year, annual contract bookings and annual revenues recognized.

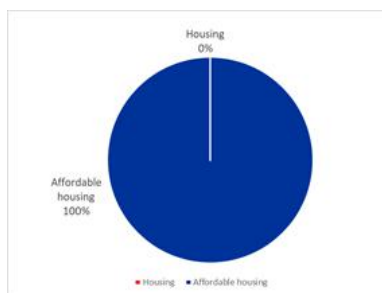
	<u>2020</u>	<u>2021</u> (in millions of \$)	<u>2022</u>
Opening backlog (end of prior year)	2,007.4	1,968.8	1,702.8
Contract bookings during the year	427.1	464.6	1,036.9
Revenues recognized during the year	<u>(649.8)</u>	<u>(651.3)</u>	<u>(730.6)</u>
Ending backlog (end of current year)	1,784.6	1,782.1	2,009.1

Real Estate Backlog

Our Real Estate segment backlog reflects sales contracts with buyers for units that have not yet been delivered and will be recognized as revenues once they are delivered.

Our Real Estate segment backlog as of December 31, 2022 was US\$44.0 million. We expect to recognize as revenues 88.9% of our backlog by December 31, 2023, and 11.1% thereafter. However, the ongoing political uncertainty and the increase in interest rates, which has significantly increased economic uncertainty, may continue to impact our ability to perform our Real Estate backlog in the short term. As conditions are unpredictable and rapidly changing, it is difficult to foresee the full extent of the impact on our backlog in the short term.

The following chart sets forth our Real Estate backlog breakdown by type of real estate activity as of December 31, 2022:



The table below sets forth our ending Real Estate backlog for 2020, 2021 and 2022, respectively, accounting for opening backlog for each year, annual contract bookings and annual revenues recognized.

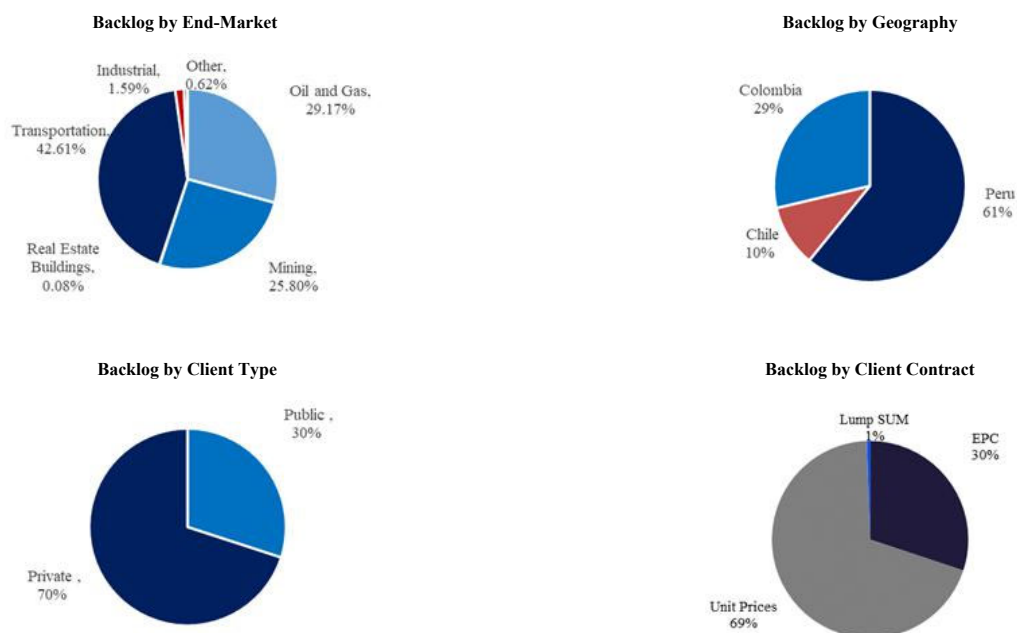
	<u>2020</u>	<u>2021</u>	<u>2022</u>
	(in millions of \$)		
Opening backlog (end of prior year)	234.9	241.2	171.8
Contract bookings during the year	166.1	178.0	362.1
Revenues recognized during the year	<u>(182.4)</u>	<u>(239.3)</u>	<u>(366.1)</u>
Ending backlog (end of current year)	218.6	179.8	167.9

E&C Backlog

To include an engineering and construction contract in our backlog, we assume that each party will satisfy all its respective obligations under the contract. We also make assumptions, in agreement with the client, regarding the total expected contract price in the case of unit price and cost-plus fee contracts and the amount of the contract that will be completed in each year. We adjust our backlog periodically to account for developments related to each project. For projects related to joint operations or equity investments, we only include our percentage ownership of the joint operation's or equity investment's backlog. Our E&C segment backlog does not include intersegment eliminations.

Our E&C backlog as of December 31, 2022 was US\$958.3 million. We expect to recognize as revenues 67.3% of such backlog by December 31, 2023 and 32.7% of such backlog thereafter.

The following pie charts set forth our E&C backlog breakdown by end-market, geography, client sector and contract type as of December 31, 2022.



The table below sets forth our ending E&C backlog for 2020, 2021 and 2022, accounting for opening backlog for each year, annual contract bookings, cancellations during the year and annual revenues recognized.

	2020	2021	2022
	(in millions of \$/)		
Opening backlog (end of prior year)	3,298.2	3,273.0	3,223.8
Contract bookings during the year	1,759.5	2,449.1	3,132.2
Revenues recognized during the year	(2,090.9)	(2,348.1)	(2,695.5)
Ending backlog (end of current year)	2,966.9	3,374.0	3,660.6

Warranties

For certain of our contracts, we are required to provide performance bonds to ensure compliance with contractual obligations such as construction works, operation and maintenance of infrastructure assets, among others. The amount of the performance bond varies on a case-by-case basis, depending on the value of the project. Performance bonds are usually renewed annually until the contractual obligation which they intend to guarantee is fully satisfied.

As part of our real estate sales contracts, we provide a six-month warranty for latent defects, which covers hidden flaws not discoverable through inspection. The warranty extends to a five-year term if the defects are caused by: (i) the use of materials below the requisite quality standards; (ii) poor execution; or (iii) faulty land. We also provide a ten-year warranty for structural defects, and assume the terms and conditions of our finishes suppliers' warranties.

Quality Assurance

In 2022, our operations were certified according to the following international standards:

		<u>ISO 37001</u>	<u>ISO 9001</u> <u>(QUALITY)</u>	<u>ISO 14001</u> <u>(ENVIRONMENTAL)</u>	<u>OHSAS / ISO</u> <u>45001</u> <u>(SECURITY</u> <u>AND SAFETY)</u>	<u>OTHER</u>
Infrastructure	Linea 1	x	x			
	Canchaque	x				
	Survial	x				
	Norvial	x				
	UNNA Transporte	x				
Energy	UNNA Energía		x	x	x	
Engineering and Construction	Cumbra Ingeniería	x	x	x	x	
	Cumbra	x	x	x	x	
	Morelco	x	x	x	x	x
	VyV - DSD	x	x	x	x	x
	Ecología y Tecnología Ambiental	x	x	x	x	
AENZA	AENZA S.A.A.	x				

Infrastructure:

- Línea 1: ISO 9001 for the operation and conservation of railway infrastructure and rolling material of the Transport electrical System - Line 1.
- Línea 1, Canchaque, Survial, Norvial and UNNA Transporte: ISO 37001

Energy:

- UNNA Energía: ISO 9001, ISO 14001 and ISO 45001: certified for oil production operations in Blocks III, IV y V; gas processing in gas plant in Talara; Reception, storage and dispatch of products derived from hydrocarbons in Terminals Eten, Salaverry, Chimbote, Supe y Callao; and support processes.

Engineering and Construction:

- Cumbra Ingeniería: ISO 14001, ISO 9001, ISO37001 and ISO 45001.
- Cumbra: ISO 9001 in project management control processes; ISO 14001, ISO 45001 in engineering, procurement and construction of electromechanical projects, civil works and buildings, and ISO 37001.
- Morelco: ISO 14001, ISO 9001, ISO37001, ISO 45001, ASME S, ASME U, and The National Board of Boiler & Pressure Vessel Inspectors.
- Vial y Vives—DSD: ISO 14001, ISO 9001, ISO 37001, ISO45001, and PEC Excelencia.
- Ecología y Tecnología Ambiental: ISO 14001, ISO 9001, ISO37001 and ISO 45001.

AENZA:

- AENZA S.A.A.: ISO 37001

Environmental, Social and Governance

We have a renewed focus on Environmental, Social and Governance (“ESG”) factor management. The new Board of Directors has created an ESG committee, led by Gema Esteban, member of our Board of Directors and IG4’s Capital Global Head of ESG.

We are focused on achieving long-term sustainable growth for our shareholders while maintaining the trust of all our stakeholders: customers, suppliers, shareholders and society as a whole. We want to conduct business in a manner that is not only economically viable, but also beneficial to greater society while also being environmentally responsible.

This renewed focus on ESG factors will lead us to be an inclusive employer, committed to the highest standards of ethics and corporate governance, promoting human rights, protecting the safety and wellbeing of our employees, and developing sustainable infrastructure that preserves our planet.

We were included in the 2022 and 2023 S&P/BVL Peru General ESG Index, an index designed to reflect the performance of companies that are listed on the S&P/BVL Peru General and who meet environmental, social and corporate good governance criteria (as defined by S&P in its Corporate Sustainability Assessment).

In addition, in 2022, we managed to increase our score in the S&P Corporate Sustainability Assessment by 60% compared to the previous year, achieving a score of 37 points compared to the 23 points achieved in the prior year.

We also continue to make progress in a number of areas:

- We continue to make progress on our commitment to respect the environment. With the efficient use of our resources, we generate the conditions that allow for the preservation of the environment, supported by actions, policies, high standards and compliance with regulatory norms. We are guided by three management objectives: (i) to reduce the environmental impact of our operations, (ii) to promote a responsible culture regarding the use of resources, and (iii) to design solutions that optimize the environmental performance of our clients and society.
- We have solid technical and environmental standards based on international standards and ISO 14001 environmental certification. Using these standards and information, we have continued to generate favorable conditions for the preservation of the environment across our businesses.
- Our management system allows us to identify risks related to environmental issues, and policies, processes and controls have been developed to mitigate and manage these risks adequately.

The focus of our social investment projects includes education and capacity building to foster job creation and the promotion of responsible citizen behavior, particularly among our users, suppliers and neighboring communities. The following are key programs we instituted for the benefit of society:

- Metro Culture: We conduct workshops that transform trains and train stations into centers of social and cultural education to promote respect and tolerance. In 2022, we collaborated with urban art areas (of over 1,800 m²) using themes related to Peruvian pride to recover space. We incorporated approximately 4,124 people in face-to-face health campaigns and more than 50,000 people participated in our discussions related to health care via virtual platforms.
- Road Safety Education: This program promotes our culture of safety and accident prevention by training communities that surround the roads and highways we operate or maintain. In 2022, we provided three training courses with the total participation of 2,450 students. Also, in an alliance with the Ministry of Transportation and Communications, we trained more than 50 teachers from over 23 schools from the area of influence of Line 1 of the Lima Metro.

- **Social and Economic Women Empowerment:** In 2022, through the “*Aprende a Emprender*” Program, we worked with more than 400 women from communities in the area of influence of Line 1 of the Lima Metro, Norvial and Survival to help them become entrepreneurs and achieve social and economic empowerment. We trained them in different topics such as sales, finance, entrepreneurship, leadership and soft skills, among others.
- **Ayni:** This social support program aims to improve the quality of life in urban areas by promoting respectful coexistence among new owners of our real estate projects. The initiative trains neighbors in several legal and managerial matters in addition to conflict management and leadership. In 2022, the program trained approximately 3,243 people.
- **Labor Capabilities:** This is a recruitment program where we share construction knowledge and train community members in building techniques, risk prevention and leadership skills to increase the employability of members of the local communities, generate jobs, reduce project risks, develop more efficient recruiting processes and strengthen the trust with the local communities. In 2022, we trained approximately 413 participants, 72% of whom joined the group.
- **Trainee Program:** This program is designed to attract and train young talents in construction projects. In 2022, we recruited 11 trainees from a total of 3,700 participants.
- **Young Professionals Program:** This program is designed to attract and train young talents in engineering projects. In 2022, we had two of these programs and we recruited a total of 20 young professionals from a total of 7,500 participants.

Regulatory Matters

Set forth below is a description of the regulatory framework applicable to our company. We believe we are in compliance, in all material respects, with applicable laws and regulations in all of our business segments.

Measures regarding COVID-19

In October 2022, the Peruvian government declared an end to the state of emergency (*estado de emergencia*) regarding the COVID-19 pandemic and established a number of rules under Supreme Decree No. 130184-20202-PCM (as amended). The engineering and construction, infrastructure (including the construction, operation and maintenance of infrastructure facilities), energy and real estate (including the construction and sale of properties) industries are operating in Peru, although subject to certain restrictions.

Infrastructure

Infrastructure and Public Services through Public Private Partnership Contracts

The Peruvian state has implemented a regulatory framework (Legislative Decree No. 1543, Legislative Decree No. 1362 and its regulations, approved by Supreme Decree No. 240-2018) that sets forth procedures and mechanisms for enhancing private investment for the development of public infrastructure, public services, any ancillary services, applied research projects and/or technological innovation, through Public-Private Partnerships (PPP) and Projects with State Assets.

The main aspects of this legal framework are the following:

1. The Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*) is the governing authority of the National System for the Promotion of Private Investment (SNPIP), composed by ministries and public agencies of the national government, the Agency for the Promotion of Private Investment—*ProInversión*, and regional and local governments.

2. Investors participating in Public Private Partnerships are entitled to receive from the Peruvian state: (a) in the case of self-financed projects, tolls or fees to be collected from final consumers; (b) in the case of co-financed projects, payments from the government entity awarding the project; and (c) any other financing structure agreed between the parties.
3. The management of Public Private Partnership contracts by the three levels of government (central or national, regional and local) is regulated by this legal framework.
4. For projects in regulated sectors, the monitoring of Public Private Partnership contracts is subject to the provisions of the Law No. 27-332, Framework Law for Regulators on Private Investment in Public Services. According to this law, OSIPTEL, OSITRAN, SUNASS and OSINERGMIN should primarily safeguard the compliance of service levels agreed in Public Private Partnership contracts. For this purpose, Public Private Partnership contracts must establish the necessary arrangements to ensure timely and efficient supervision during the performance of the contract. In addition, governmental entities are required to ensure timely participation of regulatory agencies when the authority of any such regulatory agencies is an issue in an arbitration conducted with a private investor.
5. Favorable opinions for the Public Private Partnership Agreements from the General Comptroller Office of Peru are required. The General Comptroller will issue a report on any aspects that may jeopardize the financial capacity of the Peruvian state, according to Law No. 27-785, Organic Law of the National Control System and the General Comptroller of Peru.
6. Investors interested in participating as bidders in private investment processes must review the list of restrictions and prohibitions established in the Public Procurement Law. Whether an investor is barred from participating shall be determined through administrative channels, and such restriction may apply to any expected strategic partners or to companies who have exercised direct control over the investor.
7. The development of projects related to assets owned by the Peruvian state (Legislative Decree No. 674, Law Promoting Private Investment in State Enterprises and its regulations enacted by Supreme Decree No. 070-92-PCM) can be carried out by private sector initiatives, without committing any public resources or transferring any risks to public entities, unless expressly required by law.

Each of our subsidiaries Norvial, Survial, Canchaque and Line 1 has entered into a concession agreement with the Peruvian Ministry of Transportation and Communications. La Chira has entered into concession agreements with the Ministry of Housing, Construction & Sanitation and Sedapal S.A. These agreements were entered into in accordance with the provisions in force at the time of their execution.

Infrastructure Construction and Safety

Infrastructure concessionaires must assure that the construction companies they hire to construct infrastructure projects comply with rules that apply to construction projects. In addition, companies engaged in road construction must comply with the guidelines issued by the Road and Railways General Directorate of the Peruvian Ministry of Transportation and Communications and with the National Road Infrastructure Management Regulation regarding road construction, maintenance and safety. These regulations establish procedures for authorizing road construction and approving work contracts, among others.

Environmental Regulations

Peruvian environmental laws and regulations have become increasingly stringent over the last decade. All industries and projects are subject to Peruvian laws and regulations concerning water, air and noise pollution, and the discharge of hazardous substances. The main legislation governing environmental matters is Law No. 28-611, General Environmental Law; Law No. 27,446, the Law of the National System of the Environmental Impact Evaluation (the "SEIA"); the regulations of the SEIA Law, approved by Supreme Decree No. 019-2009-MINAM; and several environmental regulations that have been issued under the General Environmental Law, SEIA and other laws by the government with the collaboration of the Peruvian Ministry of the Environment.

Since the enactment of the General Environmental Law on October 15, 2005, several technical environmental regulations have been issued and this environmental regulatory framework is generally revised and updated regularly. Some regulations apply generally to Peruvian industries and some technical regulations are issued for specific industries.

The main environmental rules applicable to infrastructure projects include those described above in "—Engineering and Construction—Environmental Regulation."

Terms of our Concessions

Our concessions are subject to certain terms and conditions established in each concession agreement. During the term of the concessions, we are responsible for the construction and maintenance of the infrastructure necessary for their operation. The concession agreements establish minimum capital stock requirements for our concessionaire subsidiaries as follows: US\$15 million (S/50 million), US\$8 million (S/27 million), US\$0.8 million (S/2.7 million), S/46 million and S/100 million for Norvial, Survial, Canchaque, La Chira and the Lima Metro, respectively.

The concession agreements establish grounds for termination including mutual agreement of the parties thereto, force majeure, the breach of certain contractual obligations and unilateral early termination by the government. Additionally, in the case of La Chira and the Lima Metro, the agreement can be terminated unilaterally by the grantor, with the payment of compensation. On the expiration date, all of the assets that are essential for the operation of the concession are considered the state's property and no compensation is paid to the concessionaire.

In the event that changes in legislation or regulations that are exclusively related to the financial conditions of the earnings and/or costs associated with the investment, operation or conservation of the infrastructure, affect the economic terms of the contract by 10% or more, the concession agreements set forth economic terms adjustment mechanisms aimed at restoring the economic and financial equilibrium. See "—Infrastructure—Principal Infrastructure Lines of Business."

Energy

Exploration and Production

UNNA Energía is engaged in two major activities relating to the exploration and production of oil and gas: exploration and production of oil fields; and providing services to the oil industry.

Exploration and Production of Oil Fields

Peru's hydrocarbon legislation regarding oil and gas exploration and production activities includes, among others, by law No. 26221 or the Hydrocarbons law whose amended and restated text was approved by Supreme Decree No. 42-2005-EM and the regulations governing the qualification of petroleum companies; the exploration and production of hydrocarbons; the transportation of hydrocarbons; and safety requirements in such activities.

The foregoing regulations define the roles of Peruvian government agencies that regulate the oil and gas industry; provide the framework for the promotion and development of hydrocarbon activities based on the principles of private-sector competition and access to all economic activities; and set the safety and security standards as well as the legal proceedings for carrying out operations.

The Peruvian Constitution establishes that the government is the sole owner of hydrocarbons found underground within its national territory. Perupetro is the government entity authorized to negotiate and enter into agreements for the exploration and/or production of hydrocarbons.

The Peruvian Ministry of Energy and Mines is responsible for devising energy and mining policies; supervising activities in the energy and mining sectors; and promoting investments in those sectors. Within the Peruvian Ministry of Energy and Mines, the General Director of Hydrocarbons (“DGH”) is responsible for regulating the development of petroleum, oil and gas industry and the General Director of Environmental Affairs related to Hydrocarbons is responsible for reviewing and approving regulations related to environmental risks associated with the abovementioned activities of this field.

OEFA is a public regulatory agency ascribed to the Peruvian Ministry of the Environment and is responsible for evaluating and ensuring compliance with applicable environmental rules covering hydrocarbon activities, as well as for imposing fines and other administrative penalties when a breach of an environmental regulation occurs.

OSINERGMIN is a regulatory entity affiliated to the Presidency of the Council of Ministers’ (*Presidencia del Consejo de Ministros*) office and is responsible for ensuring compliance with safety and security standards in the energy and mining industries, as well as imposing fines and other administrative penalties.

UNNA Energía is subject to the supervision, authority and regulations enacted by the foregoing agencies.

Regarding hydrocarbon exploration and production activities, companies are required to enter into either a licensing or a services agreement with Perupetro; nevertheless, other contractual arrangements are permitted with prior approval from the Peruvian Ministry of Energy and Mines. The foregoing agreements are governed by private law and must be approved by the Peruvian Ministry of Energy and Mines and the Peruvian Ministry of Economy and Finance.

Under licensing agreements, licensees are entitled to explore and produce hydrocarbons in an area set forth by the agreement, are granted ownership over the extracted hydrocarbons and may trade the hydrocarbons with no limitations on sales prices, except in the event of a national emergency. As consideration for the grant of rights under the licensing agreement, the licensee pays royalties to the government.

Services agreements grant contractors the right to perform hydrocarbon exploration and production activities in a determined area and receive compensation according to the production of hydrocarbons. The contractor is technically and financially responsible for the operations, but Perupetro maintains ownership over the hydrocarbons extracted. UNNA Energía is party to services agreements with respect to Blocks V, and to licensing agreements with respect to Blocks III and IV. Each block has an independent contract with Perupetro. As for Block I, the term of the corresponding service agreement concluded on December 26th, 2021.

Services and licensing agreements are intended for the development, production and eventually transportation of hydrocarbons, as well as for certain storage activities. Services and licensing agreements commonly include a minimum performance schedule guaranteed by performance bonds and the obligation to establish corporate guarantees to secure the contractor’s compliance with the terms of such agreements.

Additionally, a company must be qualified by Perupetro prior to entering into hydrocarbon exploration and production agreements. In order to qualify, a company must meet the standards under the Qualification of Petroleum Companies Rules approved by Supreme Decree No. 029-2021-EM, that require companies to demonstrate that they have the technical, legal and financial capacity to comply with all the obligations they will assume under the agreement with Perupetro. Such capacities are measured according to the characteristics of the area to be explored or produced, the expected investment required for the project, and the strict fulfillment of the rules regarding prior consultation (if applicable), citizen participation and environmental issues related to the operation’s performance. Upon a positive evaluation, the company is issued a qualification certificate from Perupetro that allows it to initiate the negotiations of the agreement. Notwithstanding the foregoing, the company remains responsible for obtaining all other licenses, permits and approvals required by applicable regulation.

Under the current regulation, 30 years is the maximum term of services and licensing agreements for the production of crude oil. On the other hand, the production of natural gas and condensates-related services or licensing agreements have a maximum term of 40 years. AENZA currently acts as UNNA Energía’s guarantor in all of the Block III, Block V and Block VI contracts.

UNNA Energía must comply with Supreme Decree No. 043-2007-EM regarding the safety of both company staff, facilities and equipment for its activities. OSINERGMIN is the authority responsible for the supervision and enforcement of the foregoing rules.

Services to the Petroleum Industry

Peruvian regulation provides that all companies that enter into a service agreement with any company that holds a licensing or services agreement must be registered as a subcontractor in the Hydrocarbons Public Registry in case they render any of the following services: (i) geological studies, geophysical studies, petroleum engineering related to drilling operations, production and well services; or (ii) construction of oil pipelines, gas pipelines, refineries and their maintenance, and specialized transportation by land, air, sea or river. The registration of a company as a subcontractor in the Hydrocarbons Public Registry is subject to the prior authorization of the DGH.

On June 1, 2004, UNNA Energía was included as a subcontractor for the petroleum industry in the Hydrocarbons Registry of Lima's Public Registry of Legal Entities; such registry remains in force as of the date of this annual report.

Environmental Regulations

The Peruvian Ministry of Energy and Mines is responsible for enacting environmental regulations for the oil and gas sector. The petroleum, oil and gas environmental protection regulation, approved by Supreme Decree No. 039-2014-EM, sets out the legal framework and specific rules applicable to the exploration, production, refinement, processing, transportation, commercialization, storage and distribution of hydrocarbons, with the aim of preventing, controlling and remedying the negative environmental impacts arising from the foregoing activities.

The Peruvian Ministry of the Environment establishes general environmental rules applicable to economic activity in general, in contrast to the specific rules enacted by the Peruvian Ministry of Energy and Mines regarding the oil and gas sector. Environmental laws and regulations are enforced by the National Environmental Enforcement Agency, OEFA (*Organismo de Evaluación y Fiscalización Ambiental*) which was created in 2008. Sanctions range from warnings and fines to suspension of activities and the imposition of the obligation to adopt specific tasks to mitigate environmental damages, among others. In this regard, a breach of the obligations contemplated in the Environmental Impact Assessments in the hydrocarbons sector may originate fines up to 30,000 Tax Units (approximately US\$33 million or S/132 million) according to the applicable law.

The main environmental rules applicable to UNNA Energía's hydrocarbon projects include:

- obtaining an environmental certification and adopting the necessary measures to prevent and/or mitigate environmental impacts resulting from their activities;
- meeting minimum size, environmental and safety requirements applicable to worksites; handling and storing of hydrocarbons pursuant to safety and environmental requirements; establishing programs to monitor environmental issues; and
- providing training on environmental matters related to employee and personnel activities and responsibilities, especially with respect to regulations and procedures established for environmental protection and the environmental and legal consequences of non-compliance.

Operation of Terminals

In accordance with the Glossary, Acronyms and Abbreviations for the Hydrocarbons Subsector approved by Supreme Decree No. 032-2002-EM, a terminal is a facility that includes storage tanks, submarine lines or docks for receiving or dispatching liquid hydrocarbons and facilities related to activities of storage and reception and/or dispatch of liquid hydrocarbon from/to vessels.

UNNA Energía's activities as a part of Terminales del Peru fall under the scope of the Hydrocarbons Storage Safety Regulation, approved by Supreme Decree No. 052-93-EM. Terminales del Peru is registered in the Hydrocarbon Registry of OSINERGMIN and is authorized to perform the reception, storage and dispatch of hydrocarbons from vessels and trucks on the terminals. This regulation establishes the conditions under which UNNA Energía can operate and maintain storage facilities for hydrocarbons. For instance, the regulation specifies the technical requirements for storage systems, which vary depending on the kinds of hydrocarbons stored. Moreover, pursuant to this regulation, UNNA Energía must establish procedures to minimize potential risks that these facilities present for employees, third parties and properties.

Terminales del Peru operates five storage terminals (Callao, Eten, Salaverry, Chimbote and Supe) under the operations contract for the Central Terminals and the operations contract for the North Terminals, both signed with PetroPeru.

Gas Processing Plants

In accordance with the Glossary, Acronyms and Abbreviations for the Hydrocarbons Subsector, approved by Supreme Decree No. 032-2002-EM, a processing plant is a facility where the natural characteristics of hydrocarbons are changed to break them into the different compounds that comprise them, as well as the subsequent transformations to convert the hydrocarbons into fuel of specific qualities and suitable for transportation. This includes the facilities where the impurities, hydrogen sulfide, carbon dioxide, water and hazardous components are removed from natural gas.

The processing and dividing activities of UNNA Energía in Talara's gas plant are governed by hydrocarbons refining and processing regulations, including regulations on the design, construction, operation and maintenance of refineries and hydrocarbons processing plants, the oil refining process, the manufacture of natural asphalts, oil and lubricants, basic petrochemical activities and the processing of natural gas and condensates. In order to comply with these regulations, UNNA Energía must take cautionary measures in order to protect the safety of its employees and its facilities, protect the environment, preserve energy resources and ensure the quality of the products or services it delivers. For instance, Talara's gas plant operation must be authorized by the General Direction of Hydrocarbons and OSINERGMIN and comply with fire safety regulations. In the event of an accident, UNNA Energía must notify OSINERGMIN, the Peruvian Ministry of Energy and Mines, the Peruvian Ministry of Labor and the Peruvian Social Security Administration, according to the seriousness and type of the accident.

Real Estate

Since 1987, we have been operating in the Peruvian real estate sector. In 2008, we incorporated Viva to concentrate the group's activities in this sector including promoting and managing real estate projects including public interest housing, residential and commercial real estate projects.

Zoning Regulations

Article 79 of the Municipalities Organic Law (Law No. 27-972) establishes that municipal governments are the exclusive authority responsible for approving urban and rural development plans, as well as the zoning of urban areas under their jurisdiction. Peruvian regulation states that urban zoning refers to the division of a municipal jurisdiction in zones for specific usage, such as residential, commercial, industrial or mixed-use.

The main zoning rules applicable to our real estate projects include the following: obtaining a construction license from the corresponding local municipality before commencing construction, reconstruction, conservation or repair of any property.

Environmental Regulations

The Environmental Protection Regulation for real estate, urbanism, construction and regularization related projects is approved by Supreme Decree No. 015-2012-VIVIENDA (modified by the Supreme Decree No. 019-2014-VIVIENDA, Supreme Decree No. 008-2016-VIVIENDA), Supreme Decree No. 010-2017-VIVIENDA and Supreme Decree No. 020-2017-VIVIENDA sets out to prevent, mitigate, control and remedy negative environmental impacts that may arise from real estate developments. Prior to initiating construction works, companies are required to obtain an environmental authorization from the Housing, Urbanism, Regularization or Construction National Directorate of the Peruvian Ministry of Housing, Construction and Sanitation and to comply with the provisions set forth in the corresponding environmental impact assessment.

The main environmental rules applicable to our real estate projects include the following:

- undertaking an environmental impact assessment; and
- requesting the environmental classification of our projects, which depends on the environmental risks associated therewith.

According to the new legal regulation (DS-015-2021-VIVIENDA), the protection of archaeological remains will also be taken into account in the case of archaeological sites.

Licenses

Article 10 of the amended and restated Text of the Urban Habilitation and Buildings Law No. 29090, approved by Supreme Decree No. 006-2017, establishes the license requirements for urban habilitation and construction, depending on land size, the dimensions of the work to be undertaken and the financial target.

Upon completion of the real estate development and construction stages, as the case may be, the following requirements must be met:

- for urban development, the reception of the works (*recepción de la obra*) must be requested to the corresponding municipal government in compliance with Article 19 of the amended and restated Text of the Urban Habilitation and Buildings Law; and
- for construction, the conformity of the works (*conformidad de obra*) must be requested to the corresponding municipal government in compliance with Article 28 of the amended and restated Text of the Urban Habilitation and Buildings Law, accompanying the request with the construction plans and the construction statement (a description of the technical conditions and characteristics of the work performed).

Exclusive and Common Property Real Estate Units Regimes

The Law on the Buildings Regularization, on the Edification Declaration Proceeding and on the Exclusive and Common Property Real Estate Units Regime, approved by Law No. 27157, establishes the legal regime applicable to real estate comprised of assets with exclusive and common property, including, among others, (i) apartment buildings; (ii) condominiums; (iii) units under co-ownership; and (iv) commercial spaces, such as galleries and malls. The foregoing construction projects must include internal by-laws prepared or approved by the sponsor or builder, or by the owners with the vote of the majority of participating owners, the content of which is regulated in Article 42 of the aforementioned law. Articles 40 and 41 of the foregoing law itemize the assets and services that qualify as common.

Owners of real estate units have the opportunity to choose between the exclusive and common property regime, and the independent and co-ownership regime. The internal by-laws, the owner's assembly minutes, all construction plans, architectural division plans, parametric boundaries and the construction statement must be registered in the Real Estate Registry of the corresponding jurisdiction. Upon completion of the proper registries, units are registered independently from one another.

Fondo Mivivienda

The acquisition of public interest housing units developed by Viva is often financed by *Fondo Mivivienda* S.A., a government owned financial institution established in 1998 by Law No. 26912 and Law No. 28579, with the purpose of (i) promoting and financing the acquisition, bettering and construction of houses, especially those of social interest; (ii) carrying out activities related to the fostering of capital flows to the housing financing market; (iii) participating in the primary and secondary markets of mortgage credits; and (iv) contributing to the development of the capital markets.

The Peruvian government has adopted the *Nuevo Crédito MiVivienda* and *Techo Propio* programs, among others, which promote access to affordable housing in Peru by providing government subsidies to individuals for the purchase of homes. In order for a unit to qualify for the *Nuevo Crédito MiVivienda* program, its selling price must range between S/65,200 and S/464,200. In order for a unit to qualify for the *Techo Propio* new housing purchase program, its selling price must be less than S/68,000 for a single family home or less than S/120,300 for a multi-family dwelling.

In order to be eligible for an affordable housing subsidy under the *Nuevo Crédito MiVivienda* program, a purchaser must not own any other home or have benefitted from a housing subsidy program in the past, among other requirements. A purchaser must also provide a down payment between 10% and 20% of the total purchase amount. Housing subsidies under this program fluctuate between S/10,800 and S/25,700, which incentivize purchasers with fixed interest rates so long as they pay their mortgage loan payments on a timely basis. In addition, a Green Bond subsidy of S/5,400 is added when projects are sustainable, such our affordable housing projects in Viva. In order to be eligible for an affordable housing subsidy under the *Techo Propio* program, a purchaser must have a monthly income that does not exceed approximately S/3,715 and must not have received any other government-sponsored housing benefit in the past, among other requirements. A *Techo Propio* purchaser must also show proven savings equal to at least 3.5% of the total purchase amount. Housing subsidies under this program are S/43,312. Purchasers of subsidized housing under both programs are also not required to pay a value-added tax normally applicable to residential purchases.

Prevention of Money Laundering and Financing of Terrorism

SBS Resolution No. 789-2018 (that has replaced SBS Resolution No. 486-2008 as of March 15, 2018), as amended from time to time, requires construction and real estate companies to implement a money laundering and terrorism financing prevention system, including, among others, appointing a compliance officer, setting a registry of operations and notifying the Financial Intelligence Unit of the SBS, the entity responsible for supervising and enforcing compliance to the resolution referred to herein, of any suspicious activity.

Engineering and Construction

Regulatory Framework Applicable to Contracts with the Public Sector

As of the date of this annual report, Peru's Public Procurement Law, approved by Supreme Decree No. 082-2019-EF (Texto Único Ordenado de Ley de Contrataciones del Estado) and its Regulations which, in turn, were approved by Supreme Decree No. 344-2018-EF, governs the acquisition of goods, provision of services and works contracted with public entities. Article 29 of Supreme Decree No. 344-2018-EF establishes that, at the beginning of the procurement process, the contracting public entity must prepare a technical file describing the characteristics of the services it intends to contract and the selection process for its counterparts, among other specifications.

The selection processes are established in Article 53 of Supreme Decree No. 344-2018-EF as follows:

- public biddings (*licitación pública*), applicable to goods and works;
- public tenders (*concurso público*), applicable to services, including consulting services;
- simplified award (*adjudicación simplificada*), applicable for the acquisition of any of the following: (i) goods, if their value exceeds S/39,600 and is under S/480,000; (ii) services, if their value exceeds S/39,600 and is under S/480,000; and (iii) works, if their value exceeds S/39,600 and is under S/2,800,000;

- electronic reverse auction (*subasta electrónica inversa*), applicable to goods and services with values exceeding S/39,600;
- selection of individual consultants (*selección de consultores individuales*), applicable for the hiring of qualified consultants who do not need teams of personnel or additional professional support, if their value exceeds S/39,600 and is under S/60,000;
- price comparison (*comparación de precios*), applicable to goods and services that are easy to obtain in the market and that are not manufactured, produced, supplied or provided under a particular description or set of instructions given by the contracting entity, if their value exceeds S/39,600 and is under or equal to S/74,250; and
- direct contracting (*contratación directa*), applicable to goods, works and services, in emergency situations arising from catastrophic events, involvement of national security, shortages, among other specific scenarios set forth in the regulations.

In addition, Supreme Decree No. 344-2018-EF establishes that the selection processes include the following phases:

- in the case of public biddings, public tenders and simplified award: notice; registration of participants; submission and reply of inquiries and observations; absolution of inquiries and observations; notice of bid rules in final version; submission of bids; evaluation and qualification of bids; and award (articles 70, 79 and 88);
- in the case of the selection of individual consultants: notice; registration of participants; submission of bids; evaluation and qualification of bids; and award (article 92); and
- in the case of price comparison: notice to at least three bidders, submission of bids, and award to the lowest bid (articles 98 and 99).

Article 46 of Peru's Public Procurement Law establishes that any participants in a public procurement process must be registered in the Peruvian National Suppliers Registry and must not be banned from contracting with the state. Article 9 of Supreme Decree No. 344-2018-EF establishes that this registration has an indefinite validity and that all contractors must keep information updated.

Bidders may participate in the selection process as part of a joint operation, in which case all members of the joint operation must be registered in the Peruvian National Registry of Suppliers and will be jointly liable for all consequences arising from the joint operation's participation in the selection process and the execution of the agreement. Certain exceptions to the abovementioned joint liability for joint operations may apply, in cases where a contractor proves that only one party is liable to be sanctioned due to the nature of the infraction, the joint operation formal undertaking or the joint operation agreement.

Cumbra and Cumbra Ingeniería are registered in the Peruvian National Suppliers Registry as a construction and a consulting company, respectively.

Article 35 of Supreme Decree No. 344-2018-EF establishes the types of contracts that may be entered into by public entities:

- lump-sum (*sistema a suma alzada*), applicable when the amounts, scales and technical specifications are determined in the terms and conditions of the selection process. The bidder submits its proposal indicating a fixed amount and a term for the completion of the agreement;
- unit price, rates or percentages (*sistema de precio unitario, tarifa o porcentajes*), applicable when the nature of the service to be provided does not allow an accurate determination of the required quantities or dedication time;
- lump-sum and unit price, rates or percentages mix (*esquema mixto de suma alzada y precios unitarios*), applicable when the included items have known quantities or quantities which can be known with accuracy and precision, they can be contracted under the lump sum scheme, however when items where the quantities cannot be known have to be contracted under the unit price system; and

- fixed amount plus success fee (*honorario fijo y comisión de éxito*), applicable in contracts for rendering services. The fixed amount and success fee may be estimated on the basis of percentages.

Article 36 of Supreme Decree No. 344-2018-EF establishes that, in the case of goods and works, the terms and conditions of the selection process must indicate the execution type of the agreement as follows:

- “turn-key” (*llave en mano*), when completion is subject to the construction, equipment assembly and, if applicable, the assisted operation of works. In case of goods procurement, the installation and commissioning of such goods are also included; and
- bid contest (*concurso oferta*), when completion is subject to the submission of the technical file and the completion of the works.

Peru’s Supervisory Authority on Public Procurement (*Organismo Supervisor de las Contrataciones del Estado*, or OSCE, by its Spanish acronym) is a public-sector entity within the Peruvian Ministry of Economy and Finance, that oversees the selection processes carried out by public entities; manages the Peruvian National Registry; imposes penalties to suppliers that violate the provisions set forth in Peru’s Public Procurement Law, its Regulations and other related provisions; and informs the government’s General Comptroller Office (*Contraloría General de la República*) regarding violations to the regulations when damages are caused against the State.

Pursuant to the recent amendments to the Public Procurement Law, companies sentenced for corruption charges, among other criminal offences, or companies whose representatives have admitted committing corruption acts, will be prohibited from participating in public procurement processes.

Regulatory Framework Applicable to Contracts with the Private Sector

Parties to a private-sector agreement may freely determine the contract type and its contents as long as it complies with certain legal requirements, including the provisions set forth in Article 1353 of the Peruvian Civil Code (which states that all contracts, including innominate contracts, must comply with the rules of Section VII of the Peruvian Civil Code, absent a statute specific to said contract type that collides with said rules). Cumbra and Cumbra Ingeniería participate in private-sector contracts for engineering and construction.

Construction Activities in Peru

Legal Framework

Peru’s Law for the Promotion of Private Investment in Construction, approved by Legislative Decree No. 727 (*Ley de Promoción de la Inversión Privada en Construcción*), states that construction activities in Peru are in the public interest and a national priority. According to Section F of the Fourth review of the United Nations International Statistical Industrial Classification (ISIC), construction activities typically consist of the construction of dwellings, buildings and stores; and the construction of large scale infrastructure projects such as highways, bridges, tunnels, railways, irrigation systems, sewage systems, industrial facilities, pipelines and electric lines, among others. Cumbra has developed numerous projects in the construction sector. Currently, our company focuses on buildings (ISIC Division 41), civil works (ISIC Division 42) and specialized activities (ISIC Division 43).

Construction entities must comply with the National Building Regulations, approved by Supreme Decree No. 011-2006-VIVIENDA (*Reglamento Nacional de Edificaciones*), which establishes that urban allotments and buildings must be developed in compliance with the rules governing safety, functionality, accessibility, habitability and environmental impact. According to Technical Regulation No. G.030 (Rights and Responsibilities) of the National Building Regulations, construction companies, such as Cumbra and Cumbra Ingeniería, are responsible for (i) executing works in accordance with project specifications and applicable regulations; (ii) possessing sufficient organization and infrastructure to guarantee the feasibility of the project; (iii) appointing the party responsible for the construction to assume its technical representation; (iv) providing the resources and materials to complete the project pursuant to the terms of the agreement and required standards and within the approved budget; (v) executing subcontracts within contractual limitations; and (vi) delivering to the client documented information regarding the executed works.

Notwithstanding any legal actions that the construction company may take against suppliers, manufacturers or subcontractors, the construction company may be responsible for all the works, including those executed by subcontractors, and for the use of defective materials or supplies.

Penalties for violating the National Building Regulation are determined by the municipal government in the jurisdiction where the project is developed and set forth in its corresponding regulations. In addition, they may also pursue criminal actions or civil claims if applicable.

Safety Regulation in Construction Projects

The Law on Safety and Health at Work (Law No. 29783) is intended to promote workplace accident prevention and applies to all business sectors. The principal safety rules applicable to construction projects include the following:

- companies with 20 or more employees must establish a committee for the promotion of workplace safety and health that oversees the implementation of the required internal safety and health regulation policy;
- all projects must have a safety and health plan consisting of all the technical and administrative mechanisms to guarantee the physical integrity and health of workers and third parties during project execution;
- companies shall hire an occupational physician and establish an area of occupational medicine;
- companies shall perform periodic audits to verify whether internal safety and health regulations are in accordance with law;
- occupational diseases and work accidents detected during project execution must be recorded and the competent authority must be notified in accordance with the Regulations of the Law on Safety and Health at Work, approved by Supreme Decree No. 005-2012-TR, and with Occupational Health Manual, approved by Ministerial Resolution No. 510-2005-MINSA;
- companies must provide for medical examinations of its employees prior to, during and at the termination of their employment (subject to certain terms and conditions depending on whether the employees were engaged in high-risk activities);
- companies must show a safety and health plan; an index of frequency; and our company's performance in safety and health in order to be awarded public and private projects;
- use of individual protective equipment, including gloves, safety goggles, boots and helmets, is mandatory when risks to safety and health cannot be prevented by other means; and
- personnel responsible for safety must comply with all requirements in Rule NTP 399.010.1 for fire prevention.

The Peruvian Ministry of Labor and Employment Promotion, the National Superintendence of Labor Inspection (the "SUNAFIL") and the Peruvian Ministry of Health are the competent organisms in the safety and health fields, respectively.

Safety Regulations Applicable to Subsectors

In addition to the Law on Safety and Health at Work applicable to all our business sectors, our E&C segment must also comply with the regulations set forth below.

Power and Utilities

Cumbra must comply with the Rules of Safety and Health at Work with Electricity, approved by Ministerial Resolution No. 111-2013-MEM-DM, for its activities relating to the construction of hydroelectric plants, transmission lines and substations. The Peruvian Supervisory Agency for Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*, or “OSINERGMIN”) is the authority responsible for supervising and enforcing compliance of the foregoing rules. The most relevant of the safety rules with which Cumbra must comply include: (i) providing employees with necessary information regarding safety measures related to the tasks they perform; (ii) providing employees with adequate safety equipment; and (iii) evaluating and remedying potential sources of danger.

Mining

Cumbra must comply with the Mining Occupational Health and Safety Regulation, approved by Supreme Decree No. 024-2016-EM, and other related regulations for their mining-related construction activities including the construction of mineral processing plants and other mining-related buildings, among others. In developing mining projects, our subsidiaries’ personnel must follow the safety programs and be familiar with internal rules from their mining sector client. The SUNAFIL and OSINERGMIN are the Peruvian authorities responsible for supervising and enforcing compliance of the foregoing rules. The most relevant of the safety rules with which Cumbra must comply include: (i) creating an internal safety and health regulation policy and selecting a manager responsible for its implementation; (ii) monitoring and recording workplace accidents and occupational diseases; (iii) providing information to employees regarding the safety risks related to their work; (iv) providing employees necessary first aid and medical attention in the event of a workplace accident; (v) providing employees the necessary tools, equipment or materials to perform their activities safely; and (vi) evaluating risks in order to establish accident prevention and mitigation plans.

Oil and Gas

UNNA Energía must comply with the Hydrocarbons Safety Regulations, as approved by Supreme Decree No. 043-2007-EM, which are enforced by OSINERGMIN, while performing any hydrocarbon activities. The most relevant safety rules with which UNNA Energía must comply include: (i) assuring that senior project managers are responsible for the safety and health of workers; (ii) assigning specialized personnel responsible for safety and health matters; and (iii) monitoring and recording workplace accidents on a monthly basis.

Industrial Construction

Cumbra must comply with the Industrial Safety Regulation, approved by Supreme Decree No. 42-F (*Reglamento de Seguridad Industrial*), for its activities relating to the construction of industrial plants. The most relevant of the safety rules with which Cumbra must comply include: (i) overseeing that worksites are constructed, equipped and managed to provide security and protection to employees; (ii) instructing employees about risks to which they are exposed related to their work and adopting necessary measures to avoid accidents and damage to employee health; and (iii) overseeing inspections to verify the proper installation of safety equipment.

Registries and Permits

Pursuant to Supreme Decree No. 005-2020-TR civil contractors must be registered in the National Registry of Civil Construction Works (the “RENOCC”), governed by the Administrative Labor Authority. Civil construction work companies register with the RENOCC, which assigns them with a unique registration number with which the company is identified until completion of the relevant project, regardless of the number of contractors and subcontractors that participate in the execution of the work. Cumbra has registered in the National Civil Construction Contractors and Subcontractor Registry in compliance with the Supreme Decree No. 008-2013-TR (previous regulations, then repealed by Supreme Decree No. 005-2020-TR).

According to Supreme Decree No. 005-2008-EM mining contractors must register with the National Mining Contractors and Specialized Companies Registry. Cumbra is currently registered. Proper registration requires the filing of a request with the Regional Agency of Energy and Mines with jurisdiction in the area where the mining activities will take place. In addition, within five days upon commencement of construction, Cumbra must provide in writing its employees with the following information: (i) the company's legal name; (ii) the scope of the contract; (iii) the place of execution; (iv) the applicable health and safety regulations; (v) the Safe Work Written Procedures (PETS); and (vi) risk insurance policies.

Labor Law Requirements in Civil Construction

Labor law requirements in civil construction consist of the specific legal framework for civil construction workers and the general legal framework applicable to the administrative personnel in the civil construction sector set forth in the Single Revised Text of the Labor Productivity and Competitiveness Law, approved by Supreme Decree No. 003-97-TR.

Seasonality of services is one of the main features in the specific legal framework due to the temporary nature of construction contracts. Consequently, certain general rules such as the trial period are not applicable to construction workers.

The principal terms and conditions relating to collective bargaining from our civil construction workers have been agreed upon and recorded in the 2018-2019 agreement, dated September 11, 2018, and entered into between the Peruvian Chamber of Construction and the Federation of Civil Construction Workers (*Federación de Trabajadores en Construcción Civil*). By means of the 2018-2019 agreement, the parties have, among other things, agreed on an increase in the daily wage of such employees.

Supreme Decree No. 009-97-SA, Law No. 26-790 and Supreme Decree No. 003-98-SA require construction companies to have complementary high-risk insurance for workers that perform high risk tasks. As of the date of this annual report, Cumbra has this insurance coverage.

The insurance coverage provides medical care for injured workers to allow them to achieve full recovery. Moreover, it provides pensions to workers or their beneficiaries in case the worker becomes handicapped or dies as a result of a work accident or occupational disease.

Environmental Regulations

Section 24 of the General Environmental Law, approved by Law No. 28-611 (the "General Environmental Law"), provides that all human activity that involves construction services, among others, likely to cause significant environmental impact is subject of regulation by the National System of Environmental Impact Assessment. The Peruvian Ministry of the Environment, through the Environmental Supervising and Enforcement Agency (*Organismo de Evaluación y Supervisión Ambiental*, or "OEFA") supervises compliance with the law and enforces environmental rules related to mining, oil and gas and electricity.

In addition to being responsible for the impact that its activities, by action or omission, may have on the environment, Cumbra is also subject to an environmental impact assessment and must obtain an environmental certification necessary to obtain project permits or licenses. Cumbra must also adopt measures for the management of hazardous materials intrinsic to its activities to mitigate the negative environmental impact its activities may have.

Civil Construction

Supreme Decree No. 015-2012-VIVIENDA (modified by the Supreme Decree No. 019-2014-VIVIENDA and Supreme Decree No. 008-2016-VIVIENDA) regulates the environmental aspects of projects related to housing, urbanism, construction and sanitation activities in urban or rural areas. The National Directorate of Housing, Urbanism, Construction and Sanitation supervises the compliance and enforces the applicable rules. Projects are categorized according to their environmental impact during and after their execution and different rules are established for each category including compliance with the following environmental studies prior to starting construction works: (i) projects expected to cause minor environmental impacts require an environmental impact statement; (ii) projects expected to cause moderate environmental impacts require a semi-detailed environmental impact assessment; and (iii) projects expected to cause a major environmental impact require a detailed environmental impact assessment.

Other Subsectors

Depending on the subsector in which it operates, Cumbra is required to follow specific environmental provisions issued by the competent authorities. For example, with respect to hydrocarbon activities, the Ministry of Energy and Mines has enacted the Oil and Gas Environmental Regulations, by means of Supreme Decree No. 039-2014-EM modified by Supreme Decree No. 023-2018-EM.

Tax Legal Regime Applicable to Construction

Section 63 of the Peruvian Income Tax Expense Law, approved by Supreme Decree No. 179-2004-EF, establishes that construction companies engaged in construction contracts for a period longer than one fiscal year can choose to be taxed under any of the following systems:

- allocate to each fiscal year the gross income resulting from applying the percentage of gross margin estimated for the full construction over the amounts collected for the same construction; or
- allocate to each fiscal year the gross income calculated by deducting the costs corresponding to the tasks performed on each construction during that year from the amount collected or that is expected to be collected for such tasks.

In both situations, a special accounting registry must be kept for each project, which is meant to keep a record of the costs, expenses and income of each project in an account separate from the general analytical accounts (*cuentas analíticas de gestión*).

Until December 31, 2012, construction companies could defer revenues related to each individual project until the total completion of the project, provided the project was completed in three years or less. In such cases, the income was to be recognized in the fiscal year in which the project concluded or was delivered. In case the project was scheduled to conclude in a period exceeding three years, the results would be determined in the third year in accordance with the progress of the works over the three-year period. Beginning in the fourth year, results were determined following the foregoing methods.

Starting on January 1, 2013, in accordance with Legislative Decree No. 1112, which amended the Peruvian Income Tax Expense Law, construction companies that adopted the deferral method are authorized to continue with the use of such method only with respect to income arising from the execution of work contracts initiated prior to January 1, 2013, until their completion, and for execution of work contracts initiated on or after January 1, 2013 the deferral method is no longer accepted.

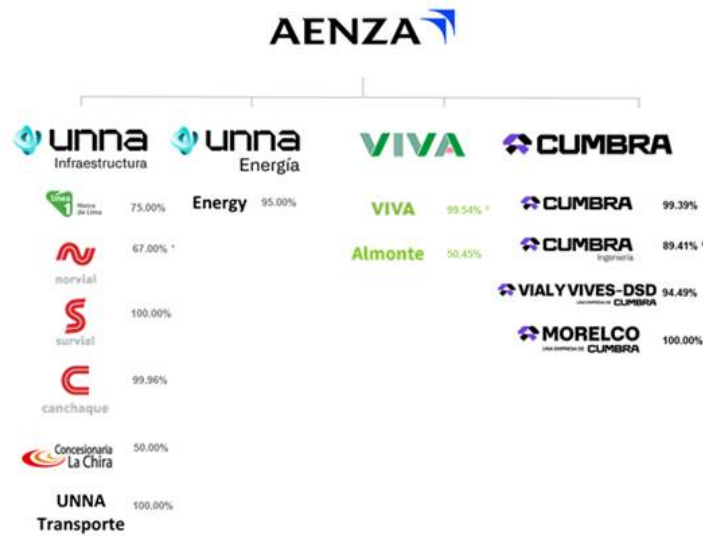
The Peruvian Income Tax Expense Law also provides that the difference that may result from a comparison between the real gross income and the income assessed pursuant to any of the methods described above shall be allocated to the fiscal year in which the work concluded. Additionally, the company must apply the same system to all its construction contracts and must receive prior authorization from tax authorities to change the applied system.

Prevention of Money Laundering and Financing of Terrorism

Regulations for money laundering and terrorism financing prevention, approved by SBS Resolution No. 789-2018 (which has replaced SBS Resolution No. 486-2008 as of March 15, 2018), require construction and real estate companies to implement a money laundering and terrorism financing prevention system, including, among others, the appointment of a compliance officer, setting up a registry of operations and notifying the Financial Intelligence Unit of the SBS, the entity responsible for supervising and enforcing compliance, of any suspicious activity.

C. Organizational Structure

The following organizational chart sets forth our principal operating subsidiaries within our four business segments.



- (1) In June 2018, the company assigned economic rights over 48.8% of the share capital of Norvial to Inversiones en Autopistas S.A. by transferring its Class B shares of Norvial. The company continues to possess 67% of the voting rights of Norvial and an economic interest of 18.2% of Norvial's share capital. JJC Contratistas Generales S.A. owns 16.80% and Inversiones en Infraestructura Peru SAC owns 16.20%.
- (2) 43.3% of the share capital of Viva was held by our subsidiary Cumbra. However, in December 2022, Cumbra transferred all of its Viva shares to AENZA S.A.A.
- (3) 80.03% of Cumbra Ingeniería shares have been assigned to a trust formed to the benefit of the Peruvian state to secure Aenza's contingent obligation to pay compensation resulting from the investigations of the company by the Peruvian state.

Infrastructure:

- **Toll Roads:**

- Norvial, incorporated in Peru, is the concessionaire of the 183 km stretch between Ancón and Pativilca of the Panamerican Highway. Norvial is comprised of common shares (Class A), and non-voting shares (Class B). In June 2018, the company transferred economic rights over 48.8% of the share capital of Norvial to Inversiones en Autopistas S.A. by transferring its Class B shares. The company continues to possess 67% of voting rights of Norvial and an economic interest of 18.2% in Norvial's share capital. JJC Contratistas Generales S.A. owns 16.80% and Inversiones en Infraestructura Peru SAC owns 16.20%.

- Survial, incorporated in Peru, is the concessionaire of the 750 km highway between Marcona and Urcos in Peru. AENZA owns 99.995% of Survial, and the remaining 0.005% is held by UNNA Transporte.
- Canchaque, incorporated in Peru, is the concessionaire of the 78 km highway between the towns of Buenos Aires and Canchaque in Peru. AENZA owns 99.96% of Canchaque, and the remaining 0.04% is held by UNNA Transporte.
- UNNA Transporte, incorporated in Peru, is engaged in the operation and maintenance of infrastructure assets. AENZA owns 99.9983% of UNNA Transporte and the remaining 0.0017% is held by Cumbra.
- **Mass Transit:**
 - Línea 1, incorporated in Peru, is the concessionaire of Line 1 of the Lima Metro. AENZA owns 75% of Línea 1; the other 25% is held by Ferrovías Participaciones S.A., a railway infrastructure company.
- **Water Treatment:**
 - La Chira, incorporated in Peru, is the concessionaire of La Chira waste water treatment plant in southern Lima, Peru. AENZA owns 50% of La Chira; the other 50% is held by Acciona Agua S.A., an affiliate of a waste water treatment and distribution company.
- **Energy:**
 - UNNA Energía, incorporated in Peru, is engaged in the oil and gas business and provides hydrocarbon extraction services to Perupetro, a Peruvian state oil company; owns a gas processing plant; and, through a joint operation with a Peruvian affiliate of Oiltanking GmbH, operates five fuel terminals in Peru. AENZA owns 95% of UNNA Energía; the remaining 5% is held by a former company executive.
- **Engineering and Construction:**
 - Cumbra, incorporated in Peru, is one of the oldest and largest construction companies in Peru. AENZA owns 98.87% of Cumbra; the remaining 1.13% is held by former and current company senior managers.
 - Vial y Vives—DSD S.A. (“Vial y Vives—DSD”), incorporated in Chile, is an engineering and construction company specialized in the mining sector and in providing services to the energy, oil and gas, and cellulose sector. Cumbra, through GyM Chile SpA, owns 94.49% of Vial y Vives—DSD; Inversiones VyV S.A., a company controlled by the founders of Ingeniería y Construcción Vial y Vives S.A., (which merged to form Vial y Vives—DSD) owns 1.36%; and the remaining 4.15% is held by third parties.
 - Cumbra Ingeniería, incorporated in Peru, is primarily engaged in engineering consultancy for projects in the mining, hydrocarbons, electrical, agricultural, industrial, tourism and transportation sectors. AENZA owns 89.41% of Cumbra Ingeniería (66.6% of Cumbra Ingeniería’s shares have been assigned to a trust created in benefit of the Peruvian state to secure the company’s contingent obligation to pay compensation to the Peruvian state in respect of investigations of the company by the Peruvian state), and the remaining 10.59% is distributed among former company senior managers (5.27%) and successors thereof (5.32%).

- Morelco, incorporated in Colombia, is a recognized specialist in electromechanical assemblies, civil works, and services for the oil and gas and other energy sectors. Our subsidiary Cumbra owns 100.0% of Morelco.
- **Real Estate:**
 - Viva, incorporated in Peru, is focused on the development and sale of affordable housing and housing, as well as other real estate projects such as shopping centers and land sales. AENZA directly owns 99.54% of Viva and the other 0.46% is owned by a company executive.

D. Property, Plant and Equipment

Approximately 84.38% of our assets are located in Peru, with the remaining balance located in Chile and Colombia. As of December 31, 2022, the net book value of the assets of the company was US\$74.5 million (S/284.5 million). We currently lease certain machinery and equipment from vendors. The terms of our leasing contracts range from two to five years, depending on the nature of the equipment. Leased machinery and equipment are capitalized for accounting purposes. Our principal executive offices, which we lease, are located at Av. Petit Thouars 4957, Miraflores, Lima, Peru.

Insurance and Contingency Planning

We have insurance coverage for fire, earthquakes, strike, riot, malicious damage, vandalism and terrorism; losses or damages to construction machinery and equipment; destruction or disappearance of property; civil liability, including physical harm to third parties; professional liability; transportation; vehicle theft, collision, rollover, fire and accidents; and directors' and officers' liability. Additionally, we carry different policies for specific risks related to our business segments. Our management considers this coverage to be sufficient to cover probable losses and damages, taking into consideration the nature of our activities, the risks involved in our transactions and the advice of our insurance brokers.

We also have contingency plans in place in order to protect our company and the interests of our clients. In the event of an emergency, we have procedures in place designed to minimize any resulting interruption in service to our most critical business processes.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with our consolidated financial statements included in this annual report, which have been prepared in accordance with IFRS issued by the IASB. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of several factors, including, without limitation, those set forth under "Part I. Introduction. Forward-Looking Statements" and "Item 3.D. Key Information—Risk Factors."

A. Operating Results

Overview

We have a diversified portfolio of business units that includes an infrastructure management and development platform, one of the top oil and gas companies in Peru, one of the largest real estate developers in the affordable housing market in Peru, and the largest engineering and construction company in Peru with an additional presence in Chile and Colombia. With more than 89 years of operations, we have a long track record of successfully completing the engineering and construction of many of Peru's landmark private- and public-sector infrastructure projects, such as the Lima International Airport and the Peru liquid natural gas liquefaction plant, and we believe we have a track record of operational excellence in our markets. We have developed a highly experienced management team, a talented pool of more than 1,500 engineers and a skilled work force that share our core corporate values of quality, professionalism, reliability and efficiency.

The Impact of the Ongoing Coronavirus (COVID-19) Pandemic

The COVID-19 pandemic adversely affected our results of operations during the 2020. Infections caused halts and delays in our engineering and construction projects, which caused us to renegotiate performance targets with certain clients. These interruptions and negotiations added costs with respect to our projects, and caused us to include additional allowances for certain accounts receivable and impairments to the group's long-term assets. From mid-March 2020 to the end of May 2020, substantially all of our engineering and construction projects and real estate projects, particularly in Peru, were mandatorily shut down. Our infrastructure operations, which for the most part were declared essential businesses, continued operating normally; however, some of our infrastructure businesses were adversely affected, particularly by the sharp decline in traffic volumes and fluctuations in oil and gas prices. Additionally, the Peruvian Congress suspended the payment of tolls on roads between May and June of 2020.

Our 2022 results of operations show a significant recovery compared to those of 2020 and 2021. Our operations are proceeding in a normalized manner. Furthermore, our Norvial concession exceeded pre-pandemic traffic levels and the Energy business has benefited from current oil and gas prices. The E&C segment increased productivity in the execution of its projects and the Real Estate business increased sales and delivery of low-income housing units.

Key Developments

Termination of the Gasoducto Sur Peruano Concession

In November 2015, we acquired a 20% interest in GSP and obtained a 29% interest in CCDS through its subsidiary Cumbra Peru.

On July 22, 2014, GSP signed the GSP Concession Agreement with the Peruvian Government to build, operate, and maintain a natural gas pipeline to meet the demand of cities in the south of Peru. Additionally, GSP signed an engineering, procurement, and construction agreement with CCDS.

We made an investment of US\$242.5 million in GSP and had to assume 20% of the performance bond established in the GSP Concession Agreement for US\$262.5 million and 21.49% of the guarantee for a bridge loan of US\$600 million. On January 24, 2017, the MEM announced the early termination of the GSP Concession Agreement under Clause 6.7 thereof, for not having provided evidence of the financial closing within the contractual term resulting in the immediate enforcement of the performance bond.

The events described in the previous paragraph caused management to recognize an impairment from 2016 to 2019 of its total investment (US\$242.5 million), as well as the account receivable resulting from the execution of the counter-guarantees granted by AENZA in favor of the entity issuing the guarantees: for US\$52.5 million corresponding to the performance bond and US\$129 million corresponding to the corporate guarantee on the bridge loan granted to GSP. According to the Concession Contract, the guarantees were paid on behalf of GSP, therefore, AENZA recognized the right to collect from GSP US\$181.5 million, which was recorded in 2016 as accounts receivable from related parties. Likewise, Cumbra Peru recognized the value of accounts receivable from CCDS as US\$73.5 million and lost profits as US\$10 million, which correspond to receivables from GSP. See Note 11 to our audited annual consolidated financial statements included in this annual report for the balance of the account receivable from GSP.

On October 11, 2017, the agreement deed for the delivery of the assets of the South Peruvian gas pipeline concession between GSP and MEM was signed. The assets include the works, equipment, facilities and engineering studies provided for the execution of the project.

Upon termination of the Concession Contract, and in accordance with the provisions of Clause 20 thereof, the Peruvian State was obligated to hire an internationally recognized auditing firm to calculate the VCN, and to call up to three auctions on GSP's assets. However, to date, the Peruvian State has failed to comply with these contractual obligations. The amount of the VCN was calculated at US\$2,602 million by an independent auditing firm hired by GSP as of December 31, 2016. This figure was subsequently adjusted to US\$2,110 million, as a result of variations in the balances related to the works carried out by the consortium, which in turn is reported in its audited financial statements as of December 31, 2017.

On December 21, 2018, the company asked the Peruvian Government for direct treatment and requested the payment of the VCN in favor of GSP. On October 18, 2019, the company filed with the CIADI an arbitration request. On December 27, 2019, the company withdrew the arbitration request in compliance with a preliminary collaboration and benefits agreement signed with the Attorney General's Office and Ad-hoc Public Prosecutor's Office on the same date (see Note 1 to our audited annual consolidated financial statements included in this annual report). Withdrawing the arbitration request before CIADI does not result in the loss of collection rights of the company against GSP and does not restrict, limit, or impede GSP from asserting its rights against the Peruvian Government.

The company and its internal and external legal advisors consider that the payment owed by the Government to GSP for the VCN are not within the withholding scope under Law 30737 that ensures the immediate payment of civil compensation in favor of the Peruvian State in cases of corruption and related crimes, since this payment does not include any profit margin and/or does not correspond to the sale of assets related to the project, but to a reimbursement for the investment made by the concessionaire.

As of December 4, 2017, GSP entered into a bankruptcy proceeding before INDECOPI. GSP has claims recognized by INDECOPI of US\$0.4 million and US\$169.3 million, the latter held in trust in favor of GSP's creditors. It also has indirectly recognized claims for US\$11.8 million. On the other hand, the claim of Cumbra is indirectly recognized in INDECOPI through *Consortio Constructor Ductos del Sur* for an amount of US\$88.7 million. As of the date of this report, GSP is in the process of liquidation and AENZA is chairing the Board of Creditors.

On April 11, 2023, a liquidation agreement (the "Liquidation Agreement") was approved, which delimits the framework for the liquidator's work. The Liquidation Agreement includes the granting of powers to the liquidator with respect to representation, administrative, contractual and other relevant powers that allow him to comply with the obligations for which he was appointed, as well as the actions he is allowed to take in order to recover GSP's assets and in accordance with the mechanisms set forth in the General Law of the Insolvency System. On April 13, 2023, and under the powers granted to him by the Liquidation Agreement, the Liquidator requested that the MEM initiate the direct treatment procedure stipulated in the Concession Contract. For more information regarding the amounts recognized, see Note 11 to our audited annual consolidated financial statements included in this annual report.

As of December 31, 2022, the net value of the accounts receivable from GSP is approximately US\$142.4 million (equivalent to S/542.3 million) compared to US\$161.9 million (equivalent to S/643.9 million) as of December 31, 2021, which comprises the recognition in the following entities of the Corporation: i) AENZA S.A.A. holds US\$63.9 million (equivalent to S/243.2 million), discounted to present value net of impairment and the effect of the exchange difference, compared to US\$81.1 million (equivalent to S/322.6 million) as of December 31, 2021; and ii) Cumbra Peru holds US\$78.6 million (equivalent to S/299.2 million) discounted to present value net of the effect of the exchange difference compared to US\$80.8 million (equivalent to S/321.3 million) as of December 31, 2021.

The company's management maintains the recovery estimate at 8 years, applying a discount rate of 5.85%, compared to recovery term of 8 years with a discount rate of 2.73% as of December 31, 2021. These estimates generated during 2022 a present value effect of approximately S/72.2 million, compared to S/32.8 million during 2021, which has been recognized in the consolidated statement of income under the caption "Financial income and expenses - loss from present value", see Note 26.B to our audited annual consolidated financial statements included in this annual report.

Based on management's assessment and in conjunction with the opinion of the internal legal department and external legal counsel, the estimate of recoverability, impairment allowances and the net recognized value of the account receivable from GSP as of December 31, 2021 and 2022 is reasonable and sufficient as of the reporting date of the Corporation's consolidated financial statements, see also Notes 5.A.iv and 11 to our audited annual consolidated financial statements included in this annual report.

Investigations and Settlement Processes

Our company and some of our subsidiaries, and some of our former directors and senior managers, have been charged in connection with criminal and civil investigations relating to certain projects in connection with our association with Odebrecht and in connection with our alleged participation in the alleged "construction club" during the period from 2004 to 2016.

In 2018, the Peruvian criminal prosecutor charged our company and our engineering and construction subsidiary, Cumbra, as criminal defendants in connection with the IIRSA South project concession (tranche II), and the Peruvian First National Preparatory Investigation Court (*Primer Juzgado de Investigación Preparatoria Nacional*) included our company and Cumbra in its criminal investigation. Separately, in connection with these investigations, in December 2018, the Peruvian First National Preparatory Investigation Court also resolved to include our company and Cumbra as civilly responsible third parties in the investigations related to the IIRSA South project concession (tranche II) and Cumbra as a civilly-responsible third party in the investigations related to Tranches 1 and 2 of the Lima Metro.

In December 2018, Cumbra was formally included as a civilly responsible third party, along with 11 other construction companies, in the criminal investigation conducted by a Peruvian public prosecutor with respect to an alleged "construction club" that colluded to receive public contracts. In October 2021, the prosecutor filed a motion to criminally charge Cumbra and another of our subsidiaries, UNNA Transporte, and other companies in the construction sector in Peru, as well as a former director and former senior managers of our company, with collusion and other alleged crimes.

Peruvian prosecutors have included José Graña Miró Quesada the former Chairman of our company, in an investigation for the crime of collusion, and Hernando Graña Acuña, a former board member of our company and former chairman of our subsidiary Cumbra, for the crime of money laundering against the Peruvian government, each in connection with the IIRSA South project concession (tranche II), in which we participated with Odebrecht. Gonzalo Ferraro Rey, the former Chief Infrastructure Officer of our company, has also been included in an investigation for the crime of money laundering in connection with the same project. In addition, José Graña Miró Quesada and Hernando Graña Acuña, as well as Juan Manuel Lambarri, the former chief executive officer of our subsidiary Cumbra, have been charged in connection with Tranches 1 and 2 of the Lima Metro. On February 9, 2022, the Peruvian press reported that Peruvian prosecutorial authorities entered into plea agreements with José Graña Miró Quesada and Hernando Graña Acuña, which were granted with judicial approval on January 3, 2023 and January 18, 2023 respectively. These plea agreements are confidential under Peruvian law and we, therefore, do not know their content. However, they may include information related to wrongdoing or knowledge of improper behavior that occurred while José Graña Miró Quesada and Hernando Graña Acuña were at the company. We cannot guarantee what they will ultimately say to government authorities, or that their statements will not adversely affect the company's reputation.

Final Collaboration and Benefits Agreement (Acuerdo de Colaboración Eficaz y Beneficios)

On May 21, 2021, the Company entered into a Collaboration and Benefits Agreement with a special team of Peruvian prosecutors covering the investigations related to corruption offenses of officials and related personnel, in which the company Odebrecht and others would have incurred (the "Prosecutor's Office") and with the ad hoc Public Prosecutor's Office for investigations and processes related to crimes related to corruption of officials, money laundering and related activities (the "Attorney General's Office") allegedly committed by the Odebrecht company and others.

On September 15, 2022, the Final Collaboration and Benefits Agreement was entered into between the Peruvian Public Prosecutor's Office, the Attorney General's Office and the Company, whereby AENZA accepted that they were utilized by certain former executives to commit illicit acts in a series of periods until 2016, and committed to pay a civil compensation to the Peruvian Government of approximately S/488.9 million (approximately S/333.3 million and US\$ 40.7 million, respectively) calculated according to the formulae established by Law 30737.

According to the Final Collaboration and Benefits Agreement, payment shall be made within twelve years at a legal interest rate in soles and dollars (3% and 1% annual interest as of December 31, 2022, respectively). The Company also undertakes to establish a series of guarantees after the approval (by which the judge verifies that the Final Collaboration and Benefits Agreement is in accordance with the law) of the Final Collaboration and Benefits Agreement, composed of i) a trust agreement that includes shares issued by a subsidiary of the Company; ii) mortgage on a property owned by the Company; and iii) a guarantee account with funds equivalent to the annual installment for the following year. Among other conditions, the Final Collaboration and Benefits Agreement includes a restriction against AENZA and its subsidiaries, Cumbra and Unna Transporte, participating in public construction and road maintenance contracts for two years from the approval of the Final Collaboration and Benefits Agreement. The other member companies of the Corporation are not subject to any impediment or prohibition to contract with the Peruvian Government. As of December 31, 2022, the Company recognized in its financial statements the total liabilities associated with the Final Collaboration and Benefits Agreement as S/488.9 million.

As of December 31, 2022, and as of the reporting date of the consolidated financial statements, in the opinion of the Company's Management and legal advisors, the civil compensation covers the total contingency to which the Company is exposed to as a result of the investigations. Nevertheless, the Final Collaboration and Benefits Agreement enforceability is subject to court approval and its terms and conditions are subject to confidentiality provisions.

Investigations and Administrative Process Initiated by INDECOPI in relation to the Construction Club

On July 11, 2017, INDECOPI initiated an investigation against several Peruvian construction companies (including Cumbra), about the existence of an alleged cartel called the Construction Club.

On February 11, 2020, the subsidiary Cumbra was notified by the Technical Secretariat (the "TS") of the Free Competition Defense Commission of INDECOPI with a resolution announcing a sanctioning administrative procedure involving a total of 35 companies and 28 natural persons, for alleged anticompetitive conduct in the market of Public Works.

On November 17, 2021, the Commission imposed a fine of approximately S/67 million against Cumbra, which is currently being challenged and is pending resolution by the final administrative instance within the INDECOPI Court. As of December 31, 2022, Cumbra recorded an estimated provision amounting to S/52.4 million (as of December 31, 2021, a present value equivalent to S/52.6 million was recorded).

Investigations and Administrative Proceeding Initiated by INDECOPI for Anti-Competitive Practices in the Labor Market in the Construction Sector

On February 7, 2022, Cumbra and UNNA Transporte were notified pursuant to INDECOPI Resolution 038-2021/DLC-INDECOPI dated December 28, 2021, that the antitrust authority initiated a sanctioning administrative procedure for the alleged execution of a horizontal collusive practice in the form of concerted distribution of suppliers in the labor market in the construction workers industry nationwide, during the period from 2011 to 2017.

On April 7, 2022, Cumbra and UNNA Transporte submitted a proposal for a cease and desist agreement for the early termination of the administrative sanctioning procedure, in which they (i) acknowledged the alleged conduct, (ii) committed to maintain during 2022, 2023 and 2024, a compliance program with free competition rules, and (iii) agreed to pay S/2.7 million in two installments (one after 60 days and the second after 12 months). Pursuant to Resolution No. 054-2022/CLC-INDECOPI dated August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the proposed cease and desist commitment and concluded the sanctioning procedure. As of December 31, 2022, the company estimated a provision amounting to S/1.4 million recognized as of December 31, 2022 (S/4.8 million as of December 31, 2021) related to this proceeding.

On May 9, 2023, our subsidiaries Cumbra and Unna Transporte were notified by INDECOPI, with Resolution 052-2023/CLC-INDECOPI, which formally concludes the administrative sanctioning procedure in first instance for the alleged horizontal collusive practice in the form of concerted distribution of suppliers in the market for hiring workers in the construction sector.

In this regard, by Resolution No. 054-2022/CLC-INDECOPI of August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the cessation of the proposed commitment. According to the established schedule, the Subsidiaries have paid the first installment corresponding to 50% of the amount of the compensation in November 2022 and the next installment, for the remaining 50%, will be paid no later than November 15, 2023; the amount thereof is duly provisioned in the financial statements. Likewise, the Subsidiaries are complying with their commitment to maintain a compliance program, with supervision of INDECOPI.

Termination of Chavimochic Concession

In May 2014, Concesionaria Chavimochic S.A.C. (the “Concessionaire”), in which AENZA has a 26.5% interest, signed an agreement with the Peruvian Government (the “Concession Agreement”) for the design, construction, operation, and maintenance of major hydraulic works of Chavimochic Project (hereinafter the “Project”). The construction of the work started in 2015 with a concession term of twenty-five (25) years and a total investment of approximately US\$647 million.

According to the Concession Agreement, the works of the third stage of the Project were structured in two phases. To date, the works of the first phase (Palo Redondo Dam) are 70% complete. However, at the beginning of 2017, the procedure for early termination of the Concession Agreement was initiated due to the breach of contract by the Peruvian Government, as grantor (the “Grantor”), and all activities were suspended in December 2017. Since no agreement was made, the Concessionaire initiated an arbitration process before the United Nations Commission on International Trade Law (“UNCITRAL”).

On October 4, 2022, the UNCITRAL notified the parties of its decision, which provided for the early termination of the Concession Agreement and ordered, among other things, that the Grantor pay the Concessionaire an amount of US\$25.3 million as a consequence of its failure to provide the project control delivery, and the execution of 70% of the Performance Bond, or the payment of US\$25 million, for the Concessionaire’s failure to obtain evidence of financial closing.

In February 2023, the Grantor partially executed the Concessionaire’s performance bond in accordance with the award, for an amount of US\$28,300,032.46, whereas AENZA assumed a total of US\$7.5 million as a result of such first execution. Likewise, prior to the closing of this report, the Grantor requested the execution of the balance of the Concessionaire’s performance bond for US\$7,472,318.54, whereas AENZA assumed US\$2 million. The Concessionaire is currently coordinating the necessary legal actions for the full execution of the award, in order to collect the amount awarded by the arbitration court in its favor plus the corresponding interest. In other words, the Grantor must comply with the obligations arising from the award. Likewise, the Concessionaire will initiate legal actions against the Grantor for what it considers an arbitrary execution of the balance of the performance bond without the Grantor having supported such amount in a qualified breach of the Concession Agreement and without the arbitral tribunal having granted the possibility of executing the bond for a higher amount.

Despite the requests for exclusion and integration of the award filed by the Concessionaire, the Court did not issue a decision within the deadline, and the award was consented to. As of December 31, 2022, an impairment of a total investment amounting to S/14.8 million was recorded. Tender Offer by IG4

On June 15, 2021, IG4 Capital Infrastructure Investments LP announced a tender offer for a total of 107,198,601 common shares equivalent to 12.29% of our outstanding shares. On August 10, 2021, IG4 purchased a significant shareholding participation amounting to 23.90% of the total outstanding shares, of which 12.29% was purchased within the tender offer and an additional 11.61% was acquired in transactions outside the tender offer. Furthermore, on August 12, 2021, certain shareholders of AENZA signed a trust agreement with IG4, as trustee, and La Fiduciaria S.A., in which, among other aspects, IG4 acquired the voting rights of common shares representing an additional 8.97% of the company for a period of eight years, which could be automatically renewed for an additional period of eight years. As of December 31, 2022, IG4 Capital Infrastructure Investments LP controls common shares representing a total of 30.05% of our capital stock.

CEO and Board of Directors

The Board of Directors was elected for the period 2021-2024 at the general shareholders' meeting held on September 20, 2021. In addition, on October 1, 2021, we appointed a new CEO, Mr. Andre Mastrobuono. For more information, see "Item 6. Directors, Senior Management and Employees."

Strengthening of Anti-Corruption Program

In 2017, the company's Board of Directors created the Risk & Compliance Committee and the Corporate Risk and Compliance Function reporting directly to the Board of Directors. The Board of Directors also provided this corporate function with additional resources, such that the Corporate Risk and Compliance function currently includes six experienced officers.

The Risk & Compliance Committee approved a plan and resources to continue strengthening our anticorruption compliance program, an integral part of our larger Corporate Risk and Compliance Program. The plan focused on cultural changes and four strategic elements to re-shape the way we do business: (i) corporate governance, (ii) ethics and compliance, (iii) risk management, and (iv) regulatory compliance and monitoring.

In parallel, the Board of Directors launched an integrity manifesto and conducted an internal investigation, led by U.S. counsel with the assistance of forensic accountants, with respect to our participation in consortia with Odebrecht. The Board of Directors also engaged international advisors and consulting firms that provided specialized anti-corruption training to the Board of Directors, senior management and middle management. These actions served as the foundation for a cultural change; the strengthening of governance; the enhancement of the tone at the top; and the transformation and enhancement of anti-corruption practices across the group.

In 2018, we re-launched key aspects of the Corporate Risk and Compliance Program focused on ethics and anti-corruption compliance. The first accomplishment was the approval, implementation, and training of the company's new Code of Business Conduct, which was rewritten by senior management. Another key achievement was the whistleblower mechanism, which we re-vamped and re-launched. Together with the business operations functions, we also reviewed and modernized our policy on third party due diligence (focused on anti-corruption, crime prevention and international sanctions), which included building a robust process using international best practices and modern web-based tools for name search and case management.

Risk was the program's focus in 2019, while we continued to implement other aspects of the program. The Board of Directors formalized the company's risk management methodology and risk appetite and approved the risk manual. Business operations redesigned key business processes and developed risk matrices, guided by the professional opinion of business line experts, as an additional foundation for a modern risk management function. This included the use of an enhanced method to measure and mitigate corruption risk. In 2019, the company also introduced revised policies on donations, gifts and entertainment, on dealing with conflicts of interests and on managing relationships with government officials.

In 2020, we applied the Corporate Risk and Compliance Program to identify, prioritize and mitigate certain impacts of the COVID-19 pandemic, including corruption and regulatory-related risks. We also developed a risk analysis on free competition, and we issued our antitrust policy, a key enhancement to our Regulatory Compliance Program.

An independent consulting firm performed in 2020 a specialized review of our Anti-corruption Compliance Program. Their review identified no material weaknesses and concluded that our program was suited for the nature of our businesses, needs, risks and characteristics. In that year, three of our subsidiaries achieved ISO 37001 Certification (Cumbra, Ecotec and Morelco).

In 2021, we strengthened our Regulatory Compliance Program, enhanced the risk assessment and monitoring models behind our Third Party Due Diligence Program, and innovated and updated our training means and content based on risk and related to ethical conduct and values aligned with our business code of conduct.

Strengthening the Culture of Integrity was the focus of the program in 2022, as we continue to improve other programs. The Board of Directors formalized the organization's compliance processes and the new structure of the compliance area focused on business lines and processes. Likewise, the company also updated policies and procedures on ethics, due diligence, donations, gifts, entertainment, the management of conflicts of interest, and the management of relationships with government officials. We also strengthened the training plan, extending it to the technicians in the organization.

An independent consulting firm conducted a specialized review of our Anti-Corruption Compliance Program in 2022. Their revision identified no material weaknesses and concluded that our program aligned with the requirements of the applicable anti-corruption regulations. In 2022, all subsidiaries of CUMBRA, our engineering and construction business lines in the region (Peru, Chile, and Colombia), achieved ISO 37001 certification.

Securities Class Action

A class action civil lawsuit was filed in 2017 against our company, certain of our former directors and former and current executive officers in the United States. As of July 2, 2020, we executed the settlement agreement with the plaintiffs' attorneys, by which the parties agreed to terminate the class action, subject to court approval and the payment of the transaction amount by the company. The amount agreed for the termination of the class action is equivalent to US\$20 million. The company registered a provision of US\$15 million (equivalent of S/49.8 million), the difference of US\$5 million was covered by a professional liability insurance policy in accordance with the agreement signed with the insurance company. As of the date of this annual report, all amounts under the settlement agreement related to the class action civil lawsuit have been paid in full. On January 12, 2023, the court reinstated its final judgment and terminated this case.

Convertible Bonds

On August 13, 2021, AENZA issued Convertible Bonds in a total principal amount of US\$89.9 million. In accordance with the terms and conditions of the Convertible Bonds, holders of Convertible Bonds in a principal amount equivalent to US\$11 million exercised their conversion rights and on February 28, 2022 we issued 37,801,073 new common shares. Additionally, holders of Convertible Bonds in a principal amount equivalent to US\$79 million exercised their conversion rights and, on March 31, 2022, we issued an additional 287,261,051 new common shares. Therefore, our capital stock has increased from S/871,917,855 to S/1,196,979,979. After these conversions, the Convertible Bonds were fully cancelled.

Bridge Loan

On March 17, 2022, the company entered into a bridge loan credit agreement for up to US\$120 million, with a group of financial entities comprised of *Banco BTG Pactual S.A. - Cayman Branch*, *Banco Santander Peru S.A.*, *HSBC Mexico, S.A.*, *Institución de Banca Múltiple, Grupo Financiero HSBC*, and Natixis, New York Branch. The financing will be repaid over a period of 18 months, and will be secured, subject to the fulfillment of certain precedent conditions, by a flow trust (first lien), a trust over the shares of Viva Negocio Inmobiliario S.A. (second lien), and a pledge on our shares in Unna Energía (first lien). On April 5, 2022, the loan was disbursed and we have used the proceeds to repay certain of our financial and other obligations. We are currently evaluating different debt restructuring plans to refinance the bridge loan.

Immaterial Corrections to Financial Statements

In connection with the preparation of its consolidated financial statements, the Corporation identified an error in the interpretation and application of the accounting treatment of revenue and cost recognition arising from contracts with customers in the E&C segment in prior years. Management of the Company has evaluated and concluded that the correction of this error has resulted in non-material adjustments to the net income previously reported in the consolidated financial statements as of December 31, 2020 and 2021. It should be noted that the aforementioned corrections had no impact on total cash flows from operating, investing or financing activities. A reconciliation between the previously reported amounts and the revised amounts as of December 31, 2020 and 2021, and for the year then ended is presented in Note 2.AA to our audited annual consolidated financial statements included in this annual report.

Internal Control over Financial Reporting

In 2022, we identified two material weaknesses regarding our internal control over financial reporting. For more information, see “Item 3. Key Information—D. Risk Factors—We have identified two material weaknesses in our internal control over financial reporting, and if we cannot maintain effective internal control or provide reliable financial and other information in the future, investors may lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our ADSs” and “Item 15. Controls and Procedures.”

Factors Affecting Our Results of Operations

General

Peruvian, Chilean and Colombian Economic Conditions

81.8%, 81.1% and 82.2% of our revenues in 2020, 2021 and 2022 were derived from activities in Peru. Accordingly, the results of our operations are substantially affected by economic conditions in the country and our growth is driven in significant part by growth in the Peruvian economy. In addition, 14.2%, 15.6% and 14.9% of our revenues in 2020, 2021 and 2022 were derived from activities in Chile and 4.0%, 3.3% and 2.9% of our revenues in 2020, 2021 and 2022 were derived from activities in Colombia.

Peruvian real GDP decreased 11.0% in 2020, increased 13.6% in 2021, and increased 2.7% in 2022. As a result of the COVID-19 pandemic and the measures taken by governments, private consumption increased at an average annual rate of 2.0% in real terms from 2020 to 2022. Private investment decreased 16.5% in 2020, increased 37.4% in 2021, and decreased 0.5% in 2022, each in real terms. Inflation in Peru, as measured by the change in the consumer price index, was 2.0% in 2020, 6.4% in 2021, and 8.5% in 2022. The sol depreciated versus the U.S. dollar by 9.0% in 2020, 10.5% in 2021, and appreciated 4.5% in 2022. Peru’s sovereign debt has been rated investment grade by S&P, Fitch and Moody’s. At the end of 2022, Peruvian sovereign debt had one of the highest credit ratings in the South American region, rated BBB by S&P (December 2022), BBB by Fitch (October 2022) and Baa1 by Moody’s (January 2023).

The Chilean economy contracted 5.8% during 2020, grew 12.0% during 2021 and grew 2.4% during 2022. Total fixed investment increased at an annual average rate of 9.2% in real terms during the three years from 2020 to 2022. Inflation in Chile, as measured by the change in the consumer price index, was 3.0% in 2020, 7.2% in 2021 and 12.8% in 2022. The Chilean peso depreciated versus the U.S. dollar by 4.6% in 2020, appreciated 15.6% in 2021 and 3.1% in 2022. Chilean sovereign debt has the highest rating in the South America region, rated A by S&P (October 2022), A2 by Moody’s (September 2022) and A- by Fitch (December 2022).

Colombian real GDP contracted 7.3% during 2020, grew 11.0% during 2021 and grew 7.5% in 2022. Inflation in Colombia was 1.6% in 2020, 5.6% in 2021 and 13.1% in 2022. The Colombian peso appreciated against the U.S. dollar by 4.7% in 2020, 16.0% in 2021 and 20.8% in 2022. Colombia’s sovereign debt was rated BB+ by Fitch (December 2022), BB+ from S&P (January 2023), and Baa2 from Moody’s (March 2023).

From 2020 to 2022 our revenues increased at a compound annual growth rate (CAGR) of 11.4%, excluding acquisitions and asset sales. Our organic revenues increased 30.0% in 2021 from 2020 and increased 6.4% in 2022 from 2021, principally as a result of (i) higher production volume in ongoing projects in our E&C segment; (ii) higher revenues in our Infrastructure segment due to an increase in Norvial’s traffic and tariffs, an increase in Line 1’s tariffs, and the execution of major complementary works in Canchaque and Survial; and (iii) higher oil prices for UNNA Energía.

Fluctuations in Exchange Rates

We estimate that in 2022, 39.3%, 43.8% and 16.9% of our revenues were denominated in soles, U.S. dollars and other currencies respectively, while 55.8%, 25.9% and 18.3% of our cost of sales during the year were denominated in soles, U.S. dollars and other currencies. In addition, as of December 31, 2022, 51.8%, 47.3% and 1.0% of our total debt was denominated in soles, U.S. dollars and other currencies, respectively. Accordingly, fluctuations in the value of these currencies can materially affect the results of our operations. When the sol appreciates against the U.S. dollar, our operating margins tend to decrease; when the sol depreciates against the U.S. dollar, our operating margins tend to increase (if everything else is held equal). Conversely, the appreciation of the sol against the U.S. dollar tends to decrease our indebtedness and Financial expenses as expressed in soles; and the depreciation of the sol against the U.S. dollar tends to increase our indebtedness and Financial expenses as expressed in soles. We enter into derivatives, from time to time, to hedge part of our financial exposure to currency fluctuations. The value of the sol to the U.S. dollar depreciated in 2020 and 2021, and appreciated in 2022, which impacted the results of our operations.

We have included estimates of the approximate effects of fluctuations in exchange rates on our consolidated and segment revenues and costs of sales in “—Results of Operations.” These estimates were calculated based on daily average exchange rates and estimated aggregate revenues and cost of sales denominated in U.S. dollars, Chilean pesos and Colombian pesos, and were not calculated on a transaction-by-transaction basis. For additional information on the effect of exchange rate fluctuations on our results of operations, see “Item 11. Quantitative and Qualitative Disclosures about Market Risk—Exchange Rate Risk.”

Cost of Labor, Third-Party Services and Inputs

The largest components of our costs are: labor, which represented 31.7% of our cost of sales and 60.2% of our administrative expenses in 2022; services provided by third parties, which represented 33.9% of our cost of sales and 25.9% of our administrative expenses in 2022; and supplies (including raw materials), which represented 16.0% of our cost of sales in 2022. For a breakdown of our cost of sales and administrative expenses, see Note 25 to our audited annual consolidated financial statements included in this annual report.

Our cost of labor is influenced by, among other factors, the number of our employees, as well as inflation, competition we face for personnel in each of our business segments and the availability of qualified candidates. From 2020 to 2021, our personnel charges increased by 36.5% and from 2021 to 2022, our personnel charges decreased 3.1%. Services provided by third parties include: subcontracting in our E&C segment, such as carpentry work; advisory and consultancy work, including external audit and legal services; and renting of equipment. From 2020 to 2021, costs related to services provided by third parties increased by 19.6% and from 2021 to 2022, costs related to services provided by third parties increased by 0.9%. The principal supplies we use are fuel, cement and steel, which in the aggregate represented 13.7% of our total input costs in 2022. Our costs for these supplies are affected by, among other factors, the growth or decline of our operations, market prices, including global prices in the case of fuel, and transportation costs. We do not have long-term contracts for the supply of our key supplies. From 2020 to 2021, our input costs increased by 24.8% and from 2021 to 2022, our input costs increased 59.2%. Our cost of labor, third party services and supplies increased in 2022 primarily due to higher activity levels in our E&C segment.

Acquisitions and Dispositions

Our results of operations can be affected by the acquisition or sale of assets. During the 2020-2022 period, we did not have significant acquisitions or sales. For a description of the sale of these assets, see “—Key Developments—Asset Sales.”

Cyclicality

Our Energy segment is cyclical and affected by the global supply and demand for oil.

Our E&C segment is cyclical as a result of being closely linked to the conditions, performance and growth of the end-markets we serve, which include, among others, the mining, power, oil and gas, transportation, real estate and other infrastructure sectors in Peru, as well as the mining sector in Chile and, the energy sector in Colombia. These industries tend to be cyclical in nature and tend to be affected by factors such as macroeconomic conditions, climate conditions, the level of private and public investment, the availability of credit, changes in laws and regulations and political and social stability. As a result, although downturns impact our entire company, our E&C segment has historically been subject to periods of very high and low demand. The mining and oil and gas sectors, in particular, are also driven by worldwide demand for the underlying commodities, including, among others, silver, gold, copper, oil and gas, which can be affected by such other factors as global economic conditions and geopolitical affairs.

Our Real Estate segment is also cyclical and is significantly affected by changes in general and local economic conditions, such as employment levels and job growth, availability of financing for home buyers, interest rates, foreclosure rates, inflation, consumer confidence and housing demand.

Seasonality

Our business, on a consolidated basis, has not historically experienced seasonality. In our Infrastructure segment, we have experienced moderate seasonality at (i) Norvial, due to heightened vehicular traffic activity during the summer season in the first quarter of the year, and (ii) UNNA Energia's gas processing plant, which typically closes for maintenance during the rainy season in the first quarter of the year, as demand for gas is lower during this time.

Infrastructure

Traffic and Fees for Toll Roads

The majority of our toll roads revenues derives from the Norvial concession. Unlike our other toll road concessions, our revenues from the Norvial concession depend on traffic volume. Traffic volume on the Norvial road increased 134.9% from 2020 to 2021 due to the recovery of economic activity in 2021 after the COVID-19 pandemic and increased 2.9% from 2021 to 2022 (based on vehicle equivalents, as defined in "Item 4.B. Information on the Company—Business Overview—Infrastructure—Principal Infrastructure Activities—Toll Roads—Norvial"). For the Norvial toll road, the toll rate is set out in the Norvial concession agreement and adjusted in accordance with a contractual formula that takes into account the Sol/U.S. Dollar exchange rate and Peruvian and United States inflation rates. Under our Survial and Canchaque road concessions, our revenues consist of annual fees paid by the Peruvian Ministry of Transport and Communications in consideration for the operation and maintenance of the roads, which can vary depending on the amount of road maintenance required due to road wear and tear.

Under the Norvial concession contract, we are required to expand certain stretches of the highway by, among other things, adding two additional lanes. The first stage of construction was completed in 2008 and the second stage was completed in December 2019. Norvial's capital investment for the second stage was approximately US\$91 million (S/347.9 million). In June 2018, we signed an investment agreement with BCI Peru to monetize future dividends of Norvial. The amount of the transaction was US\$42.3 million, the proceeds of which were applied to the reduction of indebtedness related to GSP.

Mass Transit

We generate revenue from our Lima Metro concession based on kilometers travelled per train, with a fee per kilometer, the number of trains required to be in operation and the number of kilometers that we are required to travel established by the terms of the concession. Our revenues do not depend on passenger traffic volume. Our results in this concession between 2020 and 2022 were influenced by the reliability and proper operation of our trains. We currently have all 44 trains in operation (including three backup trains).

Awarding and Timing of Infrastructure Concessions and Government Contracts

The results of operations of our Infrastructure segment can be affected by our ability to win new concessions and government contracts, which depend in part on government policies and our ability to compete effectively.

Our results in the operation and maintenance of infrastructure assets depend on our ability to obtain contracts from the government or infrastructure concessionaires, such as those in our Infrastructure segment, which depend on government policies and our ability to compete effectively. We typically obtain higher revenues from these contracts during the commencement of services as we bring roads to proper operating condition, and lower revenues at the end of the contract term as services wind down.

Our results in our Infrastructure segment are also affected by the timing of the commencement of operations under our concessions, as well as when we were required to undertake significant capital investments or major construction works under the terms of our concessions. Under our Norvial and Lima Metro concessions, we were required to undertake capital investments during the initial years of the concessions for which we are compensated throughout the term of the concessions by our toll rate in the case of the Norvial concession and tariffs in the case of the Lima Metro concession. Under our Survial, Canchaque and La Chira concessions, we generated revenues in our Infrastructure segment from our construction activities during the pre-operational phase, and once operations commenced, we generate revenues from fees related to operation and maintenance. Survial, Canchaque and La Chira have financed their construction costs through the sale of government certificates of construction to financial institutions at a discount from face value. Certificates of construction are negotiable instruments that the Peruvian government typically delivers upon completion of each stage of a project and which entitle the holder to receive payment from the government equal to the capital investment made in the corresponding stage upon completion of the entire project. Accordingly, the results of our Infrastructure segment may be affected by the discount rates obtained on the sale of government certificates of construction. For more information on our obligations and compensation under our concessions, see “Item 4.B. Information on the Company—Business Overview—Infrastructure.”

Energy

A substantial part of the revenues in our Energy segment depends on global prices for oil. Under our hydrocarbon extraction service contracts, we are entitled to a variable fee, which is based on the level of production of each field and a basket of international crude oil prices. Under our contracts, we acquire the extracted hydrocarbons and pay royalties, which are also based on a basket of international crude prices and the level of production. Historically, oil prices have been volatile and are likely to be volatile again in the future. During 2020, 2021 and 2022, average Brent crude prices were approximately US\$41.76, US\$70.67 and US\$100.78 per barrel, and the average fee we received in these years was US\$41.22, US\$68.73 and US\$93.24 per barrel of extracted oil, respectively. During the first quarter of 2023, the Brent crude price was approximately US\$79.19 per barrel and our fee was approximately US\$79.25 per barrel of extracted oil. Due to our activities being conducted in mature oil fields, which have been producing oil for approximately 100 years in the case of Block III, approximately 95 years in the case of Block IV and for over 50 in the case of years Block V, our oil production depends primarily on the level of our drilling and production activities.

Our Pariñas gas processing plant has a long-term delivery and gas processing and fractionation contract with Empresa Eléctrica de Piura S.A. (ENEL), a thermal power generation subsidiary of the Endesa group. Under this contract, ENEL delivers natural gas that it purchases from onshore and offshore gas producers in the Talara area. We are responsible for all operating costs of the gas processing plant but are entitled to keep revenues from the sale of all resulting natural gas liquids to third parties after delivery of all dry gas and payment of a variable royalty to ENEL. Approximately 83.4% of the total volume of natural gas processed by our Pariñas gas processing plant depends upon gas volumes demanded by ENEL for its gas-fired turbines, which can vary significantly. Prices for natural gas liquids can also fluctuate significantly and are affected by market prices for LPG and crude oil. We processed 28.40 MMcf per day during 2020, 30.41 MMcf per day during 2021, and 31.68 MMcf per day during 2022.

In connection with our fuel storage terminal business, under two operation contracts with PetroPeru, we receive revenues related to monthly reserved volume in storage tanks for refined crude products (storage fee) and for volumes loaded and delivered into railroad cars or cistern trucks to each terminal (throughput fee). These fees are adjusted annually to account for U.S. inflation. Our fuel storage activities in the North and Central Terminals are carried out under 20-year contracts, which expire in 2034.

Real Estate

The results of operations of our Real Estate segment are driven by the number of units we develop and deliver in a reporting period, our mix of unit sales (affordable housing versus housing), unit prices, land purchase prices and our costs of construction. These results are also affected by a number of factors that may impact the Peruvian real estate sector as a whole, including: the availability of government subsidies for affordable housing; prices of suitable land in particular areas; regulation of real estate development imposed by national, regional and local laws and regulators, and the time required to obtain applicable construction permits and licenses; the unemployment rate and wage levels; prevailing interest rates and availability of financing; the supply in the market; the level of customer interest in our new projects; and our costs, such as the price of labor, materials, insurance, taxes and other public charges. We delivered 1,125 units, 1,515 and 1,310 units in 2020, 2021 and 2022, respectively. The drop-in units delivered in 2020 was caused by the lockdown instituted due to the COVID-19 pandemic.

The results of operations of our Real Estate segment are also significantly affected by our sales of land parcels. Due to the appreciation of land prices in Peru, and because we record our land holdings at book value (i.e., without marking to market), our recent land sales have resulted in high margins. See “—Key Developments—Asset Sales.”

In addition, the net profit attributable to controlling interests of our Real Estate segment is significantly affected by the financing and commercial arrangements we use to purchase land and to develop real estate projects. Depending on the level of non-controlling interests used to finance our real estate projects, our Real Estate segment tends to have significant (Loss) profit attributable to non-controlling interest. See “—Results of Operations—General—Real Estate.”

Engineering and Construction

The main driver of our E&C results is economic growth in Peru and to a lesser extent Chile and Colombia, particularly private and public investment in mining, power, oil and gas, transportation, real estate and other infrastructure sectors. See —*Peruvian and Chilean Economic Conditions*.

Appropriate pricing and budgeting are also key to our project results, which can be affected by factors such as competition, direct negotiations with clients (as opposed to competitive bidding processes), the accuracy of our estimations of project costs and any unexpected cost overruns.

Our typical E&C contracts are unit prices, lump-sum, and EPC contracts. For a description of our E&C contracts, see “Item 4.B. Information on the Company—Business Overview—Engineering and Construction—Contracts.” The nature of our contractual arrangements can affect our margins depending on where the cost burden is placed, whether with the client or with us, and certain contractual arrangements tend to have lower gross margins.

During 2020, activity levels in our E&C segment decreased as a result of the COVID-19 pandemic and government measures adopted in response to the virus in Peru, Chile and Colombia including, among other things, social distancing and sanitary protocols. During 2021, sales increased in our E&C segment compared to the previous year, with the recovery of economic activity and impacted principally by two projects in Chile and one important mining project in Peru. For 2022, we maintained the same level of sales as the previous year as a result of the execution of Quellaveco and Lima Airport projects in Peru and Quebrada Blanca 2 in Chile.

Critical Accounting Estimates and Judgments

For information on critical accounting estimates and judgments, see Note 5 to our audited annual consolidated financial statements included in this annual report.

New Accounting Pronouncements, Amendments and Interpretations

For information on new accounting pronouncements, amendments and interpretations, see Note 3 to our audited annual consolidated financial statements included in this annual report.

Non-GAAP Financial Measure and Reconciliation

In this annual report, we present adjusted EBITDA and adjusted EBITDA margin, a non-GAAP financial measure. A non-GAAP financial measure is generally defined as one that purports to measure financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. We define adjusted EBITDA as net profit plus: financial (expense) income, net; Income tax expense; and depreciation and amortization and adjusted EBITDA margin as adjusted EBITDA over revenues.

We present adjusted EBITDA and adjusted EBITDA margin because we believe them provide readers with a supplemental measure of the financial performance of our core operations that facilitates period-to-period comparisons on a consistent basis. Our management uses adjusted EBITDA, among other measures, for internal planning and performance measurement purposes. We believe that adjusted EBITDA is useful in evaluating our operating performance compared to that of other companies operating in our sectors because adjusted EBITDA eliminates the effects of financing and income tax expenses and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to overall operating performance. Adjusted EBITDA should not be construed as an alternative to net profit or operating profit, as an indicator of operating performance, as an alternative to cash flow provided by operating activities or as a measure of liquidity (in each case, as determined in accordance with IFRS). Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The following table sets forth the reconciliation of our net profit before minority interest to adjusted EBITDA on a consolidated basis.

The financial information is presented in millions, however, for the calculation of the figures presented more decimals have been considered. For this reason, in some occasions, the sums of the figures in millions may differ from the totals by decimals. The same effect may occur with percentage variations.

	For the year ended December 31,			
	2020	2021	2022	2022
	(in millions of S/)			(in millions of US\$) ⁽¹⁾
(Loss) profit for the year	(215.5)	(101.9)	(362.7)	(94.9)
Financial expenses	572.5	646.0	717.8	187.9
Financial income	(465.3)	(389.0)	(490.8)	(128.5)
Income tax expense	54.1	46.4	131.1	34.3
Depreciation and amortization	183.4	192.7	177.0	46.3
adjusted EBITDA	129.2	394.2	173.3	45.4

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

The following table shows a reconciliation of the adjusted EBITDA for our four segments, Parent company operations and intercompany eliminations:

	For the year ended December 31,			
	2020	2021	2022	2022
	(in millions of S/)			(in millions of US\$) ⁽¹⁾
Infrastructure	99.2	194.7	288.9	75.6
Energy business	109.4	173.7	187.2	48.2
Real estate	32.6	36.9	137.7	36.0
Engineering and construction	(23.2)	89.6	(30.3)	(7.9)
Parent company operations	(224.0)	(57.8)	(328.5)	(86.0)
Intercompany eliminations	135.4	(42.9)	(78.6)	(20.6)
adjusted EBITDA	129.4	394.2	173.3	45.4

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

The following tables set forth the reconciliation of our net profit to adjusted EBITDA for each of our business segments and certain of our lines of business or subsidiaries within these segments.

1. Infrastructure

1.1 Full Segment (Norvial, Survial, Canchaque, Line 1 of the Lima Metro, La Chira, UNNA Transporte and Via Expresa Sur)

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	(35.5)	69.8	144.2	37.7
Financial expenses	51.8	44.2	41.2	10.8
Financial income	(16.6)	(9.9)	(10.2)	(2.7)
Income tax expense	40.4	29.9	52.2	13.7
Depreciation and amortization	59.2	60.7	61.5	16.1
adjusted EBITDA	99.2	194.7	288.9	75.6

1.2 All Toll Roads (Norvial, Survial and Canchaque)

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	(0.6)	34.6	41.1	10.7
Financial expenses	32.0	27.0	27.4	7.2
Financial income	(4.1)	(4.0)	(3.0)	(0.8)
Income tax expense	0.4	7.3	12.9	3.4
Depreciation and amortization	51.1	53.3	54.1	14.2
adjusted EBITDA	78.0	118.2	132.4	34.7

1.3 Mass Transit (Line 1 of the Lima Metro)

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	60.8	42.1	69.3	18.1
Financial expenses	13.8	10.2	9.4	2.5
Financial income	(6.1)	(2.4)	(4.6)	(1.2)
Income tax expense	26.7	19.4	31.8	8.3
Depreciation and amortization	0.3	0.6	0.3	-
adjusted EBITDA	95.6	69.8	106.2	27.8

2. Energy

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	12.6	57.8	63.9	16.7
Financial expenses	49.7	66.8	70.6	18.5
Financial income	(34.4)	(53.2)	(56.7)	(14.8)
Income tax expense	7.5	22.5	30.9	8.1
Depreciation and amortization	74.1	79.7	75.5	19.8
adjusted EBITDA	109.4	173.7	184.2	48.2

3. Real Estate

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	15.0	13.0	82.9	21.7
Financial expenses	26.6	20.6	17.7	4.6
Financial income	(18.5)	(11.0)	(11.9)	(3.1)
Income tax expense	2.9	6.6	42.9	11.2
Depreciation and amortization	6.7	7.6	6.2	1.6
adjusted EBITDA	32.6	36.9	137.7	36.0

4. Engineering and Construction

	For the year ended December 31,			
	2020	2021 (in millions of S/)	2022	2022 (in millions of US\$) ⁽¹⁾
(Loss) profit for the year	(104.4)	(81.5)	(147.5)	(38.6)
Financial expenses	250.3	342.8	420.8	110.1
Financial income	(204.9)	(222.9)	(346.5)	(90.7)
Income tax expense	4.4	14.1	15.8	4.1
Depreciation and amortization	40.2	37.1	27.2	7.1
adjusted EBITDA	(23.2)	89.6	(30.3)	(7.9)

(1) Calculated based on an exchange rate of S/3.82 to US\$1.00 as of December 31, 2022.

(2) Our E&C segment adjusted EBITDA includes S/1.1 million, S/0.97 million and S/13.5 million in 2020, 2021 and 2022, respectively, which represents Cumbra's 43.3% equity interest in Viva's net profit.

Results of Operations

General

Accounting for Subsidiaries, Joint Operations, Joint Ventures and Associated Companies

Results of our subsidiaries, joint operations, joint ventures and associated companies are reflected in our financial results. We refer to our subsidiaries as those entities over which we exercise control. We consolidate the results of our subsidiaries in our financial statements and we reflect the profit corresponding to the minority interests in our subsidiaries under "profit attributable to non-controlling interests" in our income statement. Our consolidation of the results of our subsidiaries includes subsidiaries in which we have less than 50% of the equity. We refer to business activities in which we share control with unrelated entities as joint arrangements, including joint operations and joint ventures, which are typically conducted through an agreement with a third party to carry out specific projects. We contribute our assets to these projects and derive revenue from their use. In our financial statements we recognize, in relation to our interest in a joint operation, our assets and liabilities, including our share of any asset or liability we hold jointly with our partner, as well as our share of revenue and expense from the joint operation. We refer to our associated companies as those entities over which we have significant influence but do not control. We reflect the results of our associated companies and joint ventures under the equity method of accounting in our financial statements under the line item "share of the profit and loss in associates" in our income statement. For further information, including a list of our subsidiaries, joint operations, joint ventures and associated companies, see Notes 6.A, 6.B, 6.C and 14 to our audited annual consolidated financial statements included in this annual report.

Intersegment Transactions

From time to time, certain of our segments provide services between each other. In 2022, 0.24% of revenues in our E&C segment came from the construction and services for AENZA's Infrastructure and Energy companies (UNNA Transporte, Norvial, Survial, Consorcio Terminales and Canchaque). Also, less than 0.04% of revenues in our E&C segment came from additional construction services for AENZA's real estate company, Viva, and its subsidiaries. Accordingly, in such circumstances, the segment providing services recognizes revenues, and the segment receiving such services recognizes costs of sales, relating to the services provided. These intersegment revenues and cost of sales are eliminated in the consolidation of our financial results. Nevertheless, our Infrastructure segment may recognize gross profits or losses based on the difference between the fees the segment charges in accordance with concession terms and costs it incurs relating to services provided by our other segments. For more information on our segments, see Note 7 to our audited annual consolidated financial statements included in this annual report.

Infrastructure

In our Infrastructure segment, we recognize revenues and cost of sales as follows:

(1) Toll Roads:

- For Norvial, we obtain revenues for toll fees collected, minus deductions required to be transferred to the government as described in "Item 4.B. Information on the Company—Business Overview—Infrastructure—Principal Infrastructure Activities—Toll Roads—Norvial," which we recognize upon receipt. In June 2018, we signed an investment agreement with BCI Peru, to monetize future dividends of Norvial. The amount of the transaction was US\$42.3 million, the proceeds of which were applied to the reduction of indebtedness related to GSP. Cost of sales for Norvial include fees paid to third parties (primarily our subsidiary UNNA Transporte) for operation and maintenance services as well as the amortization of the road concession registered as an intangible asset in our financial statements; and
- For Survial and Canchaque, we obtain revenues for routine and periodic maintenance services, which we recognize in the period in which the services are performed. Cost of sales for Survial and Canchaque include fees paid to third parties (primarily our subsidiary UNNA Transporte) for operation and maintenance services. We do not recognize the Survial and Canchaque concessions as intangible assets and therefore do not amortize the concessions.

For further information, see Notes 2.W, 2.X and 18 to our audited annual consolidated financial statements included in this annual report.

(2) Mass Transit: We obtain revenues from our Lima Metro concession based on a tariff per kilometer travelled by our trains in operation in accordance with a schedule established in our concession agreement, which we recognize in the period in which the services are performed. Under the concession, the tariff is comprised of three components: (i) fees related to our operation and maintenance services; (ii) fees related to the Peruvian government's repayment of the amounts we invest to purchase trains, ongoing capital expenditures and other infrastructure for the Peruvian government; and (iii) fees related to interest we charge to the Peruvian government in connection with the amounts we invest to purchase such trains, ongoing capital expenditures and other infrastructure. In 2020, the fees related to items (i), (ii) and (iii) were S/354.4 million. In 2021, the fees related to items (i), (ii) and (iii) were S/358.9 million. In 2022, the fees related to items (i), (ii) and (iii) were S/398.9 million. We only recognize in our income statement the portion of the tariff that relates to items (i) and (iii). We record the amounts paid by us that relate to item (ii) as long-term accounts receivables from the Peruvian government. Accordingly, tariff payments received relating to item (ii) reduce our accounts receivables but do not impact our income statement, and we do not amortize our investments in our income statement as our investment in the concession is recorded as an account receivable with the government rather than a depreciable investment.

We entered into the fourth addendum to the Lima Metro concession contract on July 11, 2016, in order to expand transportation capacity. In accordance with the fourth addendum, the expansion project will involve: (i) the purchase of 20 new trains; (ii) the purchase of 39 new cars; and (iii) the improvement and expansion of the existing infrastructure. As compensation for the investments of the expansion project, we will be entitled to receive the following: (i) an advance payment of 30% of each investment component; and (ii) the balance of 70% of each investment component, compensated through the annual payment for additional investments (*pago anual por inversiones complementarias*). We register the estimated compensation related to the direct cost in the income statement, plus a margin in the same period. In 2020, 2021 and 2022, there was no income related to the investment components.

For further information, see Note 11 to our audited annual consolidated financial statements included in this annual report. Cost of sales for the Lima Metro include fees paid to third parties (primarily our E&C segment, our subsidiary UNNA Transporte and other subcontractors) for construction and operation and maintenance services, energy and our financing costs related to the purchase of trains.

(3) Water Treatment: We obtained revenues from the engineering design and construction of La Chira wastewater treatment plant, which we recognize based on the percentage-of-completion method of accounting. Since the plant began operating in August 2016, we have obtained revenues only for operation and maintenance services, which we recognize in the period in which the services are performed.

(4) Operation and Maintenance of Infrastructure Assets: We obtain revenues from our operation and maintenance of infrastructure assets line of business for the operation and maintenance services we provide to the government and concessionaires (currently concessions within our Infrastructure segment), which we recognize in the period in which the services are performed. We receive unrestricted advances with respect to our service contracts with the government, which vary from approximately 10% to 30% of the contract price, which we record as an account payable. We typically invoice our clients on a periodic basis as the project progresses, deducting from the related advances on a proportional basis. For further information, see Note 20 to our audited annual consolidated financial statements included in this annual report. Our cost of sales in this line of business includes personnel costs, services provided by third parties, machinery and other materials (primarily trucks), and depreciation of equipment utilized to provide services.

Energy

We obtain revenues from extraction services and license contracts related to oil and gas production, sale of oil, fuel storage services and the sale of natural gas liquids derived from our gas processing and fractionation services, which we recognize in the period in which the services are performed and, in the case of sale of oil and natural gas liquids, when the sale is made. Cost of sales for our energy segment includes labor, materials, amortization and depreciation of oil wells, depreciation of the gas plant, maintenance, general expenses and royalties.

Engineering and Construction

Revenues in our E&C segment are obtained from engineering and construction services provided to clients and are recognized under the percentage-of-completion method of accounting. For further information, see Note 2.W on our audited annual consolidated financial statements included in this annual report. We receive unrestricted client advances in a substantial majority of E&C projects, on average equal to approximately 10% of the contract price in 2021 and approximately 10% of the contract price in 2022, which we record as an account payable. We typically invoice our clients on a periodic basis as each project progresses, deducting from the related advances on a proportional basis. For further information, see Note 20 to our audited annual consolidated financial statements included in this annual report. Cost of sales includes labor, subcontractor expenses, materials, equipment and project-specific general expenses.

Real Estate

We obtain revenues in our Real Estate segment from sales of affordable housing and housing units, commercial buildings and land parcels, which we recognize at the time of delivery of the unit or building and, in the case of land parcels, at the time of the sale. We typically pre-sell our affordable housing and housing units prior to and during construction and use the related proceeds we receive to finance the construction of the units. These pre-sale funds are restricted and released from escrow to us periodically as construction progresses. Our Real Estate cost of sales includes the cost to purchase land, costs of architectural design and construction (which usually includes payments to third parties, primarily our E&C segment), licensing and permit costs, personnel costs, and fees to third parties related to sanitation or electrical engineering. In 2021, our cost of land that is allocated to units delivered during these periods amounted to S/24.5 million and in 2022, our cost of land that is allocated to units delivered during these periods amounted to S/17.3 million. We recognize land purchases as inventory, and, accordingly, do not mark-to-market the value of our land for changes in fair value. For further information, see Note 13 to our audited annual consolidated financial statements included in this annual report.

In our Real Estate segment, we have significant (Loss) profit attributable to non-controlling interest. We hold a significant portion of our land bank through Almonte, in which we have a 50.45% interest, and we consolidate Almonte's results in our financial statements. In addition, we undertake a significant number of our real estate projects through entities in which we may have a majority interest, co-equal interest or minority interest; when we have control over these entities, we consolidate their results in our financial statements regardless of whether we own a majority of the capital. Furthermore, in connection with our affordable housing projects, we generally partner with real estate investment funds and insurance companies that provide between 60% and 70% of the total capital required to purchase the land and cover certain pre-construction costs in exchange for equity in the project. Although we typically own a minority interest in these projects, we consolidate their results in our financial statements because we exercise control over the project. Accordingly, we reflect the profit corresponding to our real estate partners under (Loss) profit attributable to non-controlling interest in our income statement. See "—Accounting for Subsidiaries, Joint Operations, Joint Ventures and Associated Companies."

Comparison of Results of Operations of 2021 and 2022

The following table sets forth the components of our consolidated income statement for 2021 and 2022.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		
Revenues	4,141.4	4,405.1	6.4%
Cost of sales and services	(3,728.2)	(3,957.5)	6.1%
Gross profit	413.2	447.6	8.4%
Administrative expenses	(179.6)	(162.6)	(9.5)%
Other income and expenses, net	(4.5)	(290.6)	6,391.3%
Operating profit (loss)	229.1	(5.6)	(102.4)%
Financial (expense) income, net	(256.8)	(227.0)	(11.6)%
Share of the profit or loss and joint ventures accounted for using the equity method	(0.9)	1.9	(321.5)%
Loss before income tax	(28.6)	(230.7)	705.6%
Income tax expense	(46.4)	(131.3)	183.0%
Loss from continuing operations	(75.0)	(362.1)	382.5%
Loss from discontinued operation, net of tax	(26.8)	-	(100.0)%
Loss for the year	(101.8)	(362.1)	255.6%
Loss attributable to controlling interest in the Company	(141.8)	(451.2)	218.2%
Net profit attributable to non-controlling interest	40.0	89.1	123.0%

Revenues

Our total revenues increased by 6.4%, or S/263.7 million, from S/4,141.4 million for 2021 to S/4,405.1 million for 2022. Revenues increased mainly due to: (1) higher oil prices, (2) an increase in the revenues of our Infrastructure segment due to an increase in Norvial's traffic, increases in tariffs for both Norvial as well as Line 1, and higher maintenance execution in Survial and UNNA Transporte, and (3) an increase in Real Estate sales due to the sale of an industrial land in Almonte.

The following table sets forth a breakdown of our revenues by segment for 2021 and 2022.

	Year ended December 31,					
	2021		2022		Variation	
	(in millions of S/)	% of Total	(in millions of S/)	% of Total	%	
Infrastructure	867.9	21.0%	1,007.7	22.9%	16.1%	
Energy	541.9	13.1%	633.8	14.4%	17.0%	
Real Estate	239.4	5.8%	367.3	8.3%	53.4%	
Engineering and Construction	2,754.0	66.5%	2,679.2	60.8%	(2.7)%	
Corporate	67.2	1.6%	68.1	1.5%	1.3%	
Eliminations	(329.0)	(7.9)%	(351.0)	(8.0)%	6.7%	
Total	4,141.4	100%	4,405.1	100%	6.4%	

Cost of Sales and Services

Our total cost of sales increased by 6.1%, or S/229.2 million, from S/3,728.2 million for 2021 to S/3,957.5 for 2022. This increase is mainly due to higher execution of projects in the E&C segment and higher execution of investment for the drilling of wells in the Energy business unit.

Gross Profit

Our gross profit increased by 8.4%, or S/34.5 million, from S/413.1 million for 2021 to S/447.6 for 2022. Our gross margin (i.e., gross profit as a percentage of revenues) for 2022 was 10.2%, compared to 10.0% for 2021.

The following table sets forth a breakdown of our gross profit by segment for 2021 and 2022.

	Year ended December 31,					
	2021		2022		Variation	
	(in millions of S/)	% of Total	(in millions of S/)	% of Total	%	
Infrastructure	165.3	40.0%	229.8	51.3%	39.0%	
Energy	110.1	26.6%	118.9	26.6%	8.0%	
Real Estate	42.0	10.2%	151.8	34.1%	261.2%	
Engineering and Construction	139.0	33.7%	(23.3)	(5.2)%	(116.8)%	
Corporate	3.4	0.8%	11.7	2.6%	244.1%	
Eliminations	(46.7)	(11.3)%	(41.3)	(9.3)%	(11.6)%	
Total	413.2	100%	447.6	100%	8.4%	

Administrative Expenses

Our administrative expenses decreased by 9.5%, or S/17.0 million, from S/179.6 million for 2021 to S/162.6 for 2022. This decrease was mainly due to various reorganization processes carried out during 2021. As a percentage of revenues, our administrative expenses decreased to 3.7% in 2022, from 4.3% in 2021.

Other Income and Expenses, Net

Our other expenses increased S/293.3 million, from an income of S/2.7 million to an expense of S/290.6 million in 2022.

Other operating expenses in 2022 included a provision related to the Final Collaboration and Benefits Agreement between the company, the Attorney General's Office and the Public Prosecutor's Office entered into on September 15, 2022. In accordance with accounting standards, in previous quarters this provision had been recorded at a discounted value. This provision is recorded in line with the signing of the Final Collaboration and Benefits Agreement. Furthermore, the total amount of the provision is recorded by the company, amounting to S/324.5 million recorded in AENZA and partially offset by the reversal of the provision in Cumbra (S/41.7 million) and UNNA Transporte (S/24.5 million).

Additionally, other income and expenses recorded a provision in 2022 related to the Chavimochic project for S/14.5 million for the impairment of the investment and the net effect in Cumbra and AENZA for the sale of Cumbra's 43.32% participation in Viva to the company. The sale of Cumbra's participation in Viva is intended to strengthen our investment in Viva and was valued at a market price of US\$45.4 million (S/173.3 million).

Operating Profit (Loss)

Our operating profit decreased by 102.4%, or S/234.6 million, from an operating profit of S/229.0 million for 2021 to an operating loss of S/5.6 million for 2022. Our operating margin (i.e., operating profit as a percentage of revenues) was (0.1)% for 2022, compared to 5.5 % for 2021. The decrease in operating margin is primarily a result of the increase in Other income (expenses) explained above. The following table sets forth a breakdown of our operating profit by segment for 2021 and 2022.

	Year ended December 31,					
	2021		2022		Variation	
	(in millions of S/)	% of Total	(in millions of S/)	% of Total		%
Infrastructure	136.1	59.4%	227.4	NA		67.1%
Energy	91.1	39.8%	105.6	NA		15.9%
Real Estate	28.5	12.4%	130.9	NA		359.9%
Engineering and Construction	54.2	23.7%	(71.0)	NA		(230.9)%
Corporate	(83.6)	(35.6)%	(356.2)	NA		326.1%
Eliminations	2.8	1.2%	(42.2)	NA		NA%
Total	229.1	100%	(5.6)	100%		102.4%

The following discussion analyzes our key results of operations on a segment basis. For further information on our business segments, see Note 7 to our audited annual consolidated financial statements included in this annual report.

Infrastructure

The table below sets forth selected financial information related to our Infrastructure segment.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		%
Revenues	867.9	1,007.7	16.1%
Gross profit	165.3	229.8	39.0%
Operating profit	136.1	227.4	67.1%

Revenues. The table below sets forth the breakdown of our Infrastructure revenues by principal lines of business.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		%
Toll Roads	256.8	325.4	26.7%
Mass Transit	348.9	388.8	11.4%
Operation and Maintenance of Infrastructure Assets	258.6	289.1	11.8%
Water Treatment	3.7	4.4	20.9%
Total	867.9	1,007.7	16.1%

Our Infrastructure revenues increased 16.1%, or S/139.8 million, from S/867.9 million for 2021 to S/1,007.7 million for 2022. The variation in our Infrastructure revenues principally reflected the following:

- Toll Roads: a 26.7%, or S/68.6 million, increase in revenues, from S/256.8 million for 2021 to S/325.4 million for 2022, primarily due to higher traffic and tariffs in Norval and due to higher maintenance execution in Surval and UNNA Transporte

- Mass Transit: a 11.4%, or S/39.9 million, increase in revenues, from S/348.9 million for 2021 to S/388.8 million for 2022, primarily due to a higher tariff in Line 1 of the Lima Metro.
- Operation and Maintenance of Infrastructure Assets: a 11.8 %, or S/30.5 million, increase in revenues, from S/258.6 million for 2021 to S/289.1 million for 2022, due to higher maintenance works during 2022;
- Water Treatment: a 20.9%, or S/0.8 million, increase in revenues, from S/3.7 for 2021 to S/4.4 for 2022, primarily due to higher maintenance.

Gross Profit. The table below sets forth the breakdown of our Infrastructure gross profit by principal lines of business.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		%
Toll Roads	72.3	88.3	22.1%
Mass Transit	82.0	119.7	46.0%
Operation and Maintenance of Infrastructure Assets	9.7	17.1	77.4%
Water Treatment	1.3	4.6	251.3%
Total	165.3	229.8	39.0%

Our Infrastructure gross profit increased 39.0%, or S/64.5 million, from S/165.3 million for 2021 to S/229.8 in 2022. Our Infrastructure gross margin was 19.0% for 2021 and 22.8% for 2022. The variation in our Infrastructure gross profit principally reflected the following:

- *Toll Roads:* a 22.1%, or S/16.0 million, increase in gross profit, from S/72.3 million for 2021 to S/88.3 million for 2022. Our toll roads gross margin remained flat in 27.1% for 2021 and 2022;
- *Mass Transit:* a 46.0 %, or S/37.7 million, increase in gross profit, from S/82.0 million for 2021 to S/119.7 for 2022, primarily due to due to the increase in tariff in the Line 1 of the Lima Metro;
- *Operation and Maintenance of Infrastructure Assets:* a 77.4%, or S/7.5 million, increase in gross profit, from S/9.7 million for 2021 to S/17.1 million for 2022, due to more maintenance works. Our operation and maintenance of infrastructure assets gross margin was 3.7% for 2021, compared to 5.9% for 2022; and
- *Water Treatment:* a 251.3%, or S/3.3 million, increase in gross profit for 2022, from S/1.3 million for 2021 to a S/4.6 million for 2022, due to higher maintenance. Our water treatment gross margin was 36.2% for 2021, compared to 105.3% for 2022.

Operating Profit. The table below sets forth the breakdown of our Infrastructure operating profit by principal lines of business.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		%
Toll Roads	65.0	78.3	20.5%
Mass Transit	69.3	105.9	52.9%
Operation and Maintenance of Infrastructure Assets	1.0	39.5	4,055.0%
Water Treatment	0.9	3.7	321.6%
Total	136.1	227.4	67.1%

Our Infrastructure operating profit increased 65.5%, or S/89.1 million, from S/136.1 million for 2021 to S/225.2 million for 2022. Our Infrastructure operating margin was 22.4% for 2022, compared to 15.7% for 2021:

- *Toll Roads*: a 20.5%, or S/13.3 million, increase in operating profit, from S/65.0 million for 2021 to S/78.3 million for 2022, primarily due to higher toll collection and more works execution. Our toll roads operating margin was 24.1% for 2021, compared to 25.3% for 2021;
- *Mass Transit*: a 52.9%, or S/36.6 million, increase in operating profit, from an operating profit of S/69.3 million for 2021 to an operating profit of S/105.9 million for 2022, primarily due to higher tariffs. Our mass transit operating margin for 2021 was 19.9%, compared to 27.2% in 2022;
- *Operation and Maintenance of Infrastructure Assets*: a 4,055.0% or S/38.6 million increase in operating profit, from a S/1.0 million profit for 2021 to an S/39.5 million profit for 2022, primarily due to higher maintenance works in connection mainly with Survial. Our Operation and Maintenance of Infrastructure Assets operating margin was 0.4 % for 2021, compared to 13.7% for 2022; and
- *Water Treatment*: a 321.6%, or S/2.8 million, increase in operating profit, from a S/0.9 million profit for 2021 to an S/3.7 million profit for 2022, primarily due to an increase in revenues. Our water treatment operating margin for 2021 was 24.0% for 2021, compared to 83.8% for 2022.

Energy

The table below sets forth selected financial information related to our Energy segment.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		
			%
Revenues	541.9	633.8	17.0%
Gross profit	110.1	118.9	8.0%
Operating profit	91.1	105.6	15.9%

Our Energy segment revenues increased from S/541.9 for 2021 to S/633.8 for 2022, primarily due to (i) an increase in the price of oil from US\$68.73 in 2021 to US\$93.04 in 2022. Additionally, gas processing levels in our gas processing plant were slightly higher (30.41MMcf per day in 2021 versus 31.70 MMcf per day in 2022), and the prices of CNG increased from US\$69.30 in 2021 to US\$78.60 in 2022.

Our Energy gross profit increased 8.0%, or S/8.9 million, from S/110.1 million for 2021 to S/118.9 in 2022. Our Energy gross margin was 20.3% for 2021 and 18.8% for 2022. The variation in our Energy gross profit principally reflected the increase in the price of oil.

Our Energy operating profit increased 15.9%, or S/14.5 million, from S/91.1 million for 2021 to S/105.6 million for 2022. The increase is mainly explained by the increase in the price of oil and the increase in the tariffs of the Storage and Distribution business, partially offset by higher royalties. Our energy operating margin was 16.7% for 2022, compared to 16.8% for 2021.

Real Estate

The table below sets forth selected financial information related to our Real Estate segment.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		
			%
Revenues	239.4	367.3	53.4%
Gross profit	42.0	151.8	261.2%
Operating profit	28.5	130.9	359.9%

Revenues. Our Real Estate revenues increased 53.4%, or S/127.9 million, from S/139.4 million for 2021 to S/367.3 million for 2022. The comparative increase in sales in 2022 was primarily due to the sale of an industrial lot in Almonte, partially offset by lower activity in the Parques del Mar and Piura projects.

Gross Profit. Our Real Estate gross profit increased 261.2%, or S/109.8 million, from S/42.0 million for 2021 to S/151.8 million for 2022, mainly as a result of the sale of industrial lots in Almonte. The sale of industrial lots has a substantially higher margin than housing units, and during 2021 no land was sold in Almonte due to the pandemic.

Operating Profit. Our Real Estate operating profit increased 359.9%, or S/102.4 million, from S/28.5 million for 2021 to S/130.9 million for 2022, primarily due to higher activity and lower general expenses.

Engineering and Construction

The table below sets forth selected financial information related to our E&C segment.

	Year ended December 31,		
	2021	2022	Variation
	(in millions of S/)		%
Revenues	2,754.0	2,679.2	(2.7)%
Gross profit (loss)	139.0	(23.3)	(116.8)%
Operating profit (loss)	54.2	(71.0)	(230.9)%

Revenues. Our E&C revenues decreased 2.7%, or S/74.8 million, from S/2,754.0 million for 2021 to S/2,679.2 for 2022. This is explained by lower production volume of projects under execution.

The following tables set forth percentages of our E&C revenues by business activities, types of contracts and end-markets:

	Year ended December 31,	
	2021	2022
	%	%
Engineering services	5.2	4.1
Electromechanic construction	69.1	63.4
Civil construction	23.6	31.2
Building construction activities	1.6	0.1
Other services	0.5	1.2
Total	100.0	100.0

	Year ended December 31,	
	2021	2022
	%	%
Cost + fee	0.6	1.3
Unit price	77.1	86.6
Lump sum	3.0	5.5
EPC contracts	19.4	6.7
Total	100.0	100.0

	Year ended December 31,	
	2021	2022
	%	%
Mining	57.3	58.4
Real estate buildings	1.0	0.1
Power	0.4	0.4
Oil and gas	18.4	9.4
Infrastructure	13.7	23.6
Water and sewage	0.1	-
Other end markets	9.1	8.2
Total	100.0	100.0

The breakdown of E&C revenues by different business activities, types of contracts and end-markets tends to vary from period to period due to a variety of factors, including the timing of the execution of larger projects in any particular period, which is typically outside of our control.

Gross Profit (loss). Our E&C gross profit (loss) decreased 116.8%, or S/(162.3) million, from S/139.0 million for 2021 to S/(23.3) for 2022. This decrease was primarily due to extraordinary costs in relation to past projects: i) a S/113.0 (US\$29.6) million loss resulting from an agreement between Cumbra and Tecnicas Reunidas de Talara S.A.C. (“TRT”) in relation to a refinery modernization project (the “Talara Refinery Modernization Project”) and ii) a provision of S/38.1 million related to the court’s decision rejecting the claim for partial annulment of the arbitration ruling filed by Cumbra against *Escuela de Gerencia Seguridad y Medio Ambiente Sociedad Anonima Cerrada* (“EGEMSA”) regarding the Machupicchu Hydroelectric Power Plant project in April 2009.

Other income (expenses). Other income (expenses) increased in our E&C segment, from S/ 40.3 million in income for 2021 to S/79.1 in income for 2022. See Note 27 to our audited annual consolidated financial statements included in this annual report.

Operating Profit (loss). Our E&C operating profit decreased S/18.6 million, from a S/ 54.2 million profit for 2021 to a S/71.0 million loss for 2022. Our E&C operating margin was 2.0% for 2021, compared to (2.7)% for 2022.

Financial (Expense) Income, Net

Our net Financial expenses decreased 11.6%, or S/29.8 million, from net Financial expenses of S/257.0 million in 2021 to net Financial expenses of S/227.0 million in 2022. In 2022, financial expenses include the interest payments related to the Convertible Bond and the Bridge Loan. Also, it includes an adjustment of the present value of the account receivable related to the Gasoducto Sur Peruano project (S/63.3 million). This is compensated in 2021 by the exchange rate difference. The dollar depreciated compared to the sol from 3.998 in 2021 to 3.820 in 2022. Considering the net position of assets and liabilities in dollars, this generates a negative impact on the exchange rate difference.

Income Tax Expense

Our Income tax expense increased S/84.9 million, from S/46.4 million for 2021 to S/131.3 million for 2022. The Corporation’s income tax differs from the theoretical amount that would result from applying the Corporation entities’ weighted average income tax rate applicable to consolidated pre-tax income. The theoretical tax disclosed results from applying the income tax rate in accordance with the tax legislation of the country where each company that is part of the Corporation is domiciled. In this regard, companies domiciled in Peru, Chile, and Colombia applied in 2022 income tax rates of 29.5%, 27%, and 35% respectively, compared to 29.5%, 27%, and 31% in 2021, respectively. Red Vial S S.A., Línea 1, Concesionaria Via Expresa Sur S.A., and Unna Energia (Blocks III and IV) have legal stability agreements signed with the Peruvian Government in force during the term of the associated concessions. Therefore, the consolidated theoretical amount is obtained from weighing the profits or losses before income tax and the applicable income tax rate. See Note 28 to our audited annual consolidated financial statements included in this annual report.

Loss (Profit)

Our loss on the year increased S/260.2 million, from a S/101.8 million loss for 2021 to a S/362.1 loss for 2022. Net profit attributable to controlling interests decreased S/309.4 million, while (Loss) profit attributable to non-controlling interest increased S/49.1 million. For the year ended 2021, we recorded a provision of S/20.0 million for the impairment of the investment in Adexus. For the year ended 2022, net loss attributable to controlling interests increased primarily due to the provision related to the Final Collaboration and Benefits Agreement. In accordance with accounting standards, in previous quarters it had been recorded at discounted value. This provision is recorded in line with the signing of the Final Collaboration and Benefits Agreement on September 15, 2022. Additionally, the decrease is explained by extraordinary costs in relation to past projects in the E&C segment: the loss of S/113.0 resulting from an agreement between Cumbra and TRT in relation to the Talara Refinery Modernization Project and the provision of S/38.1 million related to the court's decision rejecting the claim for partial annulment of the arbitration ruling filed by Cumbra against EGEMSA regarding the Machupicchu Hydroelectric Power Plant project in April 2009.

Comparison of Results of Operations of 2020 and 2021

For information regarding the results of operations for the years ended December 31, 2020 and December 31, 2021, See "Item 5. Results of Operation–Comparison of Results of Operations of 2020 and 2021" in our Company's annual report on Form 20-F for the fiscal year ended December 31, 2021.

B. Liquidity and Capital Resources

Our principal sources of liquidity have historically been cash flows from operating activities and, to a lesser extent, equity capitalization and indebtedness. Our principal uses of cash (other than in connection with our operating activities) have historically been capital expenditures in all our business segments, servicing of our debt and other obligations, and payment of dividends.

We have faced, and continue to face, significant liquidity constraints as a result of the impacts of the corruptions investigations of our company and the COVID-19 pandemic. As of December 31, 2022, our cash and cash equivalents totaled S/917.6 million (US\$240.2 million), of which S/72.0 (US\$19.1 million) constitutes reserved funds, which funds are held in trusts for purposes of our infrastructure projects. As of March 31, 2023, our cash and cash equivalents totaled approximately S/825.6 million (US\$219.3 million). For more information, see Note 9 to our audited annual consolidated financial statements included in this annual report.

In December 2018, our company issued and sold a total of 69,380,402 common shares to certain of our company's existing shareholders that exercised preemptive rights in accordance with Peruvian law and a private placement. Additionally, on April 2, 2019, our company issued and sold 142,483,633 common shares pursuant to a private placement, of which: (i) 55,291,877 shares were paid in full and (ii) 87,191,786 shares were paid 50% at the time, with the remaining 50% paid subsequently on July 1, 2019. In total, our company issued and sold 211,864,065 common shares, with the proceeds amounting to US\$130 million being used to reduce debt, to pay our vendors and for working capital of one of our company's subsidiaries.

On August 13, 2021, AENZA issued Convertible Bonds in a total principal amount of US\$89.9 million. The Convertible Bonds mature in February 2024, bear interest at a rate of 8%, and are payable quarterly. Pursuant to the terms and conditions of the Convertible Bonds, they may be converted into shares as of the sixth month from the date of issuance. In accordance with the terms and conditions of the Convertible Bonds, holders of Convertible Bonds in a principal amount equivalent to US\$11 million exercised their conversion rights and on February 28, 2022, we issued 37,801,073 new common shares. Additionally, holders of Convertible Bonds in a principal amount equivalent to US\$79 million exercised their conversion rights and, on March 31, 2022, we issued an additional 287,261,051 new common shares. After these conversions, the Convertible Bonds were fully cancelled.

On March 17, 2022, the company entered into a bridge loan credit agreement for up to US\$120 million, with a group of financial entities comprised by *Banco BTG Pactual S.A. - Cayman Branch*, *Banco Santander Peru S.A.*, *HSBC Mexico, S.A.*, *Institución de Banca Múltiple, Grupo Financiero HSBC*, and *Natixis, New York Branch*. The financing will be repaid over a period of 18 months, and will be secured, subject to the fulfillment of certain precedent conditions, by a flow trust (first lien), a trust over the shares of *Viva Negocio Inmobiliario S.A.* (second lien), and a pledge on our shares in *Unna Energía* (first lien). On April 5, 2022, the loan was disbursed and we used the proceeds to repay certain of our financial and other obligations. We are currently evaluating different debt restructuring plans to refinance the bridge loan.

On September 15, 2022, we signed the Final Collaboration and Benefits Agreement (*Acuerdo de Colaboración Eficaz y Beneficios*) with Peruvian prosecutorial authorities, by which we acknowledged that certain former directors and former senior managers have used the company to commit wrongdoings and, as a result, we have agreed to indemnify the Peruvian government for the resulting damages. The validity of the Final Collaboration and Benefits Agreement remains subject to judicial approval and the terms and conditions are subject to confidentiality provisions. Under the Final Collaboration and Benefits Agreement, we have agreed to pay a civil penalty of S/333,326,423.6 and US\$40,724,531.00 over 12 years, subject to a statutory interest rate in Peruvian and foreign currency.

The company may face liquidity constraints if the company is required to pay other civil or criminal penalties, or any additional settlement amounts, arising from future investigations or civil lawsuits facing the company, depending on the timing of those required payments.

Cash Flows

The table below sets forth certain components of our cash flows for 2020, 2021 and 2022.

	Year ended December 31,		
	2020	2021	2022
	(in millions of S/)		
Net cash provided by (used in) operating activities	226.0	194.5	33.7
Net cash provided by (used in) investing activities	(64.7)	(88.2)	(198.2)
Net cash provided by (used in) financing activities	(225.6)	(50.4)	126.5
Net increase (net decrease) in cash	(64.3)	55.9	(38.0)

Cash Flow from Operating Activities

Net cash flow provided by operating activities in 2022 was lower than in 2021, primarily as a result of an increase in supplier advances for the *Intipunku* project of S/22 million, the increase in restricted funds in banks as collateral for clients in the *Talara* project of S/44 million, and the increase in guarantee withholdings in *Cumbra* (S/ 57 million from *Sumimoto* and S/23 million from *Natixis*). Cash Flow from Investing Activities

Net cash flow used in investing activities in 2022 was higher than in 2021, principally as a result of UNNA Energía investing S/145.0 million in wells development.

Cash Flow from Financing Activities

Net cash flow used in financing activities in 2022 was higher than in 2021. In 2022, a bridge loan of US\$120 million, equivalent to S/464 million, was obtained, which was mainly to reduce the financial debt with *Banco Santander* by US\$20.2 million, syndicated debt by US\$7.9 million, payment to partners for the acquisition of non-controlling interests, as well as dividends.

Indebtedness

As of December 31, 2022, we had a total outstanding indebtedness of S/1,690.7 million (US\$442.6 million) as set forth in the table below.

Segment	Type	Debt Amount				Total in millions of S/	Total in millions of US\$	Weighted average interest rate	Range of Maturity Dates	
		(in millions of US\$)	(in millions of S/)	(in millions of CLP) ⁽¹⁾	(in millions of COP)				Minimum	Maximum
Infrastructure	Leasing	-	-	-	-	-	-	-	-	-
	Long term loan	-	848.6	-	-	848.6	222.2	7.5%	25/01/2027	25/11/2039
	Promissory Note	-	-	-	-	-	-	-	-	-
Energy	Leasing	-	-	-	-	-	-	-	-	-
	Long term loan	-	-	-	-	-	-	-	-	-
	Promissory Note	33.0	-	-	-	126.1	33.0	6.8%	26/11/2026	31/12/2027
E&C	Leasing	0.2	-	1,000.6	-	5.2	1.4	10.6	05/03/2023	05/03/2025
	Promissory Note	5.6	-	208.9	13,441.2	32.9	8.6	11.4%	11/01/2023	11/12/2027
Real Estate	Leasing	-	-	-	-	0.1	-	9.0%	02/01/2023	02/01/2023
	Promissory Note	0.4	49.8	-	-	51.3	13.4	11.6%	05/01/2023	31/12/2024
Corporate	Long term loan	164.0	-	-	-	626.5	164.0	6.8%	05/10/2023	31/01/2028
Total		203.2	898.4	1,209.5	13,441.2	1,690.7	442.6			

(1) Includes debt held by Vial y Vives—DSD that is denominated in Chilean pesos.

As of March 31, 2023, S/55.3 million (US\$14.5 million) of our total indebtedness indicated in the table above has matured or been prepaid, of which S/19.8 million (US\$5.2 million) was repaid and S/38.4 million (US\$10.1 million) was renewed by extending the maturities.

The following table sets forth our contractual obligations with payment terms as of December 31, 2022.

	Payments Due By Period (in millions of S/)					Total
	Less than 1 year	1-2 years	3-5 years	More than 5 Years		
Indebtedness ⁽¹⁾	637,648	141,633	396,244	514,361	1,689,886	
Capitalized Lease Obligations ⁽¹⁾	13,714	33,219	12,875	112	59,920	
Interest ⁽²⁾	109,142	122,033	242,295	193,439	666,909	
Total⁽³⁾	760,504	296,885	651,414	707,912	2,416,715	

(1) Includes principal only of our indebtedness and capitalized lease obligations, other than interest payable on the corporate bonds of Norvial and Línea 1.

(2) Includes the effect of our interest swap agreements described in “—Derivative Financial Instruments.”

(3) Excludes building leases, which are not material.

Set forth below is a description of our material outstanding indebtedness as of December 31, 2022.

Leasing. As of December 31, 2022, we were party to numerous leasing agreements with several financial institutions which in the aggregate amounted to approximately S/5.3 (US\$1.4 million). We entered into such agreements primarily for the purpose of leasing the equipment and other assets necessary to run our operations.

Norvial Corporate Bonds. In July 2015, Norvial established its first corporate bond program on the Lima Stock Exchange, for a total amount of S/365 million (US\$106.9 million). The first tranche under this program was issued for an amount of S/80 million, due 2020 with an annual interest rate of 6.75%. The second tranche was issued for an amount of S/285 million, due 2027 with an annual interest rate of 8.375%, structured in three disbursements. In July 2015 we received the first disbursement for S/105 million, in January 2016 we received the second disbursement for S/100 million and in July 2016 we received the third disbursement of S/80 million. These bonds are secured by: (i) certain cash flows; (ii) a mortgage on the Norvial concession; (iii) a lien over Norvial shares; (iv) the assignment of Norvial’s rights over a performance bond provided by Cumbra and JJC Contratistas Generales S.A.; and (v) any additional guarantees granted in favor of other secured creditors. The proceeds of these bonds were used to pay S/85 million of debt outstanding under a short-term loan agreement with Banco de Crédito del Perú (BCP) for a total S/150 million, and the remaining balance was used to finance the construction of the second stage of Ancon – Huacho Pativilca highway and the value added tax linked to the implementation of the project expenses. As of December 31, 2022, Norvial had S/218.7 million (US\$57.2 million) outstanding under these bonds.

Linea 1 Senior Secured Notes. On February 2015, Línea 1 issued a total of S/629 million (US\$184.3 million) Series A Senior Secured VAC-Indexed Notes due 2039, with an annual interest rate of 4.75% plus adjustments for inflation. The bonds are secured by (i) a mortgage on the Lima Metro concession, (ii) a lien on Línea 1 shares, (iii) certain collection rights, (iv) certain cash flows, and (v) liens on certain accounts. The proceeds from the issuance were used to repay a short term loan provided by Banco de Crédito del Perú-BCP for S/400 million, funding of the reserve accounts, payment of the issuance expenses, and for the partial repayment of a subordinated loan provided by certain shareholders of Línea 1 to Línea 1. According to the indenture, in order to make any payment of a subordinated loan or distribute any dividends, our Debt Service Coverage Ratio (as defined therein) should be at least 1.2x. Under the indenture Línea 1 has to fund the debt service reserve account on a quarterly basis with the equivalent of the amounts due in the next two succeeding interest payment dates. Moreover, the operation and maintenance reserve account must be funded annually with an amount equal to twenty-five percent (25%) of operation and maintenance costs of the corresponding current annual budget. As of December 31, 2022, Línea 1 had S/630.0 million (US\$164.9 million) outstanding under these notes.

BCP Loan. In December 2015, our subsidiary UNNA Energía and Oiltanking Peru S.A.C. subscribed in equal parts to a medium term loan credit agreement for up to US\$100 million with Banco de Crédito del Perú, comprised of (i) a medium term tranche for up to US\$70 million (for additional investments) with an annual interest rate of 6.04% and a term of five years, and (ii) a medium term tranche for up to US\$30 million (for committed investments) with an annual interest rate of 6.32% and a term of eight years. The tranches of the loan mature in 2024 and 2027, respectively. The proceeds of this loan are to finance Terminales del Perú's obligations in the operation contracts that it maintains with PetroPeru in regards to the Central Terminal (corresponding to the Callao Port), and North Terminals (corresponding to the Etén, Salaverry, Chimbote and Supe Ports). On November 15, 2019, UNNA Energía and Oiltanking Peru S.A.C. entered into an additional medium term loan for up to US\$46 million with Banco de Crédito del Perú. As of December 31, 2022, UNNA Energía had US\$33.0 million (S/126.1 million) outstanding under these loans.

Financial Stability Framework Agreement.

In July 2017, the Company and its subsidiaries (Cumbra, Construyendo País S.A., Vial y Vives - DSD and Concesionaria Vía Expresa Sur S.A.) signed a Financial Stability Framework Agreement with the following financial institutions: Scotiabank Perú S.A., Banco Internacional del Perú S.A.A., Banco BBVA Perú S.A., Banco de Crédito del Perú S.A., Citibank del Perú S.A. and Citibank N.A. The objectives of the Financial Stability Framework Agreement were: to guarantee Cumbra a syndicated revolving line of credit for working capital, a non-revolving line of credit to finance repayment commitments subject to performance bonds; to guarantee lines of credit for the issuance of performance bonds and to commit to maintain the existing letters of credit issued to Cumbra's requirements.

At December 31, 2021, the Company was in compliance with the obligations and covenants established in the Financial Stability Framework Agreement.

On March 29, 2022, S/28.2 million and US\$0.3 million corresponding to the total balance of the direct debt of the Financial Stability Framework Agreement (US\$ 7.4 million, equivalent to S/29.5 million, as of December 31, 2021) were paid, and the line of credit for the issuance of letters of guarantee remains in place.

CS Peru Infrastructure Loan. On July 31, 2019, the company entered into a medium-term loan credit agreement for US\$35 million (equivalent to S/112.9 million) with CS Peru Infrastructure Holdings LLC, the proceeds of which were used as working capital for the company and its subsidiaries, Cumbra and Adexus. The term of the loan is three years, with quarterly installments of principal beginning on the 18th month. The loan accrues interest at the following rates per annum: (i) for the period from and including the July 31, 2019 to but excluding the date that is six months after the closing date, 9.10%; (ii) for the period from and including the date that is six months after the closing date to but excluding the date that is one year after the closing date, 9.35%; (iii) for the period from and including the date that is one year after the closing date to but excluding the date that is 30 months after the closing date, 9.60%; and (iv) for the period from and including the date that is 30 months after the closing date to the third anniversary of the loan, 10.10%. On February 28, 2020, the company and the initial lender signed an amendment, waiver and consent in respect of this event of default, in consideration for a prepayment by the company of US\$10 million, together with accrued interest and a make-whole premium. The outstanding principal amount was repaid with the proceeds of the convertible bonds in August 2021.

Santander Loan. On December 30, 2020, Técnicas Reunidas enforced two letters of credit in the aggregate amount of US\$23.7 million, which letters of credit had been issued by Santander on behalf of our subsidiary Cumbra as security pursuant to a construction contract. As a result, Cumbra subscribed to a short-term loan with Banco Santander in the aggregate principal amount of US\$23.7 million. The loan accrues interest at an annual rate of Libor +8.0%. The term of the loan was originally 30 days and was extended until March 31, 2021. We subsequently extended the maturity of the loan until it was paid in full in April 2022 with the proceeds of the bridge loan.

Bridge Loan. On March 17, 2022, the company entered into a bridge loan credit agreement for up to US\$120 million, with a group of financial entities comprised by *Banco BTG Pactual S.A. - Cayman Branch, Banco Santander Peru S.A., HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC,* and Natixis, New York Branch. The financing will be repaid over a period of 18 months, and will be secured, subject to the fulfillment of certain precedent conditions, by a flow trust (first lien), a trust over the shares of Viva Negocio Inmobiliario S.A. (second lien), and a pledge on our shares in Unna Energía S.A. (first lien). On April 5, 2022, the loan was disbursed and we used the proceeds to repay certain of our financial and other obligations.

Derivative Financial Instruments

The company does not currently have any derivative financial instruments outstanding. For additional information about our derivative financial instruments and borrowings, see Notes 2F, 17 and 18 to our audited annual consolidated financial statements included in this annual report.

Capital Expenditures

The table below provides our total capital expenditures incurred in 2020, 2021 and 2022.

		2020		2021		2022	
		(in millions of S/)	(in millions of US\$)	(in millions of S/)	(in millions of US\$)	(in millions of S/)	(in millions of US\$)
Infrastructure	Capital expenditure	37.4	10.3	57.1	14.3	55.0	14.4
	Total Infrastructure	37.4	10.3	57.1	14.3	55.0	14.4
Energy	Capital expenditure	60.0	16.6	54.8	13.7	208.9	54.7
	Total Energy	60.0	16.6	54.8	13.7	208.9	54.7
Real Estate	Capital expenditure	-	-	-	-	-	-
	Total Real Estate	-	-	-	-	-	-
E&C	Capital expenditure	10.9	3.0	13.0	3.2	11.2	2.9
	Total E&C	10.9	3.0	13.0	3.2	11.2	2.9
Corporate	Capital expenditure	-	-	1.7	0.4	-	-
	Total Corporate	-	-	1.7	0.4	-	-
TOTAL		108.3	29.9	126.6	31.7	275.1	72.0

Capital expenditures for our Infrastructure segment of approximately S/37.4 million (US\$10.3 million), S/57.1 million (US\$14.3 million) and S/55.0 million (US\$14.4 million) in 2020, 2021 and 2022, respectively, correspond to periodic maintenance and the construction of the second stage of our Norvial toll road concession and investments in the Lima Metro. In 2020 and 2021, capital expenditures for our Infrastructure segment included certain investments in the Lima Metro project. In 2022, capital expenditures for our Infrastructure segment included certain investments in the Lima Metro project.

Capital expenditures for our Energy business of approximately S/60.0 million (US\$16.1 million), S/54.8 million (US\$13.7 million) and S/208.9 million (US\$54.7 million) in 2020, 2021 and 2022, respectively, correspond to oil development drilling activities as well as improvements for our gas processing plant.

Capital expenditures for our E&C segment of approximately S/10.9 million (US\$3.0 million), S/13.0 million (US\$3.2 million) and S/11.2 million (US\$2.9 million), in 2020, 2021 and 2022, respectively, which amounts primarily correspond to the purchase and sale of equipment and machinery. (Capital investments in the E&C segment also included minor repositions of equipment and machinery).

For our Real Estate segment there were no capital expenditures or divestitures in 2020, 2021 and 2022.

We have budgeted S/464.9 million (US\$119.2 million) in capital expenditures for 2023. Our current plan for our Infrastructure segment contemplates capital expenditures in 2023 of approximately S/75.8 million (US\$19.4 million), principally for investments in activities for Line 1 of the Lima Metro. Our current plan for our Energy business contemplates capital expenditures in 2023 of approximately S/187.7 million (US\$48.1 million), principally for investments in oil drilling. Our current plan for our E&C segment contemplates capital expenditures in 2023 of approximately S/11.0 million (US\$2.8 million), mainly to replace of equipment and machinery. Our current plan for our Real Estate segment contemplates capital expenditures in 2023 of approximately S/115.4 million (US\$29.6 million), principally for land purchases. Our current plan for our corporate segment contemplates no expenditures or divestitures in 2023.

These estimates are subject to change. We routinely evaluate acquisitions, new infrastructure concessions, land purchases and other investment or divestiture opportunities that are aligned with our strategic goals, particularly in Peru, Chile and Colombia. We cannot assure you that we will find opportunities on terms that we consider to be favorable to us, whether we will be able to take advantage of such opportunities should they arise, or the timing of and funds required by such opportunities. In addition, should we undertake any such investments, we expect to finance these opportunities with a combination of cash on hand, new borrowings and/or financial contributions from partners, depending on a variety of commercial considerations at such time. See “Part I. Forward-Looking Statements.”

C. Research and Development, Patents and Licenses, Etc.

Not applicable.

D. Trend Information

Our Main Market: Peru

The following sets forth key macroeconomic trends in our markets, Peru, Chile and Colombia. For additional information on trends in our business, see “Item 5.A. Operating and Financial Review and Prospects—Operating Results—Factors Affecting our Results of Operations” and “Item 4.B. Business Overview—Backlog.”

Overview of the Peruvian Economy

The following table sets forth the main economic indicators of the Peruvian economy from 2018 to 2022:

	2018	2019	2020	2021	2022
Nominal GDP (US\$ billions)	226.9	232.4	205.6	225.9	244.8
Nominal GDP / capita (US\$)	7,187.6	7,234.3	6,300.3	6,837.0	7,328.7
Real GDP growth rates (% based on local currency GDP)	4.0%	2.2%	(11.0)%	13.6%	2.7%
Private consumption growth rate	3.8%	3.2%	(9.9)%	12.4%	3.6%
Private investment growth rate	4.1%	4.5%	(16.5)%	37.4%	(0.5)%
Foreign direct investment growth rate	(20.8)%	(18.9)%	(84.6)%	919.0%	42.2%
Public expenditure (consumption and investment) growth rate	0.4%	2.2%	7.8%	10.6%	(3.4)%
Total private and public fixed investment growth rate ⁽¹⁾	4.4%	3.3%	(16.2)%	35.0%	0.9%
Exports growth rate	2.2%	1.1%	(19.6)%	13.7%	5.4%
Imports growth rate	2.4%	1.0%	(15.8)%	18.4%	4.0%
Inflation (measured by change in CPI)	2.2%	1.9%	2.0%	6.4%	8.5%
Average exchange rate (S/US\$)	3.29	3.34	3.50	3.90	3.9
End of period exchange rate (S/US\$)	3.38	3.32	3.62	4.00	3.82
Central Bank interest rate (end of period)	2.8%	2.3%	0.3%	2.5%	7.5
Population (million) ⁽¹⁾	31.6	32.1	32.6	33.0	33.4
Unemployment rate ⁽¹⁾	6.1%	6.1%	13.8%	7.8%	7.1%
Total public debt (US\$ billions)	56.5	62.2	68.8	78.8	83.5
Public debt/nominal GDP (%)	24.9%	26.7%	33.5%	34.9%	34.1%
Net reserves (US\$ billions)	60.1	68.3	74.7	78.5	71.9
Net reserves/nominal GDP (%)	26.5%	29.4%	36.3%	34.8%	29.4%
Fiscal surplus (deficit)/ nominal GDP (%)	(2.3%)	(1.6%)	(8.9)%	(2.5%)	(1.6)%

Source: Peruvian Central Bank, SBS, Ministry of Economy and Finance, National Statistical Institute of Peru (INEI), IMF.

(1) 2022 projected by IMF.

The following table sets forth real gross domestic product by expenditure for the years indicated.

GDP by Expenditure (% of GDP unless otherwise stated)	2018	2019	2020	2021	2022
Government consumption	11.4	11.5	13.8	12.9	12.5
Private consumption	64.5	65.5	64.7	62.1	64.9
Total fixed investment	22.2	22.5	21.1	25.2	25.4
Public sector	4.7	4.6	4.3	4.7	5.1
Private sector	17.5	18.0	16.8	20.5	20.3
Change in inventories(1)	0.1	(0.7)	(1.3)	(3.5)	(3.3)
Exports of goods and services	24.0	24.0	24.4	32.4	27.1
Imports of goods and services	22.4	21.6	20.4	27.2	26.1
Net exports	1.7	2.5	4.0	5.2	0.4
GDP (in billions of US\$)	226.9	232.4	205.6	225.9	224.8

Source: Peruvian Central Bank

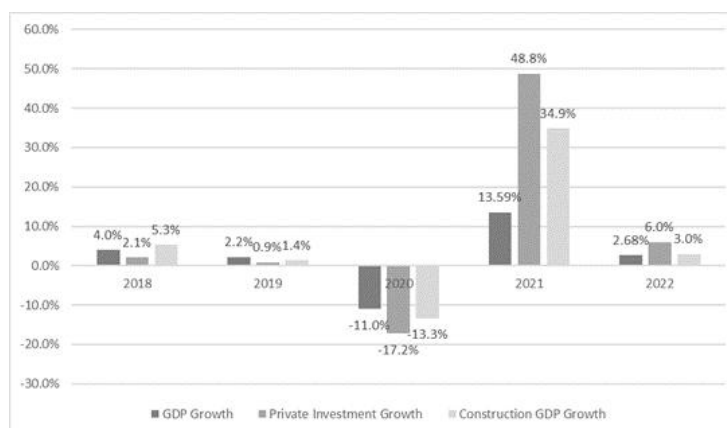
(1) Defined as the difference between the volume at the end of the period and the volume at the beginning of the period; valued at the average price over the period.

Key Industry Sectors Relating to Our Business in Peru

Construction and Infrastructure

The Peruvian construction industry's nominal GDP is estimated to be US\$10.1 billion and accounted for 4.1% of the country's nominal GDP in 2022, according to the Peruvian Central Bank. The following table illustrates, from 2018 to 2022, the average real growth rate in both private investment and construction in Peru vis-à-vis the average real GDP growth rate.

Growth of Real Private Investment GDP and Real Construction Sector GDP vs. Real GDP



Source: Peruvian Central Bank.

Mining

Peru is a poly-metallic resources producer and exports several metals including silver, copper, zinc, gold and lead, among others. Peru is also a major contributor to global metal reserves. According to the U.S. Geological Survey of 2023, as of January 2023, Peru held 17.8% of global silver reserves, 8.1% of global zinc reserves, 9.1% of global copper reserves and 5.6% of global gold reserves. According to the Peruvian Central Bank, mining exports reached approximately US\$37.7 billion and represented 57.3% of total Peruvian exports in 2022.

As of March 2023, the Peruvian Ministry of Energy and Mines estimates 47 mining projects at various stages of development involving an estimated investment of US\$53.715 billion.

Mining Investment Projects by Level of Development

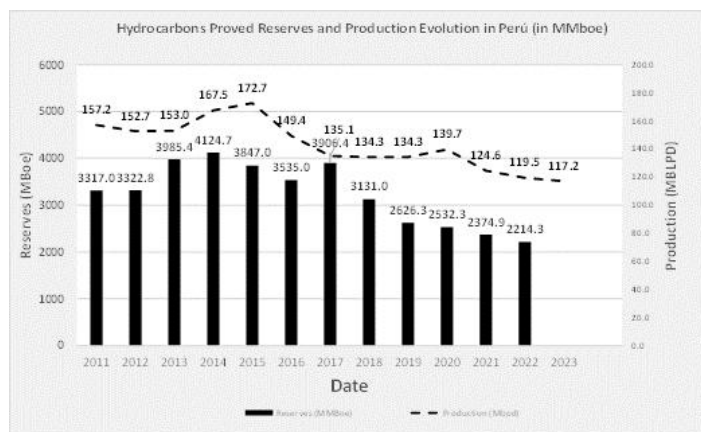
	Number of Projects	US\$ billion
Under construction	5	2,226
Detailed Engineering	4	4,739
Feasibility	13	13,757
Pre-feasibility	25	33,002
Total	47	53,715

Source: Peruvian Ministry of Energy and Mines.

Oil and Gas

According to the Peruvian Ministry of Energy and Mines, during 2022, local production of petroleum was approximately 40.5 Mbbl per day, 5.6% more than 2021. The Peruvian Ministry of Energy and Mines reported that oil and gas proved reserves as of December 31, 2021 were 2,214.3 MMBOE. The oil and gas proved reserves as of December 31, 2022 have not yet been published. The Peruvian government’s reserves methodology may differ materially from the one mandated by the SEC.

Hydrocarbons Proved Reserves and Production Evolution in Peru (in MMboe)



Source: Peruvian Ministry of Energy and Mines

Our Other Markets: Chile and Colombia

Chile

Overview of the Chilean Economy

Our activities in Chile span across the E&C and power services sectors. The following table sets forth the main economic indicators of the Chilean economy for the period from 2018 to 2022.

Values in nominal US\$ billion unless otherwise stated	2018	2019	2020	2021	2022
Nominal GDP	295.9	278.7	252.9	317.0	301.0
Nominal GDP / capita (US\$)	15,787.3	14,600.8	13,029.3	16,099.0	15,202.7
Real GDP growth rate (%)	4.0%	1.1%	(5.8)%	12.0%	2.4%
Inflation (% measured by change in CPI)	2.6%	3.0%	3.0%	7.2%	12.8%
Total private and public fixed investment	68.2	68.4	58.2	76.0	74.7
Average exchange rate (CLP/US\$)	640.3	702.6	792.2	759.1	872.3
End of period exchange rate (CLP/US\$)	682.0	770.4	734.7	849.1	875.7
Population (million) ⁽¹⁾	18.8	19.1	19.5	19.7	19.8
Unemployment rate	7.1%	7.1%	10.3%	7.2%	7.9%
Public Debt / nominal GDP (%) ⁽²⁾	25.8%	28.3%	32.5%	36.3%	39.1%
Net reserves / nominal GDP (%)	13.5%	14.6%	15.5%	16.2%	13.0%
Fiscal surplus (deficit) / nominal GDP (%)	(1.5)%	(2.7)%	(7.1)%	(7.5)%	1.4%

Source: Chilean Central Bank, Chilean Government Budget Office, IMF, Global Insight

(1) 2021 and 2022 projected by the IMF

(2) 2022 data presented as of September 30, 2022.

Colombia

Overview of the Colombian Economy

Our current activities in Colombia involve technical services provided primarily to the power services sector. The following table sets forth the main economic indicators of the Colombian economy for the period from 2018 to 2022.

Values in nominal US\$ billion unless otherwise stated	2018	2019	2020	2021	2022
Nominal GDP	334.1	323.1	270.4	314.5	344.0
Nominal GDP / capita (US\$)	6,923.5	6,540.7	5,368.2	6,160.8	6,665.5
Real GDP growth rate (%)	2.6%	3.2%	(7.0)%	10.7%	7.5%
Inflation (% measured by change in CPI)	3.2%	3.8%	1.6%	5.6%	13.1%
Total private and public fixed investment	64.6	67.4	58.7	59.7	75.1
Average exchange rate (COP/US\$)	2,956.4	3,281.4	3,693.3	3,744.2	4,256.2
End of period exchange rate (COP/US\$)	3,249.8	3,277.1	3,432.5	3,981.2	4,810.2
Population (million) ⁽¹⁾	48.3	49.4	50.4	51.0	51.6
Unemployment rate ⁽¹⁾	10.0%	9.9%	13.9%	11.1%	9.5%
Public Debt / nominal GDP (%)	21.8%	22.9%	33.2%	32.6%	29.3%
Net reserves / nominal GDP (%)	14.5%	16.4%	21.8%	18.6%	20.7%
Fiscal surplus (deficit) / nominal GDP (%)	(2.6)%	(2.4)%	(7.6)%	(7.3)%	(0.7)%

Source: Colombian National Department of Administration of Statistics (DANE), Colombian Central Bank, Colombian Treasury Department, IMF, Global Insight

(1) 2022 projected by the IMF.

E. [Reserved]

F. [Reserved]

G. Safe Harbor

See "Part I. Forward-Looking Statements."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

General

Our business and affairs are managed by our Board of Directors in accordance with our by-laws, shareholder's meeting rules of procedure, Board of Directors' rules of procedure, internal rules of conduct and Peruvian Corporate Law No. 26887 ("Peruvian Corporate Law"). Our bylaws provide for a Board of Directors of between five and nine members.

Directors are elected at a shareholders' meeting and hold office for three years. Directors may be elected to multiple terms. Our current Board of Directors is composed of nine directors and no alternates. If a director resigns or otherwise becomes unable to continue with its duties, a majority of our directors may appoint one of the alternate directors, or in the absence of alternate directors, any other person, to serve as director for the remaining term of the board. In the first board meeting held after the annual shareholders' meeting where members of the board are elected, the Board of Directors must elect among its members a chairman and a vice chairman if the shareholders' meeting did not elect them.

The Board of Directors typically meets monthly, when called by any director or our Chairman. Resolutions must be adopted by a majority of the directors present at the meeting and the chairman is entitled to cast the deciding vote in the event of a tie.

Duties and Liabilities of Directors

Pursuant to Article 177 of Peruvian Corporate Law, directors are jointly and severally liable to the corporation, its shareholders and third parties for any damages caused by board decisions or acts that breach the law or the bylaws of the company, or for damages caused by abuse of power, fraud, willful misconduct or gross negligence.

In addition, pursuant to Article 3 of Law No. 29720, as amended, directors of companies with common shares listed on the Lima Stock Exchange are liable to the company and its shareholders for damages caused by resolutions which are favorable to their individual interest (or the interest of a related party) to the detriment of the company's interest if: (i) the listed company is a party to the transaction; (ii) the controlling shareholder of the listed company controls the legal entity acting as counterparty; (iii) the transaction is not carried out on an arm's length basis; and (iv) at least 10% of the listed company's assets are involved in the transaction.

A director cannot be found liable for a board decision or act if they did not participate in the meeting where the corresponding decision was taken or if the director's express disagreement is noted in the minutes of such meeting or evidenced by notarized notice.

Article 180 of the Peruvian Corporate Law requires a director to abstain from: (i) adopting decisions that would not be in the corporation's interest and that would benefit their interests or those of any related third party, (ii) using for themselves any commercial opportunity or business they became aware of as a result of the exercise of their duties as a director and (iii) participating themselves in competition with the company in any matter that would require disclosure and abstention due to a conflict of interest. A director who violates these requirements is liable for any damages caused to the company and may be removed by a majority of the Board of Directors or, upon the request of any member of the board or of any shareholder, by a majority vote of the shareholders.

Pursuant to Article 181 of the Peruvian Corporate Law, shareholders are entitled to protect the interest of a company by bringing a claim of civil responsibility against any directors, subject to approval of shareholders at a duly convened shareholders' meeting. However, Article 4 of Law No. 29,720, with respect to companies listed on the Lima Stock Exchange, establishes that a shareholder that owns at least 10% of the capital stock is entitled to file a claim of civil responsibility under Article 181 of the Peruvian Corporate Law without holding a prior shareholders' meeting.

Additionally, Legal Decree No. 1121 and Legal Decree No. 1422 (both governing the application of Rule XVI of the Peruvian Tax Code regarding anti-evasion conduct) require the Board of Directors of Peruvian companies to review any tax planning strategy in respect of the prior fiscal year, and to re-authorize, amend or dissolve the same. If the Board of Directors do not comply with these rules, the Peruvian tax authority (SUNAT) may hold the directors jointly liable with the company.

Sections 2 and 13 of article 16 of the Peruvian Taxation Code also establish that directors will be jointly liable with the company and with each other if the company does not pay its taxes due to willful misconduct (dolo), gross negligence (culpa grave) or abuse of power of attorney in breach of anti-tax evasion laws.

Board of Directors

The following sets forth our directors and their respective positions as of the date of this annual report.

On September 20, 2021, an extraordinary shareholders' meeting of the company elected a new board of directors, consisting of nine directors, four of whom were not previously directors of the company. The term of the current board of directors is three years and expires in 2024.

Name	Position	Year of Birth	Year of First Appointment
Juan Vicente Revilla Vergara	Chairman of the Board	1961	2021
Gustavo Nickel Buffara De Freitas	Vice Chairman of the Board	1983	2021
Esteban Viton Ramirez	Director	1952	2019
Gema Esteban Garrido	Director	1971	2021
Julio Dittborn Chadwick	Director **	1982	2022
Pablo K�uhlenh�al Becker	Director	1980	2021
Antonio Carlos Valente Da Silva	Director (Independent)*	1952	2020
Carlos Rojas Perla	Director (Independent)*	1971	2020
Santiago Hernando Perez	Director (Independent)*	1963	2020

* Independent under the Exchange Act independence standards.

** On March 31, 2022, our Board of Directors appointed Mr. Julio Dittborn Chadwick to replace Mr. Nicolas Ba ados Lyon, who resigned from his position as Director for personal reasons.

The following sets forth selected biographical information for each of the members of our Board of Directors. The business address of each of our current directors is Av. Petit Thouars 4957, Miraflores, Lima 34, Peru.

Juan Vicente Revilla Vergara. Mr. Revilla was appointed as a director of the company in September of 2021. He holds a degree as an economist from the *Universidad del Pac fico* (Peru). He has been a Managing Director and Head of Investments for Southern Europe at IG4 Capital since June 2020 and Founding Partner and CEO of High Trend International, LLC. Before that, he was CEO of Telefonica International Wholesale Services, General Director of Resources for Telefonica Brazil, Global Manager of Shared Services for the Telef nica Group, CEO of Latin American Operations for the Telef nica Group, Chief Technology Officer for Latin America for the Telef nica Group, CEO of Telef nica del Peru, Chief Procurement Officer of the Telef nica Group and CFO of Telesp.

Gustavo Nickel Buffara De Freitas. Mr. Buffara was appointed as a director of the company in September of 2021. He holds a degree of Bachelor of Public Administration from the Fundacao Getulio Vargas Sao Paulo School of Business Administration and MBA from the International Institute for Management Development in Lausanne, Switzerland. He has been the Chief Financial Officer and co-Founder of IG4 Capital since 2016 and before that he was Senior Director and Managing Director of RK Partners, Deputy Director of GP Investments, Senior Consultant of Bain & Company and Manager of Economic Regulation and Regulation of Telef nica.

Esteban Viton Ramirez. Mr. Viton was appointed as a director of the company in May 2019. He holds degrees as an economist engineer from the *Universidad Nacional de Ingenier a* (Peru), a Master's degree from ESAN Graduate School of Business (Peru), a MsM from the Arthur D Little School of Management (now Hult International Business School), has completed the advanced management program at Harvard University and has completed studies at PAD, INSEAD and others. He is the general manager and director of Pacific Energy and has been a manager of Quimpac and other local companies, as well as other companies in the region. He has been a director of Kallpa and Cerro del  guila.

Gema Esteban Garrido. Ms. Esteban was appointed as a director of the company in September of 2021. She holds a degree in Computer Engineer from the Pontifical University of Salamanca with a Master's Degree in Finance from the Center for Financial Studies, Master's Degree in Strategic Marketing from the ESIC and graduated from multiple specialization courses at international universities such as MIT and the University of Geneva. She is the Global ESG Manager of IG4 Capital, responsible since February 2021 for ensuring the sustainability of the group's investments from an environmental, social and corporate governance perspective and before that she was Director of ESG Investments at Telefónica between June 2018 and February 2021 and since 2001 she has held various management positions in said corporation related to global operations strategy and digital transformation strategy, among other important matters.

Julio Dittborn Chadwick. Mr. Dittborn was appointed as director of the company in March 2022. He is a Commercial Engineer from the *Pontificia Universidad Católica de Chile* and MBA from The Wharton Business School of the University of Pennsylvania. He is Managing Director of the Private Equity team of Inversiones Megeve, family office of the Solari Donnagio family. Mr. Dittborn is also a director and leads several companies in Latin America, particularly in the real estate, forestry and energy sectors.

Pablo Kühenthal Becker. Mr. Kühenthal was appointed as a director of the company in August 2021. He holds a degree in Industrial Engineer in Logistics and Transportation from the *Pontificia Universidad Católica de Chile* and MBA from the International Institute for Management Development in Lausanne, Switzerland. He is a partner and founder of the Santiago de Chile office of IG4 Capital and has been responsible since 2019 for investments in Latin America outside of Brazil for said fund. Before that, Mr. Kühenthal has held management positions in international financial advisory firms and as a director in companies with presence in various Latin American countries.

Antonio Carlos Valente Da Silva. Mr. Valente was appointed as a director of the company in December of 2020. He is an engineer from the *Pontificia Universidade Católica do Rio de Janeiro* with a post-graduate degree in management from the same institution. He served as CEO and Chairman of the Board of Directors of Telefonica Brazil and Telefonica del Peru. He has been a member of the Board of Directors of the National Telecommunications Agency in Brazil. He is currently a director of Padtec Holding, Dom Rock and Cinnecta.

Carlos Rojas Perla. Mr. Rojas was appointed as a director of the company in December of 2020. He holds a bachelor's degree in business administration from the *Universidad del Pacífico* with specialization courses at *Harvard University* and the *Instituto Tecnológico y Estudios Superiores de Monterrey*. He was a founding partner of Capia and director of Enel Generación Peru S.A.A. and is currently the CEO of Capia SAFI. He was Chief Investment Officer and director of Compass Group SAFI between 2006 and 2011 and designed and managed Peru Special Investment Funds, the first Peruvian equity hedge fund.

Santiago Hernando Perez. Mr. Hernando was appointed as a director of the company in December of 2020. He holds a degree in chemical sciences, specializing in chemical engineering, from the University of Valladolid, Spain and an MBA from IEDE Business School. He has worked in the utilities and concessions sector as CEO of Aguas Nuevas S.A., New Business Manager at Aguas Andinas S.A., CEO of Concesionaria Intermodal de la Cisterna and director of several sanitary companies in Chile and Uruguay, as well as the urban public transport company Alsacia in Santiago de Chile. Currently, he is an independent consultant in management and administration of companies and business development and is a director of Aguas Santiago Norte S.A.

Executive Officers

Our executive officers oversee our business and are responsible for the execution of the decisions of the Board of Directors. Our executive officers are appointed for an indefinite period of time and their term of office may be terminated by our Board of Directors at its discretion. The following table presents information concerning the current executive officers of our company and their respective positions:

Name	Position	Year of Birth	Year of Appointment	Year of First Employment at the Company
Andre Mastrobuono	Chief Executive Officer	1961	2021	2021
Dennis Fernandez Armas	VP of People, Corporate Affairs and Shared Services	1962	2021	2021
Zoila Horna Zegarra	Corporate Legal VP	1975	2022	2022
Diego Cisneros Salas	Corporate Risk Officer	1966	2022	2018
Fernando Rodrigo Barron	VP of Business Development and Corporate Finance	1984	2022	2022
Javier Macedo Chang	Corporate Internal Audit Officer	1977	2022	2022
Oscar Pando Mendoza	VP of Corporate Control and Planning	1973	2022	2016
Silvana Perez Yalan	Corporate Compliance Officer	1977	2021	2019
Manuel Wu Rocha	VP of Infrastructure	1977	2021	2001
Reynaldo Llosa Martinto	VP of UNNA Energía	1960	2014	2014
Javier Vaca Terron	VP of Cumbra	1970	2018	2018
Rolando Ponce Vergara	VP of Viva	1963	2008	1993

Mr. Dennis Gray Febres resigned as Chief Financial Officer of the company for personal reasons, effective May 31, 2022. As of June 1, 2022, the finance function has been restructured into The Vice Presidency of Corporate Planning and Control, which will be led by Oscar Pando Mendoza and the Vice Presidency of Corporate Finance, which will be led by Fernando Rodrigo Barron (following the resignation of Fredy Chalco Aguilar). Mr. Pando assumed the Financial Management of our E&C segment in 2019 and since then has served as the company's Corporate Planning and Control Officer, reporting to the Corporate Finance Management. Mr. Chalco previously served as Corporate Finance Officer, a position he assumed in 2018, reporting to the Corporate Finance Management.

Mr. Daniel Urbina Perez resigned as Chief Legal Officer of the company for personal reasons, effective October 1, 2022. Ms. Zoila Horna Zegarra was appointed as Corporate Legal Vice President, effective December 1, 2022.

Mr. Chalco resigned as Vice President of Corporate Finance of the company for personal reasons, effective March 31, 2023. Mr. Fernando Rodrigo Barron was appointed in his place, effective March 31, 2023.

The following sets forth selected biographical information for each of our executive officers:

Andre Mastrobuono. Mr. Mastrobuono joined the company in 2021 as our Chief Executive Officer. Previously, he was a Managing Director, Head of the IG4 Operations Team and a member of the Investment Committee of IG4 Capital Private Equity Fund II. Prior to joining IG4, he was the CEO of Urbplan (2014-2017), he served as the CEO of San Antonio International (2010-2013), and in 2009 he was the CEO of Santelisa Vale. Prior to that, he served as CEO of Parmalat Brasil (2008-2009). Prior to this, Andre served as CEO of Telemig Celular (2006-2008) and as General Director at Vivo (2002-2006). Andre was also an Associate Principal at McKinsey & Company (1996-2002). He has served as a member of the Board of Directors of several companies, including Aegea Saneamento (2014-2018), Urbplan SA (2013-2017), LDC-SEV Bio ENERGIA SA - Biosev (2009-2010), and at ACEL - Associação da Empresas de Telefonia Celular (2007-2008), as Chairman of the Board. Andre holds an MBA from the University of Chicago Booth School of Business and a Bachelor's degree in Engineering from the University of São Paulo.

Dennis Fernandez Armas. Mr. Fernandez joined the company in 2021 as VP of People, Corporate Affairs and Shared Services. Previously, he served at *Telefónica del Peru* as Vice President of Corporations, Companies and Businesses between July 2018 and May 2021, Vice President of Strategy, Regulation and Wholesale Business and Digital Transformation between January 2014 and July 2018, Vice President of Network Operations and Wholesale Business between April 2010 and December 2013, Vice President of Customer Services between August 2005 and April 2010 and Vice President of Human Resources between April 1999 and September 2005. Prior to his career at *Telefónica del Peru*, he worked at Banco de Credito del Peru and AFP Union. Mr. Fernandez has been President of the Peruvian Association of Human Resources (APERHU), as well as a member on two occasions of the Consultative Commission of the Ministry of Labor and Director of the Spanish Chamber in Peru. He is a lawyer by profession, with a post-graduate degree in administration from the ESAN University and a master's degree in Business Administration from the PAD of the University of Piura, where he is a professor and has taken management specialization courses at IESE, INSEAD, Harvard and Columbia.

Zoila Horna Zegarra. Ms. Horna joined the company in 2022 as Corporate Legal Vice President. Previously, she worked at Luz del Sur S.A.A. as Legal Vice President between January 2018 and November 2022. She also worked in consulting firms and law firms in Peru, including Payet, Rey Cauvi & Abogados. She graduated with a law degree from the *Pontificia Universidad Católica del Perú* and has an LLM from the London School of Economics and Political Science and a postgraduate degree in Electricity, Gas and Energy Law from Universidad Peruana de Ciencias Aplicadas–UPC.

Diego Cisneros Salas. Mr. Cisneros joined the company in October 2018 and previously held the positions of Risk and Monitoring Officer. He is currently the Corporate Risk Officer. He is an economist with more than 25 years of professional experience in Risk Management, Capital Markets, Banking and Microfinance. He graduated from the Faculty of Social Sciences, with a major in Economics at the *Pontificia Universidad Católica del Perú* and did his postgraduate studies in Economics and Finance at the Faculty of Political Economy of the University of Geneva - Switzerland. He has been Deputy Superintendent of Banking and Microfinance of the Superintendencia of Banking, Insurance and Pension Funds in Peru between 2008 and 2012. Previously he was the Deputy Superintendent of Risks between 2004 and 2008, for the same Superintendency. Subsequently, he worked as a specialist in financial markets with the International Monetary Fund. He has worked for several companies in the financial system in senior executive positions. He has also been a member of several Boards of Directors in the private financial sector as well as in the state. He is a recurring lecturer on risk management issues and a university professor in the areas of Risk Management and Portfolio Management.

Fernando Rodrigo Barron. Mr. Rodrigo joined the company in 2022 as Vice President of Business Development and as of March 31, 2023, he also assumed the role of Vice President of Corporate Finance. Before that, he was a Principal at IG4 Capital and Head of IG4's Lima office, having joined IG4 as a Senior Associate in 2018. Prior to joining IG4, Fernando worked at Ambev from 2016 to 2018, most recently as Head of Cash Flow & Capex for Latin America North (Brazil & the Caribbean). Previously, he worked in private equity, first as an Associate at Enfoca, a leading Peruvian investment firm, from 2013 to 2014, and then as a Senior Associate at Arlon Group, a firm focused on mid-market investments in the food & agriculture sector, from 2015 to 2016. Prior to this, he worked as an investment banker in the United States, first as an Analyst at Credit Suisse from 2007 to 2009 and then as an Associate at Pan American Finance from 2010 to 2011. He began his career as an Analyst on the International Equities Sales Trading desk at Goldman Sachs in New York City in 2006. He holds a bachelor's degree in government from Harvard College and an MBA from the Kellogg School of Management.

Javier Macedo Chang. Mr. Macedo joined the company in February 2022 as Corporate Internal Audit Officer. He has 21-years of experience in internal auditing, internal control, risk management, fraud investigations, financial and operational consulting, and corporate compliance. He has worked for EY providing advisory services to several multinational companies related to construction, real estate, oil & gas, mining, and construction sectors, in North, Central and South American countries and Spain. He has also worked at Barrick Gold Corporation as Regional Capital Projects Audit Manager and at Savia and Cosapi groups leading their internal audit functions. Mr. Macedo currently holds the following certifications from the Institute of Internal Auditors (USA): Certified Internal Auditor (CIA) and the Certification in Control Self-Assessment (CCSA). He holds a bachelor's degree in Accounting from Universidad del Pacifico (Peru), post-graduate diplomas in Mining Management from Universidad ESAN (Peru) and in Corporate Governance and Compliance from Universidad del Pacifico (Peru), and he also holds an Executive MBA from Politecnico Di Milano (Italy).

Oscar Pando Mendoza. Mr. Pando joined the company in May 2016 and initially as General Manager of our infrastructure subsidiary Unna Transporte S.A.C. (formerly "Concar S.A.C.") until 2019. From 2019 to 2021, he served as Regional CFO for our Engineering & Construction business unit. Mr. Pando currently serves as Vice President of Corporate Control & Planning. Prior to joining the company, Mr. Pando served in different functional positions in different countries in Latin America and the United States, such as Regional Manager of Corporate Affairs, CFO, Financial Planning Manager at Philip Morris International, General Manager in different industries such as Services, Fishery and Consumer Goods, and Bankruptcy Administrator for Doe Run Peru, one of the major restructuring/liquidation cases in Peru. He holds a degree in Business Administration from the Universidad de Lima and an MBA degree from Georgetown University. Mr. Pando is also member of the Board of Directors in several of our subsidiaries, including Cumbra Peru S.A., Vial & Vives – DSD S.A., Unna Energia S.A. and Viva Negocio Inmobiliario S.A.

Silvana Perez Yalan. Ms. Perez joined AENZA in 2019 and has served as our Chief Compliance Officer since October 31, 2021. She is responsible for our company's Corporate Compliance Program. Before that, Ms. Perez served as Compliance Program, Ethics, and Training Manager, from September 2019 in AENZA. She has more than 20 years of experience in corporate governance, legal, contracts, ethics, and implementing risk and compliance programs at leading multinational companies. Prior to joining the group, she also served as the Chief Corporate Compliance Officer and General Counsel for Komatsu Mitsui from 2013 to 2019, and Legal Counsel of Telefonica group from 2003 to 2013. She holds a degree in Law from Pontificia Universidad Católica del Peru, an LLM (Master of Laws) from The University of Cambridge (United Kingdom) and a postgraduate degree in Organizational Leadership from Said Business School at The University of Oxford (United Kingdom). She has attained specialist qualifications from The United Nations System Staff College (UNSSC), International Anti-Corruption Academy (IACA), AENOR (Madrid) and *Universidad del Pacífico* (Peru) in Compliance, Anticorruption, Internal Control, Public Contracts Management, Infrastructure, and Public Services Regulation. She has taught as a university professor in Corporate, Regulatory and Contractual Law on both postgraduate and undergraduate degree courses at the most prestigious Law Schools in Peru. She has also been recognized by the world's leading legal directory, The Legal 500, in their General Counsel Powerlist for Peru in 2018.

Manuel Wu Rocha. Mr. Wu is a civil engineer from the *Pontificia Universidad Católica del Peru* and holds a Master's degree in business administration from the Universidad de Piura (Peru). He joined the company in 2001 and acted as chief technical officer for the oil and gas, electricity, infrastructure and sanitation areas of Cumbra from 2003 until 2007. He became manager of purchasing and logistics for Cumbra in 2007, and general manager of the consortium Lima Actividades Comerciales comprised of Cumbra and Aguas de Barcelona from 2009 until 2011. Since 2011, he has worked as chief executive officer of Línea 1 S.A. Mr. Wu is currently Chief Executive Officer of Highway Concessions.

Reynaldo Llosa Martinto. Mr. Llosa joined the company in 2014 and has served as the chief executive officer of UNNA Energía since February 2014. He holds a degree in mechanical engineering from the University of Houston, as well as an MBA from the Universidad de Piura (Peru). He has completed several technical and executive programs, including certificate programs at Rice University and the Kellogg School of Management. He served as the chief executive officer of BPZ Energy from 2010 to 2013. Prior to that, he had worked in Schlumberger for 25 years, the last 15 of which he spent in management positions..

Javier Vaca Terron. Mr. Vaca graduated as a Civil Engineer, Channels and Ports from the Universidad Politécnica de Madrid in 1996. He joined the Spanish company, Ferrovial Agroman, participating in the study of international works and directing the execution of projects in Madrid. In 2004, he completed an Executive MBA at IESE and joined Grupo Assignia as Director of International Production at the construction company, developing his work mainly in Latin America. In 2007, he was assigned new responsibilities within the Assignia group, as CEO of another group company, Eductrade, dedicated to foreign trade in the field of Health and Education. In 2014, he returned to the construction industry, this time directing the Business Development and Studies, Hiring and Institutional Relations Areas of the Spanish FCC. In 2016, he joined the OHL company as Southern Cone Zone Director, based in Santiago, Chile. In February 2018, he joined AENZA as Regional Manager of the E&C segment and now serves as Chief Executive Officer of Cumbra.

Rolando Ponce Vergara. Mr. Ponce joined the company in 1993 and has served as the Chief Executive officer of our subsidiary Viva since 2008, and as our Chief Real Estate Area Officer since 2014. He holds a degree in civil engineering from Universidad Ricardo Palma (Peru). He also holds a Master's degree in construction and real estate business management from the *Pontificia Universidad Católica de Chile-Politécnica* de Madrid, Spain. He previously served as manager of Cumbra's real estate division. He is currently a member of the boards of directors of our subsidiaries Viva and Almonte.

Executive Commission

The Executive Commission is currently comprised by our Chief Executive Officer (CEO), our Vice President of People, Public Affairs and Shared Services, our Vice President of Corporate Finance and Business Development, our Vice President of Corporate Control and Planning, our Corporate Legal Vice President and the Business Segments Vice Presidents for each of the four segments. The Executive Commission evaluates, at the management level, among other matters, our strategic plan, annual budget and annual investment plan.

Kinship

None.

B. Compensation

Compensation of Directors and Executive Officers

Director compensation must be approved by a majority of shareholders at our annual shareholders' meeting.

In 2022, total compensation paid to our Board of Directors amounted to S/1.67 million, including compensation paid to directors that serve on our subsidiaries' Board of Directors. In 2022, total compensation paid to our executive officers amounted to S/20.36 million.

We also paid health insurance to three former senior managers of the company, approved by the talent committee. This health insurance policy is reviewed quarterly by our committees. Under Peruvian law, unless we dismiss someone for justified cause, we are required to pay the dismissed employee (but not directors) 1.5x annual salary for every year with our company for a period not to exceed eight years. We are not required to make such payments in the event of voluntary termination. Although we have no ongoing obligation to do so, in the past we have provided, and in the future, we may provide, such benefits to our executive officers upon their retirement. We have not set aside or reserved any amounts to provide for pension, retirement, or other similar benefits.

Executive Compensation Plan

We establish and pay executive compensation in compliance with applicable labor and tax regulations and corporate governance standards and in accordance with market conditions.

We establish pay scales taking into consideration senior managers' responsibilities, including the degree of complexity of those responsibilities, power of decision-making and scope of supervision entrusted.

The fixed salary component of compensation is established for each position based on a pay scale. Fixed salary includes family allowance and cost of living payments, if applicable. We evaluate senior managers at least once a year to develop action plans in furtherance of continuously improving management performance.

The variable component of compensation is paid to senior managers and other employees for meeting specific goals, and is related both to our financial results and specific objectives by subsidiary. Variable compensation is typically paid as an annual incentive.

In addition, labor regulation establishes a mandatory profit sharing provision of 5% of our total annual taxable income, to be distributed among all employees, calculated based on a formula established by law that considers the days worked in the year and remuneration.

Our senior managers also receive additional benefits, typically non-pecuniary. The benefits granted include: (i) a vehicle owned and maintained by our company, with the purpose of facilitating transportation of senior managers in the performance of their functions; (ii) a fuel allowance to offset transportation costs in the performance of their functions; and (iii) an insurance policy, including work accident and high risk coverage.

C. Board Practices

Board Committees

We have four board committees comprised of members of our Board of Directors.

Audit and Compliance Committee

Our Audit and Compliance Committee is comprised of the directors Mr. Carlos Rojas Perla (chairman of the committee), Mr. Santiago Hernando Perez, Mr. Antonio Carlos Valente Da Silva and Mr. Juan Vicente Revilla Vergara (observer member). Mr. Carlos Rojas Perla, Mr. Santiago Hernando Perez and Mr. Antonio Carlos Valente Da Silva fulfill the independence standards set forth in Rule 10A 3 of the U.S. Exchange Act and applicable NYSE rules. Mr. Carlos Rojas Perla qualifies as an “audit committee financial expert” in accordance with NYSE standards and applicable SEC rules. Mr. Juan Vicente Revilla Vergara has non-voting observer status, as described in Item 16D.

These directors have extensive business and economic experience. Our Audit and Compliance Committee oversees our corporate accounting and financial reporting process. The Audit and Compliance Committee is responsible for:

- ensuring the integrity of our financial statements and financial and non-financial reports;
- reviewing our financial statements and other financial reports and recommending to the Board of Directors their approval and the submission of the annual financial statements to the shareholders for approval;
- conducting the selection process of the external audit firm, submit a recommendation to the Board of Directors regarding the external auditor so that the Board of Directors may make an informed proposal to the shareholders over this matter;
- assessing the performance of the external audit firm with a special emphasis on its independence;
- supervising and evaluating the external and internal audit processes;
- recommend to the Board of Directors the appointment or removal of the Corporate Internal Audit Officer and Corporate Compliance Officer;
- assessing the efficacy of the governance and internal control practices, as well as the reliability of the compliance management processes and of the financial and non-financial reports of the company
- evaluating our company’s compliance with the Board of Director’s internal regulation, as well as with general principles of corporate governance;
- informing our Board of Directors regarding any issues that arise with respect to the quality or integrity of our financial statements, our compliance with legal or regulatory requirements, the performance and independence of the external auditors, or the performance of the internal audit function;
- establishing procedures for the reception, retention and treatment of complaints regarding any breaches to our code of ethics or internal policies including but not limited to accounting, internal controls or other auditing matters, including the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- supervising the investigations conducted in relation to complains made through the ethical channel or any other whistleblower channel available by the company to our employees, suppliers or any other stakeholders and adopt any corrective necessary measures;

- approving the internal audit plan;
- reviewing the findings of the internal audit and monitoring their corresponding remediation plans;
- proposing to the Board of Directors the approval of the code of ethics and of the company's corporate governance framework and supervising their implementation;
- recommending to the Board of Directors the approval of policies that are tailored to the nature, size, risks and complexity of its business in matters related to: (A) ethical management; (B) insider trading; (C) due diligence of counterparts; (D) preventing money laundering and the financing of terrorism, corruption and other crimes; (E) managing conflicts of interest; (F) monitoring compliance of the policies and applicable laws and regulations; and (G) any other matter necessary to fulfill its purpose;
- supervising and assessing the compliance function and approving its budget;
- reviewing the results of the assessment of effectiveness and efficiency tests on control mechanisms made by internal and external auditors and measuring the impact on residual risks that any ineffectiveness or inefficiency of control mechanisms may cause;
- proposing measures and controls for the prevention of crime and the advancement of ethical conduct within the company;
- informing the Board of Directors whenever it identifies an inconsistency between the company's strategy and the company's policies and propose measures to eliminate such inconsistency;
- supervising and assessing the transactions entered by the company or its subsidiaries with related counterparties;
- monitoring the implementation of the compliance training program;
- supervising the implementation of crime prevention and compliance policies ensuring that management assigns sufficient resources to that end;
- determining the periodicity and form by which members of the Board of Directors shall inform any potential conflicts of interest or any other individual disclosure that is required;
- assessing and monitoring compliance with regulatory and legal obligations and policies;
- independently engaging its own counsel and any other advisers it deems necessary to fulfill its functions; and
- establishing policies and procedures to pre-approve audit and permissible non-audit services.

The Corporate Internal Audit Officer and Corporate Compliance Officer report to this committee. Our Board of Directors has adopted a written charter for our Audit and Compliance Committee that is included in the Charter of the Board of Directors, which is available on our website at www.aenza.com.pe.

Environment, Social and Corporate Governance

Our Environment, Social and Corporate Governance Committee is comprised of three directors, one of which is independent under NYSE independence standards. The current members of the committee are Mrs. Gema Estaban Garrido (chairwoman of the committee), Mr. Pablo Ignacio K uhenthal Becker and Mr. Antonio Carlos Valente. The Environment, Social and Corporate Governance Committee is responsible for:

- supervising and providing opinion to management in relation to the implementation of policies, strategies, programs, objectives and goals related to corporate sustainability based on the best international practices and according to our strategic plan;
- identifying all the resources needed to achieve a successful implementation and execution of corporate sustainability strategies and practices;

- analyzing and advising management on local, regional and global environmental, social and corporate governance trends and provide action plans that respond to such trends;
- supervising and advising management with regards to the identification, assessment and management of risks and opportunities within the sustainability field considering public policies, regulations and legislation on the matter;
- promoting a proactive strategy to establish a relationship with stakeholders, clients, investors, suppliers, employees and the society in general with the purpose of defining the issues that are material to the company from a risk and opportunity perspective;
- monitoring and analyzing social, environmental and corporate governance indicators and report to the Board of Directors regarding the evolution of such indicators and propose corrective measures when necessary;
- ensuring that the strategic plan includes social, environmental and corporate governance initiatives and indicators and the determination of the financial impact of such indicators;
- identifying the existence or absence of efficient and innovative internal control systems in social and environmental matters;
- verifying compliance with the highest environmental, social and corporate governance standards;
- opining along with Audit and Compliance Committee on an adequate reporting method for environmental, social and corporate governance matters according to the best international practices; and
- ensuring that the corporate culture is in line with its purpose and values with transparency for its stakeholders.

The Vice President of Public Affairs, Human Resources, Shared Services and Information Technology reports to this committee. Our Board of Directors has adopted a written charter for our Environment, Social and Corporate Governance Committee that is included in the Charter of the Board of Directors, which is available on our website at www.aenza.com.pe.

Talent Committee

Our Talent Committee is comprised of three directors, one of which is independent in accordance with NYSE independence standards. The current members of the committee are Mr. Juan Vicente Revilla Vergara (Chairman), Mr. Santiago Hernando Perez and Mr. Esteban Viton Ramirez. The Talent Committee is responsible for:

- reporting to our Board of Directors on the appointment and dismissal of senior managers;
- advising the Board of Directors of its recommendations to the shareholders' meeting on director appointments, determination of the number of directors, director compensation and appointment of directors to substitute exiting directors;
- proposing the size and members of board committees to the Board of Directors;

- reviewing and proposing to the Board of Directors corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those goals and objectives, and determining and approving CEO compensation;
- establishing compensation arrangements for senior managers in accordance with the financial results of our company; proposing measures to ensure transparency in the remuneration of directors and senior managers;
- evaluating and approving our human resources policies, including succession plans;
- approving the appointment and termination of managers that report directly to the chief executive officer (other than managers that report functionally to the Audit and Compliance Committee);
- approving corporate policies related to compensation, succession, selection and retention of talent and the exceptions to such corporate policies;
- evaluating the performance of the Board of Directors and of management on an annual basis;
- reporting to our Board of Directors on matters regarding related party transactions that could result in a conflict of interest; establishing our social responsibility policies;
- appointing third-party independent compensation consultants, and establishing the compensation of and overseeing the third-party independent compensation consultants;
- proposing candidates for the position of chief executive officer to the Board of Directors;
- monitoring the internal image of the company and proposing to the Board of Directors measures to protect such image; and
- approving organizational structures and restructuring or redeployment measures of human capital.

As a foreign private issuer, we are not required to maintain a compensation committee that complies with all of the U.S. laws and regulations and NYSE requirements applicable to U.S. issuers.

Our Board of Directors has adopted a written charter for our Talent Committee that is included in the Charter of the Board of Directors, which is available on our website at www.aenza.com.pe.

Finance, Risk and Investment Committee

Our Finance, Risk and Investment Committee is comprised of three directors. The current members of the committee are Mr. Pablo Ignacio Kühenthal Becker (Chairman), Mr. Gustavo Nickel Buffara de Freitas and Mr. Julio Dittborn Chadwick.

The Finance, Risk and Investment Committee is responsible for:

- establishing our investment policies;
- assessing the profitability of the company's investments;
- proposing to the Board of Directors the approval of the annual budget and the strategic plan;
- proposing to the Board of Directors the approval of strategic guidelines;
- approving and monitoring the liquidity plan and the capitalization or indebtedness of the company;

- proposing to the Board of Directors the approval of equity contributions, mergers or acquisitions and any purchase or sale of companies or businesses;
- approving our annual investment plan;
- analyzing the projects that would require an investment greater than US\$5 million;
- identifying risk indicators to measure the most relevant risks and monitoring such indicators on a quarterly basis;
- proposing to the Board of Directors the approval of the company's risk assessment;
- approving the risk management policy, the risk manual and the risk matrix;
- monitoring the risk exposure related to associations, corporations or consortia managed with third parties and inform the Board of Directors of such risks; and
- ensuring that the company and its subsidiaries mitigate adequately their risk and that they have in place business continuity and recovery plans.

Our Board of Directors has adopted a written charter for our Finance, Risk and Investment Committee that is included in the Charter of the Board of Directors, which is available on our website at www.aenza.com.pe.

D. Employees

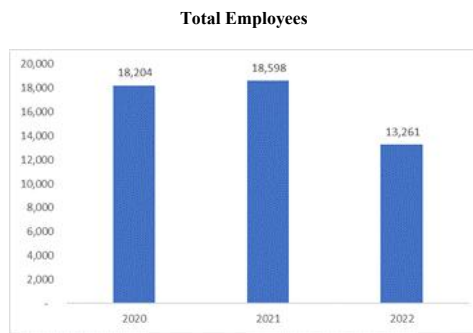
We have developed an extensive and talented team, including more than 1,500 engineers, which gives us the capability and scale to undertake large and complex projects. We also have access to a network of approximately 43,000 manual laborers throughout Peru that can supplement our workforce when required by our projects. Moreover, we have the flexibility to engage our own workers on projects outside Peru, avoiding the need to seek new employees in other countries.

As of December 31, 2022, we had a total of 13,261 full-time employees, including approximately 7,169 manual laborers, a number that fluctuates depending on our project backlog. At such date, we also worked with 1,406 employees of subcontractors. Occasionally, we employ subcontractors for particular aspects of our projects, such as carpenters, specialists in elevator installation and specialists in glassworks. We are not dependent upon any particular subcontractor or group of subcontractors. As of December 31, 2022, 24.3% of our employees worked outside Peru. The following table sets forth a breakdown of our employees by category as of December 31, 2022.

Salaried Employees	Infrastructure	Energy	E&C	Real Estate	Corporate ⁽³⁾	TOTAL
Engineers	204	131	1,058	76	37	1,506
Other Professionals	201	42	535	87	126	991
Technical specialists	457	12	1,261	26	35	1,791
Manual Laborers(1)	1,502	62	5,375	230	0	7,169
Joint operation employees(2)	100	163	1,541	0	0	1,804
Subtotal	2,464	410	9,770	419	198	13,261
Subcontracted employees	0	0	926	453	27	1,406
Total	2,464	410	10,696	872	225	14,667

- (1) The number of manual laborers, who form part of our network of approximately 43,000 manual laborers, varies in relation to the number and size of projects we have in process at any particular time.
- (2) Includes engineers, professionals, technical specialists and manual laborers employed by our joint operations.
- (3) Includes parent company and our subsidiary Qualys S.A.

The following chart sets forth the changes of our total employees as of December 31, 2020, 2021 and 2022.



Our talent development system has allowed us to develop a team of professionals with the ability to design and implement sophisticated projects. Our talent management process broadly focuses on attracting, developing and training employees.

We have implemented programs to attract young and qualified candidates. Our “Impulse Trainee” program offers various types of internships and training opportunities for engineering students and recent graduates, rewarding the most successful candidates with the opportunity to work as permanent, full-time employees. Our focus is not only to attract talented people but also to retain them.

Through the Academy, we offer continuous training and development opportunities through various courses and training programs aimed at each level. We believe that the knowledge our employees gain through these programs is reflected in the way they work and engage with our customers, adding value at every step. During 2022, we invested in continuous education, reaching approximately 10 hours of training with an average investment of US\$260 for each employee. We place significant emphasis on instilling our core corporate values of quality, professionalism, reliability and efficiency on our employees, and on promoting safety, environmental sustainability and social responsibility throughout the entire organization. Our Code of Conduct and Charter of Ethics regulate the conduct of our employees while promoting the foregoing values. In addition, our employees participate in ethics seminars on a periodic basis.

Substantially all of our manual laborers and some of our other employees are members of labor unions. Our practice is generally to extend the benefits we offer our unionized employees to non-unionized employees. We consider our current relationship with unions to be positive.

In our E&C segment, collective bargaining agreements are negotiated in our operations in Peru at two levels: (i) on an annual basis between the National Federation of Civil Construction and the Peruvian Chamber of Construction, without our direct involvement; and (ii) on a per project basis directly between the unions and our project committees, in accordance with such annual agreement. In addition, some of our personnel in our gas processing plant belongs to the labor union Unicode Workers Union UNNA Energia S.A. We currently have collective bargaining agreements with some of our gas processing plant workers. These collective bargaining agreements are negotiated on an annual basis.

In relation to our E&C operations in Colombia, we currently do not have any unions or any kind of collective bargaining in our projects, and for our E&C operations in Chile, the unions are formed for each project and in some of our projects, such as Quebrada Blanca, we have industry union members.

Safety

We safeguard the health and safety of our employees and of all the persons present in our operations and services. To that end, we provide safe work conditions, we manage risks in a timely manner and we promote a culture of prevention, starting from the leadership and commitment of our senior management.

The results obtained during 2022 reflect an improvement due to the reduction in the frequency of accidents, achieving an accident incidence rate of 0.17 accidents per 200,000 hours worked, a significant reduction compared to the previous year.

Our safety management process has been strengthened, achieving significant advances to ensure the operation as a whole.

Our occupational health and safety management system is certified by the ISO 45001 standard. We also have ISO 14001 certifications regarding environmental management.

We are aware that correct support strengthens management as a whole, for that reason we offered our own personnel and contractors more than 1,137,579 hours of training on Safety, Occupational Health and Environment issues.

We have offered our own personnel and contractors more than 1,137,579 hours of training on Safety, Occupational Health and Environmental issues. Share Ownership.

As of December 31, 2022, persons who are currently members of our Board of Directors and our executive officers did not hold our common shares.

Our directors and executive officers do not have different voting rights.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of December 31, 2022, our issued and outstanding share capital was comprised of 1,196,979,979 common shares. The following table sets forth the beneficial ownership of our common shares as of December 31, 2022, based on information provided to us by CAVALI S.A. ICLV, the Peruvian clearing house ("CAVALI") and The Bank of New York Mellon, as depositary for the holders of ADS, except as set forth below.

Shareholder	Number of shares	Percentage owned
IG4 Capital Infrastructure Investments LP ⁽¹⁾	219,138,382	18.31%
AFP PRIMA S.A. (Grupo Crédito)	143,222,423	11.97%
AFP INTEGRA S.A. (Sura Group)	120,405,185	10.06%
AFP PROFUTURO S.A.	138,997,401	11.61%
Fratelli Investment Limited	110,996,399	9.27%
AFP HABITAT	98,083,875	9.19%
Pacifico Corp S.A.C	103,499,728	8.65%
GH Holding Group ⁽²⁾	61,349,148	5.13%
La Fiduciaria – FID IG4 ⁽¹⁾	53,647,119	4.48%
The Bank of New York Mellon, as depositary for the holders of ADS ⁽³⁾	33,777,910	2.82%
Other Shareholders	113,862,409	9.51%
Total	1,196,979,979	100.00%

(1) On June 15, 2021, IG4 Capital Infrastructure Investments LP ("IG4") announced a tender offer for a total of 107,198,601 common shares equivalent to 12.29% of our outstanding shares. On August 10, 2021, IG4 purchased a significant shareholding participation amounting to 23.90% of the total outstanding shares, of which 12.29% was purchased within the tender offer and additional common shares equivalent to 11.61% of our total outstanding shares were acquired in transactions outside of the tender offer. Furthermore, on August 12, 2021, certain shareholders of AENZA signed a trust agreement with IG4, as trustee, and La Fiduciaria S.A., as fiduciary, whereby IG4 acquired the voting rights of AENZA's common shares representing approximately 8.97% of the total outstanding shares for a period of eight years, which could be automatically renewed for an additional period of eight years. As of December 31, 2022, IG4 Capital Infrastructure Investments LP control common shares representing a total of 30.05% of our capital stock, which includes (i) 18.31% of our capital stock held directly, (ii) voting rights to the 5.13% and 4.48% of our capital stock held by GH Holding Group and La Fiduciaria – FID IG4, respectively, and (iii) voting rights to an additional 2.14% of our capital stock pursuant to syndicated agreements between IG4 and certain other shareholders.

(2) Voting rights transferred to IG4 as part of the agreement mentioned in note (1) above.

(3) Excluding AFP PRIMA S.A. and AFP PROFUTURO S.A. beneficial ownership of our common shares as of December 31, 2022.

As of December 31, 2021, 14 record holders of our common shares were located in the United States (including Bank of New York Mellon, as depository for the holders of ADS), according to CAVALI.

The following table sets forth the changes in beneficial ownership of our common shares from December 31, 2020, to December 31, 2022, based on information provided to us by CAVALI and The Bank of New York Mellon, as depository for the holders of ADSs.

	As of December 31, 2020		As of December 31, 2021		As of December 31, 2022	
	No. of Shares	Percentage Owned	No. of Shares	Percentage Owned	No. of Shares	Percentage Owned
IG4 Capital Infrastructure Investments LP ⁽¹⁾	0	0	107,198,601	12.29	219,138,382	18.31
AFP PRIMA S.A.	61,902,445	7.10	90,772,445	10.41	143,222,423	11.97
AFP INTEGRA S.A.	68,357,336	7.84	63,290,664	7.26	120,405,185	10.06
AFP PROFUTURO S.A.	38,751,338	4.44	67,087,463	7.69	138,997,401	11.61
FRATELLI INVESTMENTS LIMITED	86,633,390	9.94	86,633,390	9.94	110,996,399	9.27
AFP HABITAT S.A.	65,795,596	7.55	93,878,296	10.77	98,083,875	8.19
PACIFICO CORP S.A.C	87,191,786	10.00	76,217,749	8.74	103,499,728	8.65
GH Holding Group ⁽²⁾	117,538,203	13.48	61,349,148	7.04	61,349,148	5.13
La Fiduciaria – FID IG4 ⁽¹⁾	0	0	53,647,119	6.15	53,647,119	4.48
The Bank of New York Mellon, as depository for the holders of ADS ⁽³⁾	62,943,030	7.22	60,962,175	6.99	33,777,910	2.82

- (1) On June 15, 2021, IG4 Capital Infrastructure Investments LP (“IG4”) announced a tender offer for a total of 107,198,601 common shares equivalent to 12.29% of our outstanding shares. On August 10, 2021, IG4 purchased a significant shareholding participation amounting to 23.90% of the total outstanding shares, of which 12.29% was purchased within the tender offer and additional common shares equivalent to 11.61% of our total outstanding shares were acquired in transactions outside of the tender offer. Furthermore, on August 12, 2021, certain shareholders of AENZA signed a trust agreement with IG4, as trustee, and La Fiduciaria S.A., as fiduciary, whereby IG4 acquired the voting rights of AENZA’s common shares representing approximately 8.97% of the total outstanding shares for a period of eight years, which could be automatically renewed for an additional period of eight years. As of December 31, 2022, IG4 Capital Infrastructure Investments LP control common shares representing a total of 30.05% of our capital stock, which includes (i) 18.31% of our capital stock held directly, (ii) voting rights to the 5.13% and 4.48% of our capital stock held by GH Holding Group and La Fiduciaria – FID IG4, respectively, and (iii) voting rights to an additional 2.14% of our capital stock pursuant to syndicated agreements between IG4 and certain other shareholders.
- (2) Voting rights transferred to IG4 as part of the agreement mentioned in note (1) above.
- (3) Excluding AFP PRIMA S.A. and AFP PROFUTURO S.A. beneficial ownership of our common shares as of December 31, 2022.

Our major shareholders do not have different voting rights.

In December 2018, our company issued and sold a total of 69,380,402 common shares through a combination of preemptive rights to the company’s existing shareholders and a private placement. On April 2, 2019, our company issued and sold 142,483,633 common shares pursuant to a private placement.

On August 13, 2021, AENZA issued bonds convertible into common shares in a total principal amount of US\$89.9 million. In accordance with the terms and conditions of the convertible bonds, holders of convertible bonds in a principal amount equivalent to US\$11 million exercised their conversion rights and on February 28, 2022, we issued 37,801,073 new common shares. Additionally, holders of convertible bonds in a principal amount equivalent to US\$79 million exercised their conversion rights and, on March 31, 2022, we issued an additional 287,261,051 new common shares. Therefore, our capital stock has increased from S/871,917,855 to S/1,196,979,979. After these conversions, the convertible bonds have been fully cancelled.

B. Related Party Transactions

Peruvian Law Concerning Related Party Transactions

Peruvian law sets forth certain restrictions and limitations on transactions with certain related parties.

Valuation: from a tax standpoint, the value of those transactions must be equal to the fair market value assessed under transfer pricing rules, i.e., the value agreed to by non-related parties under the same or similar circumstances. Similarly, companies with securities registered in the Peruvian Public Registry of Securities (*Registro Público del Mercado de Valores*), such as us, are required to comply with the following rules:

- The directors and managers of our company cannot, without the prior authorization of the Board of Directors, (i) receive in the form of a loan money or assets of our company; or (ii) use, for their own benefit or for the benefit of related parties, assets, services or credits of our company.

- The execution of agreements that involve at least 5% of the assets of our company with persons or entities related to directors, managers or shareholders that own, directly or indirectly, 10% of the share capital, requires the prior authorization of the Board of Directors (with no participation of the director involved in the transaction, if any).
- The execution of agreements with a party controlled by our company's controlling shareholder requires the prior authorization of the Board of Directors and an evaluation of the terms of the transaction by an external independent company (audit companies or other determined by *Resolución SMV N 029-2018-SMV-01*).

Independent review: the external independent company that reviews the transaction should not be related to the parties involved therein, nor to directors, managers or shareholders that own at least 10% of the share capital of such parties involved.

Terms and conditions: As a general policy, we do not enter into transactions with directors and executive officers on terms more favorable than what we would offer third parties. Any related party transaction we have entered into in the past has been in the ordinary course of business and on an arm's length basis.

Related Party Transactions

We enter into certain related party transactions in the ordinary course of our business. No such transactions in effect during 2022 were material to our company or, to our knowledge, to any such related party, nor were any such transactions unusual in their nature or condition. See Note 11 to our audited annual consolidated financial statements included in this annual report.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information.

See Item 18 of this annual report on Form 20-F.

Legal and Administrative Proceedings

Our company, certain of our subsidiaries, and certain of our former directors and senior managers, have been charged in connection with criminal and civil investigations relating to certain of our projects in connection with our association with Odebrecht and in connection with our alleged participation in the alleged "construction club" during the period 2004 to 2016, as well as administrative proceedings initiated by INDECOPI related to these and other matters arising from conduct during the period from 2002 to 2016. See also "Item 3.D. Key Information—Risk Factors—Risks Related to Key Developments." These proceedings have led to significant changes in our corporate governance structure and the adoption of measures to address compliance matters. Below we describe the most material proceedings involving the company:

Criminal Investigations Derived from Projects Developed in Partnership with Odebrecht

In 2018, the Peruvian criminal prosecutor charged our company and our engineering and construction subsidiary, Cumbra, as criminal defendants in connection with the IIRSA South (tranche II) project concession, and the Peruvian First National Preparatory Investigation Court (*Primer Juzgado de Investigación Preparatoria Nacional*) included our company and Cumbra in its criminal investigation. Separately, in connection with these investigations, in December 2018, the Peruvian First National Preparatory Investigation Court also resolved to include our company and Cumbra as civilly responsible third parties in the investigations related to the IIRSA South (tranche II) project concession and Cumbra as a civilly responsible third party in the investigations related to Tranches 1 and 2 of the Lima Metro.

Additionally, Peruvian prosecutors have included José Graña Miró Quesada, the former Chairman of our company, in an investigation for the crime of collusion, and Hernando Graña Acuña, a former board member of our company and former chairman of our subsidiary Cumbra, for the crime of money laundering against the Peruvian government, each in connection with the IIRSA South (tranche II) project concession, in which we participated with Odebrecht. Gonzalo Ferraro Rey, the former Chief Infrastructure Officer of our company, has also been included in an investigation for the crime of money laundering in connection with the same project. In addition, José Graña Miró Quesada and Hernando Graña Acuña, as well as Juan Manuel Lambarri, the former chief executive officer of our subsidiary Cumbra, have been charged in connection with Tranches 1 and 2 of the Lima Metro. On February 9, 2022, the Peruvian press reported that Peruvian prosecutorial authorities entered into plea agreements with José Graña Miró Quesada and Hernando Graña Acuña. On January 3, 2023, the plea agreement with José Graña Miró Quesada received judicial approval and on January 18, 2023, the plea agreement of Hernando Graña Acuña received judicial approval. These plea agreements are confidential under Peruvian law and we, therefore, do not know their content, however, they may include information related to wrongdoing or knowledge of improper behavior while José Graña Miró Quesada and Hernando Graña Acuña were at the company.

We understand that Peruvian prosecutors had initiated an investigation with respect to the Chavimochic project. Neither the company nor any of its affiliates or personnel were subject to investigation and therefore we have limited information. However, the Chavimochic investigation has subsequently been closed and archived without any further action.

For information on the Chavimochic project, see “Item 5 - Key Information”.

Criminal Investigations in Relation to the Construction Club

On July 11, 2017, INDECOPI initiated an investigation against several Peruvian construction companies (including Cumbra), about the existence of an alleged cartel called the Construction Club.

On February 11, 2020, the subsidiary Cumbra was notified by the TS of the Free Competition Defense Commission of INDECOPI with a resolution announcing a sanctioning administrative procedure involving a total of 35 companies and 28 natural persons, for alleged anticompetitive conduct in the market of Public Works.

On November 17, 2021, the Commission imposed a fine of approximately S/67 million against Cumbra, which is currently being challenged and is pending resolution by the final administrative instance within the INDECOPI Court. As of December 31, 2022, Cumbra recorded an estimated provision amounting to S/52.4 million (as of December 31, 2021, a present value equivalent to S/52.6 million was recorded). The resulting contingency from these matters has been included in the settlement and cooperation agreement with Peruvian prosecutorial authorities.

Final Collaboration and Benefits Agreement (Acuerdo Preparatorio de Colaboración Eficaz y Beneficios)

On May 21, 2021, the Company entered into a Collaboration and Benefits Agreement with a special team of Peruvian prosecutors covering the investigations related to corruption offenses of officials and related personnel, in which the company Odebrecht and others would have incurred (the “Prosecutor’s Office”) and with the ad hoc Public Prosecutor’s Office for investigations and processes related to crimes related to corruption of officials, money laundering and related activities (the “Attorney General’s Office”) allegedly committed by the Odebrecht company and others.

On September 15, 2022, the Final Collaboration and Benefits Agreement was entered into between the Peruvian Public Prosecutor’s Office, the Attorney General’s Office and the Company, whereby AENZA accepted that they were utilized by certain former executives to commit illicit acts in a series of periods until 2016, and committed to pay a civil compensation to the Peruvian Government of approximately S/488.9 million (approximately S/333.3 million and US\$ 40.7 million, respectively) calculated according to the formulae established by Law 30737.

According to the Final Collaboration and Benefits Agreement, payment shall be made within twelve years at a legal interest rate in soles and dollars (3% and 1% annual interest as of December 31, 2022, respectively). The Company also undertakes to establish a series of guarantees after the approval (by which the judge verifies that the Final Collaboration and Benefits Agreement is in accordance with the law) of the Final Collaboration and Benefits Agreement, composed of i) a trust agreement that includes shares issued by a subsidiary of the Company; ii) mortgage on a property owned by the Company; and iii) a guarantee account with funds equivalent to the annual installment for the following year. Among other conditions, the Final Collaboration and Benefits Agreement includes a restriction against AENZA and its subsidiaries, Cumbra and Unna Transporte, participating in public construction and road maintenance contracts for two years from the approval of the Final Collaboration and Benefits Agreement. The other member companies of the Corporation are not subject to any impediment or prohibition to contract with the Peruvian Government. As of December 31, 2022, the Company recognized in its financial statements the total liabilities associated with the Final Collaboration and Benefits Agreement as S/488.9 million.

As of December 31, 2022, and as of the reporting date of the consolidated financial statements, in the opinion of the Company's Management and legal advisors, the civil compensation covers the total contingency to which the Company is exposed to as a result of the investigations. Nevertheless, the Final Collaboration and Benefits Agreement enforceability is subject to court approval and its terms and conditions are subject to confidentiality provisions.

Investigations and Administrative Process initiated by INDECOPI in relation to the Construction Club

On July 11, 2017, INDECOPI initiated an investigation against several Peruvian construction companies (including Cumbra), about the existence of an alleged cartel called the Construction Club.

On February 11, 2020, the subsidiary Cumbra was notified by the TS of the Free Competition Defense Commission of INDECOPI with a resolution announcing a sanctioning administrative procedure involving a total of 35 companies and 28 natural persons, for alleged anticompetitive conduct in the market of Public Works.

On November 17, 2021, the Commission imposed a fine of approximately S/67 million against Cumbra, which is currently being challenged and is pending resolution by the final administrative instance within the INDECOPI Court. As of December 31, 2022, Cumbra recorded an estimated provision amounting to S/52.4 million (as of December 31, 2021, a present value equivalent to S/52.6 million was recorded). The resulting contingency from these matters has been included in the settlement and cooperation agreement with Peruvian prosecutorial authorities.

Investigations and Administrative Proceeding initiated by INDECOPI for Anti-Competitive Practices in the Labor Market in the Construction Sector

On February 7, 2022, Cumbra and UNNA Transporte were notified pursuant to INDECOPI Resolution 038-2021/DLC-INDECOPI dated December 28, 2021, that the antitrust authority initiated a sanctioning administrative procedure for the alleged execution of a horizontal collusive practice in the form of concerted distribution of suppliers in the labor market in the construction worker industry nationwide, during the period from 2011 to 2017.

On April 7, 2022, Cumbra and UNNA Transporte submitted a proposal for a cease and desist agreement for the early termination of the administrative sanctioning procedure, in which they (i) acknowledged the alleged conduct, (ii) committed to maintain during 2022, 2023 and 2024, a compliance program with free competition rules, and (iii) agreed to pay S/2.7 million in two installments (one after 60 days and the second after 12 months). Pursuant to Resolution No. 054-2022/CLC-INDECOPI dated August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the proposed cease and desist commitment and concluded the sanctioning procedure. As of December 31, 2022, the company estimated a provision amounting to S/1.4 million recognized as of December 31, 2022 (S/4.8 million as of December 31, 2021) related to this proceeding.

On May 9, 2023, our subsidiaries Cumbra and Unna Transporte were notified by INDECOPI, with Resolution 052-2023/CLC-INDECOPI, which formally concludes the administrative sanctioning procedure in first instance for the alleged horizontal collusive practice in the form of concerted distribution of suppliers in the market for hiring workers in the construction sector.

In this regard, by Resolution No. 054-2022/CLC-INDECOPI of August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the cessation of the proposed commitment. According to the established schedule, the Subsidiaries have paid the first installment corresponding to 50% of the amount of the compensation in November 2022 and the next installment, for the remaining 50%, will be paid no later than November 15, 2023; the amount thereof is duly provisioned in the financial statements. Likewise, the Subsidiaries are complying with their commitment to maintain a compliance program, with supervision of INDECOPI.

Complaint related to the Talara Refinery Project

As of December 31, 2022, Cumbra Peru S.A. had a lawsuit pending against TRT for approximately US\$78 million as compensation for damages suffered as a result of various contractual breaches. In turn, TRT filed a counterclaim for approximately US\$81 million alleging that Cumbra had breached the sub-contract entered into between the two companies. On December 28, 2020, TRT executed two letters of guarantee issued by Banco Santander, the first for US\$16 million for Fidelity Performance and the second letter of guarantee for US\$ 7.7 million for advance payment of work, despite the fact that the obligations guaranteed by the letter of guarantee were being litigated in the process described in this paragraph. As of December 31, 2021, the balance of this concept at face value amounted to US\$31.6 million, equivalent to S/125.8 million.

In December 2022, we reached an agreement with TRT, to put an end to the claims of both parties. As a result of this agreement, we impaired collection rights of US\$29.6 million, equivalent to S/113 million (see Note 12-J.1 to our audited annual consolidated financial statements). Also, we were granted the right to receive payments for outstanding invoices in an amount of US\$10.3 million before January 31, 2023. As of the date of this report, we have collected the full amount agreed.

Dividends and Dividend Policy

Dividend Policy

Our current dividend policy, adopted on March 29, 2016, is to distribute between 30% and 40% of the net profit from the preceding year, as long as we hold such net profit on a consolidated basis, subject to contractual restrictions on our indebtedness. Holders of our common shares are entitled to receive dividends on a pro rata basis in accordance with their respective number of shares held. Our dividend policy can be modified by a favorable vote of a majority of our shareholders and any changes become effective 30 days after approval. Dividends will not be distributed in advance.

Article 23 of our by-laws establishes that dividends distribution must be approved by our shareholders during the annual shareholders' meeting. The recommendation of our Board of Directors is required for the distribution of interim dividends, which must be subsequently ratified at a shareholders' meeting.

Under Peruvian law, companies may distribute up to 100% of their profit (after payment of income tax expense) subject to a 10% legal reserve until the legal reserve equals 20% of the total value of their capital stock. According to Article 40 of the Peruvian Corporate Law, in order to distribute dividends, profits must be determined in accordance with the individual financial statements of our company. Under the terms of the agreement with the Prosecutor's Office and with the Attorney General's Office, we will be restricted to distribute dividends until the payment of 40% of the civil penalty is complete.

In any case, the resolution for the distribution of dividends must necessarily observe the restrictions and commitments contained in the financing agreements entered into by the Company, and in particular, in the Final Collaboration and Benefits Agreement entered into by AENZA S.A.A. with the Ad Hoc Public Prosecutor's Office on September 15, 2022, according to which:

- i) Dividends may not be distributed until at least 40% of the civil reparation has been paid; and
- ii) Once the 40% threshold mentioned in the previous paragraph has been exceeded, for each sol or dollar destined to the payment of dividends, the Company must amortize in the same amount the payment of the civil reparation.

Payment of Dividends

Dividends are paid to holders of our common shares as of a record date determined by us. In order to allow for the settlement of securities, under the rules of the Peruvian Securities Commission, investors who purchase shares of a publicly held company three business days prior to a dividend payment date do not have the right to receive such dividend payment. Dividends on issued and outstanding common shares are distributed pro rata.

Certain of our debt or other contractual obligations may restrict our ability to pay dividends. For example, we will not be able to make any dividend payments until all outstanding amounts under the Financial Stability Framework Agreement are repaid. In addition, the indentures of the senior secured notes issued by Línea 1 and the corporate bonds issued by Norvial contain certain customary covenants, including restrictions on our and our subsidiaries' ability to pay dividends if we are in default under the agreement, and the corporate bonds of Cumbra impose a limitation on Cumbra's ability to distribute dividends to us. Our rights over our dividends in Unna Energia (formerly GMP S.A.), Red Vial 5 S.A. (formerly Norvial S.A.) and Línea 1 (formerly GyM Ferrovías S.A.), have been assigned and transferred to a trust as collateral securing a bridge loan facility. The release of such dividends in our favor is conditioned on the fulfillment of certain covenants included in the trust agreement, including, among others, payment of debt service. "See Item 5.B. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness."

Holders of common shares are not entitled to interest on accrued dividends. In addition, under Article 232 of the Peruvian Corporate Law, the right to collect accrued dividends declared by a publicly held company expires ten years from the original dividend payment date.

Previous Dividend Payments

No dividends were declared or paid from 2020-2022 for our common shares.

B. Significant Changes.

Except as disclosed in "Item 5. Operating and Financial Review and Prospects— Key Developments" and Note 36 to our audited annual consolidated financial statements included in this annual report, we have not experienced any significant changes since the date of our audited annual consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs

Our ADSs are listed on the NYSE under the symbol "AENZ." On July 29, 2013, we completed our initial equity offering in the United States of 19,534,884 ADSs, representing 97,674,420 common shares. On March 31, 2023, the closing price on the NYSE was US\$2.54 per ADS.

On November 2, 2020, the annual shareholders' meeting of the company approved the change of the company's name from Graña y Montero S.A.A. to AENZA S.A.A. effective November 12, 2020, our common shares and ADSs were tradeable on the Lima Stock Exchange and the NYSE, under the ticker symbols "AENZ" and "AENZAC1", respectively.

On November 9, 2022, we announced our plan to change the ratio of our ADSs to our common shares (the “ADS Ratio”) from the current ADS Ratio of one (1) ADS to five (5) common shares, to a new ADS Ratio of one (1) ADS to fifteen (15) common shares (the “ADS Ratio Change”). On November 22, 2022, the ADS Ratio Change became effective.

For the company’s ADS holders, the ADS Ratio Change had the same effect as a one-for-three reverse share split. Effective as of November 22, 2022, ADS holders were required to surrender and exchange every three (3) existing ADSs then held for one (1) new ADS. The Bank of New York Mellon (the “Depository”), as the depository bank for the company’s ADSs program, arranged for the exchange of current ADSs for new ADSs. The company’s ADSs continue to be traded on the New York Stock Exchange under the ticker symbol “AENZ.”

No fractional new ADSs were issued in connection with the ADS Ratio Change. Instead, fractional entitlements to new ADSs were aggregated and sold by the Depository and the net cash proceeds from the sale of the fractional ADS entitlements (after deduction of fees, taxes and expenses) were distributed to the applicable ADS holders by the Depository. The ADS Ratio Change had no impact on the company’s underlying common shares, and no common shares were issued or cancelled in connection with the ADS Ratio Change.

As a result of the ADS Ratio Change, the company’s ADS trading price was expected to increase proportionally; however, there can be no assurance that the ADS trading price after the ADS Ratio Change will be equal to or greater than three (3) times the ADS trading price before the change.

Our Common Shares

Our common shares are registered in the Public Registry of Securities held with the Peruvian Securities Commission and are listed on the Lima Stock Exchange under the symbol “AENZAC1.” On March 31, 2023, the closing price on the Lima Stock Exchange was S/0.66 per common share. As of March 31, 2023, 14 record holders of our common shares were located in the United States, according to CAVALL.

B. Plan of Distribution

Not applicable.

C. Markets

Trading in the Peruvian Securities Market

Lima Stock Exchange

As of December 31, 2022, there were 259 companies listed on the Lima Stock Exchange. Established in 1970, the Lima Stock Exchange is Peru’s only securities exchange. On November 19, 2003, the members of the Lima Stock Exchange approved to convert its corporate status to a publicly held corporation. In 2021, Lima Stock Exchange Group - Holding Company - was created. As of December 31, 2022, the Lima Stock Exchange Group had a share capital of S/162,092,340, divided into 173,659,481 class “A” shares and 8,432,859 class “B” shares. Class “A” shares are entitled to one vote per share while class “B” shares do not have voting rights. As of December 31, 2022, the Lima Stock Exchange had a share capital of S/13,010,000, comprised of 13,010,000 common shares of par value S/1.00 each.

Trading on the Lima Stock Exchange is primarily done on an electronic trading system that became operational in August 1995. From the second Sunday of March through the first Sunday of November of each year, trading hours are Monday through Friday (except holidays) as follows: 8:20 a.m.-8:30 a.m. (pre-market ordering); 8:30 a.m.-2:52 p.m. (trading); 2:52 p.m.-3:00 p.m. (after-market sales); and 3:02 p.m.-3:10 p.m. (after-market trading). At all other times, trading hours are from Monday to Friday (except holidays) as follows: 9:00 a.m.-9:30 a.m. (pre-market ordering); 9:30 a.m.-3:55 p.m. (trading); 3:55 p.m.-4:00 p.m. (after-market sales); and 4:00 p.m.-4:10 p.m. (after-market trading).

Substantially all of the transactions on the Lima Stock Exchange are traded on the electronic system. Transactions during the electronic sessions are executed through brokerage firms and stock brokers on behalf of their clients. Brokers submit orders in the order in which they are received. The orders must specify the type of security as well as the amount and price of the proposed sale or purchase. In order to control price volatility, the Lima Stock Exchange imposes a 15-minute suspension on trading when the price of a security varies on a single day by more than 15% for Peruvian companies and 30% for non-Peruvian companies.

Certain information regarding trading on the Lima Stock Exchange is set forth in the table below:

	2018	2019	2020	2021	2022
Market capitalization (in millions of soles) ⁽¹⁾	481,081	537,389	599,918	593,664	541,275
Volume (in millions of soles)	20,975	18,154	20,942	22,677	14,179
Average daily trading volume (in millions of soles)	84	72	82	90	57

(1) End-of-period figures for trading on the Lima Stock Exchange.

The stock market capitalization of companies listed on the Lima Stock Exchange was US\$141.7 billion at the end of 2022, compared to US\$162.0 billion, US\$165.5 billion and US\$148.5 billion at the end of 2019, 2020 and 2021, respectively.

Total market volume in 2022 was US\$3.7 billion, reflecting a 34.6% decrease compared with 2021. Equity market volume, which represented 72.4% of total market volume, ended the 2022 year at US\$2.7 billion, 38.3% lower than the previous year. The repo market, which represented 5.4% of total market volume, reported volume of US\$199.48 million in 2022, reflecting a decrease of 33.8%.

The total number of operations in the market in 2022 decreased by 20.0%, closing the year at 129,690 operations. The number of operations in the equity market in 2021 increased by 41.1% to 162,205 operations.

In 2022, the S&P/BVL Peru General Index (*Índice S&P/BVL Peru General*) reached 21,330.33 points, increasing 1.04% compared to 2021. In 2021, it reached 21,111.73 points, increasing 1.39% compared to 2020, and in 2020, it reached 20,822.15 points, increasing 1.44% compared to 2019.

Regulation of the Peruvian Securities Market

The regulatory framework for the Peruvian securities market is established in the Securities Market Law approved by Legislative Decree No. 861, as amended (*Ley del Mercado de Valores*), and the resolutions issued from time to time by the Peruvian Securities Commission. The purpose of the Securities Market Law is to promote the ordered development and transparency of the Peruvian securities markets and provide adequate protection for investors and the principles under which the Peruvian securities market is intended to operate. The Securities Market Law contains the general rules for: (i) primary and secondary public offerings of securities; (ii) public offering of securities for acquisitions and sales; (iii) local and international offerings, including simultaneous offerings; (iv) the Public Registry of Securities (*Registro Público del Mercado de Valores*); (v) reporting obligations of material information (*hechos de importancia*) by the issuers of securities recorded in the Public Registry of Securities and by the entities that are subject to the regulation and supervision of the Peruvian Securities Commission; (vi) the enforcement of insider trading; (vii) privileged information and confidentiality regulations and prohibitions against price manipulation; (viii) the broker-dealers; (ix) the Lima Stock Exchange; (x) CAVALI (the settlement and registry entity for transactions executed on the Lima Stock Exchange); (xi) other entities that are required to be registered at the Peruvian securities market Public Registry of Securities; (xii) capital market instruments and operations, including securitizations; and (xiii) mutual funds and investments funds publicly placed and their respective management companies.

The Peruvian securities market is regulated and supervised by the Peruvian Securities Commission (*Superintendencia del Mercado de Valores*), a governmental entity reporting to the Peruvian Ministry of Economy and Finance, with functional, administrative, economic, technical and budgetary autonomy. The Peruvian Securities Commission is governed by the Superintendent, designated by the Peruvian Ministry of Economy and Finance, and by a five-member Board of Directors convened by the Superintendent (who acts as Chairman of the board). The other four members are appointed by the government under applicable legislation. The Peruvian Securities Commission issues from time to time resolutions which provide specific regulations or may impose sanctions in cases of violations of the Securities Market Law or the resolutions issued by the Peruvian Securities Commission.

The Peruvian Securities Commission, in order to achieve the Securities Market Law's purposes, has broad regulatory and supervisory powers, including (i) issuing general mandatory rules; (ii) supervision and oversight of compliance with applicable legislation (including the power to order inspections and require the submission of information and documentation by entities that are under its jurisdiction and summon and interrogate any person that may contribute to its investigations); (iii) imposing sanctions; (iv) managing the Peruvian securities market public registry; (v) verifying that public offerings meet filing requirements and that the securities subject to such offerings are duly recorded at the Peruvian securities market public registry of securities; (vi) authorizing the incorporation and functioning of entities under its scope of supervision; and (vii) monitoring the content and accuracy of the financial and other information that is filed with the Peruvian Securities Commission. The Peruvian Securities Commission is responsible for the enactment, interpretation and enforcement of rules and regulations issued under the Securities Market Law.

Disclosure Obligations

Issuers of securities registered with the Peruvian Securities Commission are required to disclose material information relating to the issuer. Pursuant to the Securities Market Law and relevant regulations enacted thereunder, all material information in connection with the issuer of registered securities (such as our common shares), its activities or securities issued or secured by such issuer which may influence the liquidity or price of such securities must be disclosed. Accordingly, issuers must file with the Peruvian Securities Commission mainly two types of information: (i) financial information, including unaudited interim financial statements on a quarterly basis (which are not required to be subject to limited review by external auditors), and audited annual consolidated financial statements on an annual basis, and (ii) material information relating to the issuer and its activities that may significantly affect the price, offering or trading of the issued securities, and in general, all the information that may be relevant for investors to be able to make investment decisions.

In order to comply with the foregoing disclosure obligations, issuers must disclose information to the Peruvian Securities Commission and, if the securities are listed, with the Lima Stock Exchange as soon as practicable but not later than the day on which the event took place or the issuer became aware of such information.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information set forth in Exhibit 1.01, "By-Laws of the Registrant, as currently in effect" is incorporated herein by reference.

C. Material Contracts

CS Peru Infrastructure Loan

On July 31, 2019, the company entered into a medium-term loan credit agreement for US\$35 million (equivalent to S/112.9 million) with CS Peru Infrastructure Holdings LLC, the proceeds of which were used as working capital for the company and its subsidiaries, Cumbra and Adexus. The term of the loan was three years, with quarterly installments of principal beginning on the 18th month. On February 28, 2020, the company and the initial lender signed an amendment, waiver and consent in respect of this event of default, in consideration for a prepayment by the company of US\$10 million, together with accrued interest and a make-whole premium. After this payment, the principal amount outstanding under the term loan was US\$22 million. In August 2021, the total amount outstanding was paid in full.

For more information, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness.” This agreement and the amendment thereto have been incorporated by reference as Exhibit 10.01 to this annual report.

Financial Stability Framework Agreement

In July 2017, the Company and its subsidiaries (Cumbra, Construyendo País S.A., Vial y Vives - DSD and Concesionaria Vía Expresa Sur S.A.) signed a Financial Stability Framework Agreement with the following financial institutions: Scotiabank Perú S.A., Banco Internacional del Perú S.A.A., Banco BBVA Perú S.A., Banco de Crédito del Perú S.A., Citibank del Perú S.A. and Citibank N.A. The objectives of the Financial Stability Framework Agreement were: to guarantee Cumbra a syndicated revolving line of credit for working capital, a non-revolving line of credit to finance repayment commitments subject to performance bonds; to guarantee lines of credit for the issuance of performance bonds and to commit to maintain the existing letters of credit issued to Cumbra’s requirements.

At December 31, 2021, the Company was in compliance with the obligations and covenants established in the Financial Stability Framework Agreement.

On March 29, 2022, S/28.2 million and US\$0.3 million corresponding to the total balance of the direct debt of the Financial Stability Framework Agreement (US\$ 7.4 million, equivalent to S/29.5 million, as of December 31, 2021) were paid, and the line of credit for the issuance of letters of guarantee remains in place. This agreement and the amendment thereto have been incorporated by reference as Exhibit 10.05 to this annual report.

GSP Concession and Subordination Arrangements

In November 2015, we acquired a 20% interest in GSP and obtained a 29% interest in CCDS through its subsidiary Cumbra Peru.

On July 22, 2014, GSP signed a Concession Agreement with the Peruvian Government to build, operate, and maintain a natural gas pipeline to meet the demand of cities in the south of Peru. Additionally, GSP signed an engineering, procurement, and construction agreement with CCDS.

We made an investment of US\$242.5 million in GSP and had to assume 20% of the performance bond established in the Concession Agreement for US\$262.5 million and 21.49% of the guarantee for a bridge loan of US\$600 million. On January 24, 2017, the MEM announced the early termination of the Concession Agreement under Clause 6.7 thereof, for not having provided evidence of the financial closing within the contractual term resulting in the immediate enforcement of the performance bond.

The events described in the previous paragraph caused management to recognize an impairment from 2016 to 2019 of its total investment (US\$242.5 million), as well as the account receivable resulting from the execution of the counter-guarantees granted by AENZA in favor of the entity issuing the guarantees: for US\$52.5 million corresponding to the performance bond and US\$129 million corresponding to the corporate guarantee on the bridge loan granted to GSP. According to the Concession Contract, the guarantees were paid on behalf of GSP, therefore, AENZA recognized the right to collect from GSP US\$181.5 million, which was recorded in 2016 as accounts receivable from related parties. Likewise, Cumbra Peru recognized the value of accounts receivable from CCDS as US\$73.5 million and lost profits as US\$10 million, which correspond to receivables from GSP. See Note 11 to our audited annual consolidated financial statements included in this annual report for the balance of the account receivable from GSP.

On October 11, 2017, the agreement deed for the delivery of the assets of the South Peruvian gas pipeline concession between GSP and MEM was signed. The assets include the works, equipment, facilities and engineering studies provided for the execution of the project.

Upon termination of the Concession Contract, and in accordance with the provisions of Clause 20 thereof, the Peruvian State was obligated to hire an internationally recognized auditing firm to calculate the VCN, and to call up to three auctions on GSP's assets. However, to date, the Peruvian State has failed to comply with these contractual obligations. The amount of the VCN was calculated at US\$2,602 million by an independent auditing firm hired by GSP as of December 31, 2016. This figure was subsequently adjusted to US\$2,110 million, as a result of variations in the balances related to the works carried out by the consortium, which in turn is reported in its audited financial statements as of December 31, 2017.

On December 21, 2018, the company asked the Peruvian Government for direct treatment and requested the payment of the VCN in favor of GSP. On October 18, 2019, the company filed with the CIADI an arbitration request. On December 27, 2019, the company withdrew the arbitration request in compliance with a preliminary collaboration and benefits agreement signed with the Attorney General's Office and Ad-hoc Public Prosecutor's Office on the same date (see Note 1 to our audited annual consolidated financial statements included in this annual report). Withdrawing the arbitration request before CIADI does not result in the loss of collection rights of the company against GSP and does not restrict, limit, or impede GSP from asserting its rights against the Peruvian Government.

The company and its internal and external legal advisors consider that the payment owed by the Government to GSP for the VCN are not within the withholding scope under Law 30737 that ensures the immediate payment of civil compensation in favor of the Peruvian State in cases of corruption and related crimes, since this payment does not include any profit margin and/or does not correspond to the sale of assets related to the project, but to a reimbursement for the investment made by the concessionaire.

As of December 4, 2017, GSP entered into a bankruptcy proceeding before INDECOPI. GSP has claims recognized by INDECOPI of US\$0.4 million and US\$169.3 million, the latter held in trust in favor of GSP's creditors. It also has indirectly recognized claims for US\$11.8 million. On the other hand, the claim of Cumbra is indirectly recognized in INDECOPI through *Consortio Constructor Ductos del Sur* for an amount of US\$88.7 million. As of the date of this report, GSP is in the process of liquidation and AENZA is chairing the Board of Creditors.

On April 11, 2023, a liquidation agreement (the "Liquidation Agreement") was approved, which delimits the framework for the liquidator's work. The Liquidation Agreement includes the granting of powers to the liquidator with respect to representation, administrative, contractual and other relevant powers that allow him to comply with the obligations for which he was appointed, as well as the actions he is allowed to take in order to recover GSP's assets and in accordance with the mechanisms set forth in the General Law of the Insolvency System. On April 13, 2023, and under the powers granted to him by the Liquidation Agreement, the Liquidator requested that the MEM initiate the direct treatment procedure stipulated in the Concession Contract. For more information regarding the amounts recognized, see Note 11 to our audited annual consolidated financial statements included in this annual report.

As of December 31, 2022, the net value of the accounts receivable from GSP is approximately US\$142.4 million (equivalent to S/542.3 million) compared to US\$161.9 million (equivalent to S/643.9 million) as of December 31, 2021, which comprises the recognition in the following entities of the Corporation: i) AENZA S.A.A. holds US\$63.9 million (equivalent to S/243.2 million), discounted to present value net of impairment and the effect of the exchange difference, compared to US\$81.1 million (equivalent to S/322.6 million) as of December 31, 2021; and ii) Cumbra Peru holds US\$78.6 million (equivalent to S/299.2 million) discounted to present value net of the effect of the exchange difference compared to US\$80.8 million (equivalent to S/321.3 million) as of December 31, 2021.

The company's management maintains the recovery estimate at 8 years, applying a discount rate of 5.85%, compared to recovery term of 8 years with a discount rate of 2.73% as of December 31, 2021. These estimates generated during 2022 a present value effect of approximately S/72.2 million, compared to S/32.8 million during 2021, which has been recognized in the consolidated statement of income under the caption "Financial income and expenses - loss from present value", see Note 26.B to our audited annual consolidated financial statements included in this annual report.

Based on management's assessment and in conjunction with the opinion of the internal legal department and external legal counsel, the estimate of recoverability, impairment allowances and the net recognized value of the account receivable from GSP as of December 31, 2021 and 2022 is reasonable and sufficient as of the reporting date of the Corporation's consolidated financial statements, see also Notes 5.A.iv and 11 to our audited annual consolidated financial statements included in this annual report.

Convertible Bonds

On August 13, 2021, AENZA issued bonds convertible into common shares in a total principal amount of US\$89.9 million. The bonds mature in February 2024, bear interest at a rate of 8%, and are payable quarterly. Pursuant to the terms and conditions of the convertible bonds, they may be converted into shares as of the sixth month from the date of issuance. In accordance with the terms and conditions of the convertible bond, holders of convertible bonds in a principal amount equivalent to US\$11 million, exercised their conversion rights, and, on February 28, 2022, we issued 37,801,073 new common shares. Additionally, on March 31, 2022, holders of convertible bonds in a principal amount equivalent to US\$78,970,000 exercised their conversion rights. As a consequence, we issued 287,261,051 new common shares. Therefore, our capital stock has increased from S/871,917,855 to S/1,196,979,979. After these conversions, the convertible bonds have been fully cancelled.

Bridge Loan

On March 17, 2022, the company entered into a bridge loan credit agreement for up to US\$120 million, with a group of financial entities comprised by *Banco BTG Pactual S.A. - Cayman Branch*, *Banco Santander Peru S.A.*, *HSBC Mexico, S.A.*, *Institución de Banca Múltiple, Grupo Financiero HSBC*, and *Natixis, New York Branch*. The financing will be repaid over a period of 18 months, and will be secured, subject to the fulfillment of certain precedent conditions, by a flow trust (first lien), a trust over the shares of *Viva Negocio Inmobiliario S.A.* (second lien), and a pledge on our shares in *Unna Energía S.A.* (first lien). On April 5, 2022, the loan was disbursed and we have used the proceeds to repay certain of our financial and other obligations. This agreement has been incorporated by reference as Exhibit 10.02 to this annual report.

D. Exchange Controls

Since August 1990, there have been no exchange controls in Peru and all foreign exchange transactions are based on free market exchange rates. Prior to August 1990, the Peruvian foreign market consisted of several alternative exchange rates. Additionally, during the 1990s, the Peruvian currency experienced a significant number of large devaluations, and Peru has consequently adopted, and operated under, various exchange rate control practices and exchange rate policies, ranging from strict control over exchange rates to market determination of rates. Current Peruvian regulations on foreign investment allow the foreign holders of equity shares of Peruvian companies to receive and repatriate 100 percent of the cash dividends distributed by such companies. Such investors are allowed to purchase foreign exchange at free market currency rates through any member of the Peruvian banking system and transfer such foreign currency rates through any member of the Peruvian banking system and transfer such foreign currency outside Peru without restriction.

E. Taxation

Peruvian Tax Considerations

The following is a general summary of material Peruvian tax matters under Peruvian law, as in effect on the date of this annual report and describes the principal tax consequences of ownership of ADSs and common shares by non-resident individuals or entities ("Non-Peruvian Holders"). Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of ADSs and common shares and could alter or modify the conclusions set forth herein. This summary is not intended to be a comprehensive description of all of the tax considerations that may be relevant to a decision to make an investment in the ADSs or common shares. In addition, it does not describe any tax consequences arising under the laws of any taxing jurisdiction other than Peru or applicable to an individual or entity resident of Peru or to a person with a permanent establishment in Peru.

For purposes of Peruvian taxation:

- individuals are residents of Peru, if they are Peruvian nationals who have established their place of residence in Peru or if they are foreign nationals with a permanence of more than 183 days in Peru in any 12-month period (in the latter case, the condition of Peruvian resident can only be acquired as of the 1st of January of the year following the fulfillment of residence conditions); and
- legal entities are residents of Peru if they are established or incorporated in Peru.

Cash Dividends and Other Distributions

Cash dividends paid to Non-Peruvian Holders with respect to common shares and amounts distributed with respect to ADSs have been subject to Peruvian withholding income tax expense at a rate of 5% since 2017. As a general rule, the distribution of additional common shares representing profits, the distribution of shares which differ from the distribution of earnings or profits, as well as the distribution of preemptive rights with respect to common shares, which are carried out as part of a pro rata distribution to all shareholders, will not be subject to Peruvian income tax expense or withholding taxes.

Capital Gains

Pursuant to Article 6 of the Peruvian income tax expense law, individuals and domiciled entities in Peru are subject to Peruvian income tax expense on their worldwide income while non-domiciled entities – including branches, agencies (*agencias*), and permanent establishment (*establecimientos permanentes*) of non-domiciled entities – are subject to Peruvian income tax expense only on their Peruvian source income.

Peruvian income tax expense law provides that income derived from the disposal of securities issued by Peruvian entities is considered Peruvian source income and is therefore subject to income tax expense. Under current Peruvian income tax expense law, capital gains resulting from the disposal of ADSs that represent shares issued by Peruvian entities are considered Peruvian source income and therefore are subject to Peruvian income tax expense. Peruvian income tax expense law also provides that the taxable income resulting from the disposal of securities is equal to the difference between the sale price of the securities (which may not be less than their fair market value) and their tax basis.

Notwithstanding the foregoing, capital gains resulting from the disposal of ADSs or the beneficial interest in ADSs that represent shares issued by a Peruvian entity are not considered Peruvian source income, and therefore are not subject to Peruvian income tax expense.

In the event ADSs are exchanged into common shares and such common shares are disposed of, capital gains resulting therefrom will be subject to an income tax expense rate of either 5% or 30%, depending on where the transaction takes place. If the transaction is consummated in Peru, any capital gain will be subject to an income tax expense rate of 5%; and if the transaction is performed outside of Peru, any capital gain will be subject to a 30% income tax expense rate. Peruvian income tax expense law regulations have stated with respect to the transfer of common shares, that transactions are deemed to be consummated in Peru if the common shares are transferred through the Lima Stock Exchange.

From 2016 through December 31 of 2022, pursuant to the Law 30341 and amendments, capital gains resulting from a transfer of: (i) Common shares and investment shares, (ii) ADSs and Global Depositary Receipts (GDRs), (iii) Exchange Trade Funds (ETF) units that have underlying shares and/or securities representing debt, (iv) representative securities of debt, (v) Certificates of participation in mutual funds for investment in securities, (vi) Certificates of participation in investment Funds in Rent of Real Property (FIRBI) and certificates of participation in Trustee of Securitization for Investment in Rent of Real Estate (FIBRA), and (vii) Negotiable invoices, will be exempt from income tax expense, provided, however, that the following conditions are met:

With respect to (i), (ii) and convertible bonds:

- (a) The transfer must be performed through a centralized trading mechanism supervised by the Securities Market Superintendence;
- (b) In any 12-month period, neither the seller or any person related to him must dispose of more than 10% of the total number of common shares issued by the company through one or more simultaneous or successive operations; and
- (c) The shares must have a "market presence", meaning that transactions in respect of those shares for a value exceeding six Tax Units (currently, S/4,950.00 per Tax Unit).

With respect to (iii), (iv), (v) and (vi):

- (a) The transfer must be performed through a centralized trading mechanism supervised by the Securities Market Superintendence; and
- (b) The shares must have a "market presence," meaning that transactions in respect of those shares for a value exceeding six Tax Units (currently, S/4,950.00 per Tax Unit).

With respect to (vii), the transfer must be performed through a centralized trading mechanism supervised by the Securities Market Superintendence.

Any gain resulting from the conversion of ADSs into common shares or common shares into ADSs will not be subject to taxation in Peru.

Likewise, it is important to note that if after applying the exemption, the issuer delisted the securities from the Registry of the Lima Stock Exchange, in whole or in part, in an act or progressively, within the next 12 months after the disposal is made, the exemption that is applied to the securities unlisted is lost.

Any Non-Peruvian Holder who acquires common shares will have the following tax basis: (i) for common shares purchased by the transferor, the acquisition price paid for the shares; (ii) for common shares received by the transferor as a result of a share capital increase because of a capitalization of net profits, the par value of such common shares; (iii) for other common shares received free of any payment, tax basis will be: (x) zero or the cost borne by the transferor, in the case of individuals and (y) the fair market value at the time of the acquisition, in the case of entities; and (iv) for common shares of the same type acquired at different opportunities and at different values, the tax basis will be the weighted average cost. In cases where common shares are sold by Non-Peruvian Holders outside the Lima Stock Exchange, the tax basis must be certified by the Peruvian tax administration prior to the time payment is made to the transferor; otherwise, it would not be possible to deduct the tax basis and the 30% Peruvian income tax expense would apply to the total sale price. Under Peruvian income tax expense law, tax basis certification is granted by the Peruvian tax authorities within 30 business days after the filing of the corresponding application. If the Peruvian tax authorities do not respond within the abovementioned period, the tax basis calculation will be deemed automatically approved.

In any transaction relating to Peruvian securities through the Lima Stock Exchange, CAVALI will act as withholding agent of the Peruvian income tax expense. If the purchaser is a resident in Peru and the sale is not performed through the Lima Stock Exchange, the purchaser will act as withholding agent. In other cases, the transferor shall be obliged to self-assess the tax and pay it to the Peruvian tax authorities within the first 12 business days of the month following the transfer. Nevertheless, from January 1, 2023 to December 31, 2023, Law 31662, the income tax expense exemption applicable to capital gains derived from the transfer of shares through the Stock Market (provided that the conditions established in Law 30341 and its amendments are met), applies only to individuals and marriages in the community of property. This exemption applies only to capital gains up to a threshold of 100 Tax Units of the capital gain generated in each fiscal year (currently, S/4,950.00 per Tax Unit). Thus, this new rule excluded the exemption applicable to domiciled and non-domiciled entities that were only in force as of December 31, 2022.

Other Considerations

No Peruvian estate or gift taxes are imposed on the gratuitous transfer of ADSs or common shares. No stamp, transfer or similar tax applies to any transfer of ADSs or common shares, except for commissions payable by seller and buyer to the Lima Stock Exchange, fees payable to the Peruvian Securities Commission, brokers' fees (about 0.05% to 0.50% of value sold by legal entities) and value added tax (at the rate of 18%) on commissions and fees. Any investor who sells its common shares on the Lima Stock Exchange will incur these fees and taxes upon purchase and sale of the common shares.

United States Federal Income Tax Considerations

The following summary describes certain U.S. federal income tax consequences to a U.S. Holder (as defined below) of the ownership and disposition of our ADSs and common shares. This summary deals only with ADSs and common shares held as capital assets (generally, property held for investment). As used herein, the term "U.S. Holder" means a beneficial owner of ADSs or common shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you in light of your particular circumstances and does not address the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;

- a tax-exempt organization;
- a person holding our ADSs or common shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of our stock (by vote or value);
- a person required to accelerate the recognition of any item of gross income with respect to our ADSs or common shares as a result of such income being recognized on an applicable financial statement;
- a partnership or other pass-through entity for United States federal income tax purposes; or
- a person whose “functional currency” is not the U.S. dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be replaced, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. There is currently no income tax treaty between the United States and Peru that would provide for United States federal income tax consequences different than the consequences under the foregoing authorities. In addition, this summary is based, in part, upon representations made by the depositary to us and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our ADSs or common shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our ADSs or common shares, you should consult your tax advisors.

This summary does not address the effects of the federal tax on net investment income or other U.S. federal tax consequences (such as U.S. federal estate or gift tax consequences), and does not address the effects of any state, local or non-U.S. tax laws. If you are considering the purchase of our ADSs or common shares, you should consult your own tax advisors concerning the U.S. federal income tax consequences to you in light of your particular situation as well as any consequences arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

Except as specifically noted below under “—Passive Foreign Investment Company,” the following discussion assumes we will not be a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes.

ADSs

If you hold ADSs, for U.S. federal income tax purposes, you generally will be treated as the owner of the underlying common shares that are represented by such ADSs. Accordingly, deposits or withdrawals of common shares for ADSs will not be subject to U.S. federal income tax.

Taxation of Dividends

The gross amount of distributions, other than certain pro rata distributions of common shares, on the ADSs or common shares (including amounts withheld to reflect Peruvian withholding taxes) will be taxable as dividends, to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles.

To the extent that the amount of any distribution (including amounts withheld to reflect Peruvian withholding taxes) exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the ADSs or common shares (but not below zero), and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange. However, we do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. Therefore, you should expect that a distribution will generally be reported as a dividend. Such dividends (including any withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you, in the case of the common shares, or by the depository, in the case of ADSs. Such dividends generally will not be eligible for the dividends received deduction allowed to corporations under the Code.

Subject to applicable limitations (including a minimum holding period requirement), dividends received by non-corporate U.S. Holders from a qualified foreign corporation may be treated as “qualified dividend income” that is subject to reduced rates of taxation. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on common shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States (and if such corporation is neither a PFIC in the current year nor the most recently completed taxable year (as discussed below under “*Passive Foreign Investment Company*”). U.S. Treasury Department guidance indicates that our ADSs, which are listed on the NYSE, will be considered readily tradable on an established securities market in the United States. Based on existing guidance, it is not entirely clear whether our common shares will be considered readily tradable on an established securities market in the United States because only the ADSs, not the underlying common shares, are listed on a securities market in the United States. We believe that dividends we pay on our common shares that are represented by ADSs, but not our common shares that are not so represented, will be eligible for the reduced tax rates. Additionally, even if we are a qualified foreign corporation, the reduced rates on dividends will apply only if such dividends are paid with respect to the ADSs that a non-corporate U.S. holder has held for at least 61 days during the 121-day period beginning 60 days before the “ex-dividend date.” There can be no assurance, however, that our ADSs will be considered readily tradable on an established securities market in the United States in later years. You should consult your own tax advisors regarding the application of these rules given your particular circumstances.

The amount of any dividend paid in soles will equal the U.S. dollar value of the soles received, calculated by reference to the exchange rate in effect on the date the dividend is actually or constructively received by you, in the case of the common shares, or by the depository, in the case of ADSs, regardless of whether the soles are converted into U.S. dollars at that time. If the soles received as a dividend are converted into U.S. dollars on the date they are received, you generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. If the soles received as a dividend are not converted into U.S. dollars on the date of receipt, you will have a tax basis in the soles equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the soles will be treated as U.S. source ordinary income or loss.

Subject to certain conditions and limitations and the Foreign Tax Credit Regulations (as defined below), Peruvian withholding taxes on dividends may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the ADSs or common shares will be treated as foreign source income and will generally constitute passive category income. However, in certain circumstances, if you have held the ADSs or common shares for less than a specified minimum period during which you are not protected from risk of loss, or are obligated to make payments related to the dividends, you will not be allowed a foreign tax credit for any Peruvian withholding taxes imposed on dividends paid on the ADSs or common shares. In addition, Treasury regulations that apply to taxes paid or accrued in taxable years beginning on or after December 28, 2021 (the “Foreign Tax Credit Regulations”) impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied. Instead of claiming a U.S. foreign tax credit, you may be able to deduct Peruvian withholding taxes on dividends, subject to generally applicable limitations under U.S. law (including that a U.S. Holder is not eligible for a deduction for foreign income taxes paid or accrued in a taxable year if such U.S. Holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing the foreign tax credit and deductions for foreign taxes are complex. You are urged to consult your tax advisors regarding the Foreign Tax Credit Regulations and the availability of the foreign tax credit or a deduction under your particular circumstances.

Taxation of Capital Gains

For U.S. federal income tax purposes, you will recognize taxable gain or loss on any sale or other taxable disposition of ADSs or common shares in an amount equal to the difference between the amount realized for the ADSs or common shares and your tax basis in the ADSs or common shares. Such gain or loss will generally be capital gain or loss. Capital gains of non-corporate U.S. Holders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized by you will generally be treated as U.S. source gain or loss for foreign tax credit purposes. Consequently, in the case of gain from the disposition of ADSs or common shares that is subject to Peruvian income tax, you may not be able to benefit from a foreign tax credit for that Peruvian income tax (i.e., because the gain from the disposition would be U.S. source), unless you can apply the credit (subject to applicable limitations) against U.S. federal income tax payable on other income from foreign sources. In such case, however, the non-creditable Peruvian income tax may reduce the amount realized on the disposition of the ADSs or common shares. You are urged to consult your tax advisors regarding the tax consequences if Peruvian income tax is imposed on a disposition of ADSs or common shares, including the effect of the Foreign Tax Credit Regulations and the availability of the foreign tax credit under your particular circumstances.

Passive Foreign Investment Company

Based on the past and projected composition of our income and assets and the valuation of our assets, we do not believe that we were a PFIC for our most recent taxable year and we do not expect to become a PFIC in the current taxable year or the foreseeable future, although there can be no assurance in this regard. In general, we will be a PFIC for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules, (i) at least 75% of our gross income is passive income, or (ii) at least 50% of the value (generally determined based on a quarterly average) of our assets is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person). The determination of whether we are a PFIC is made annually. Accordingly, it is possible that we may become a PFIC in the current or any future taxable year due to changes in our income or asset composition.

If we are a PFIC for any taxable year during which you hold our ADSs or common shares, you could be subject to additional U.S. federal income taxes on gain recognized with respect to our ADSs or common shares and on certain distributions, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules. In addition, non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from us (as discussed above under “—Taxation of Dividends”) if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. Although the determination of whether we are a PFIC is made annually, if we are a PFIC for any taxable year in which you hold our ADSs or common shares, we would generally continue to be treated as a PFIC with respect to you for all succeeding years during which you hold the ADSs or common shares, even if we ceased to meet the threshold requirements for PFIC status during such years. However, if we cease to be a PFIC, you can avoid the continuing impact of the PFIC rules by making a special election to recognize gain as if your ADSs or common shares had been sold on the last day of the last taxable year during which we were a PFIC.

You will generally be required to file Internal Revenue Service Form 8621 if you hold our ADSs or common shares in any year in which we are classified as a PFIC. If we were to be classified as a PFIC, certain elections may be available that would result in alternative treatments (such as mark-to-market or qualified electing fund treatment) of the ADSs or common shares. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances. U.S. Holders should note, however, that we do not intend to comply with such reporting requirements necessary to permit U.S. Holders to elect to treat the Company as a qualified electing fund. You are urged to consult your tax advisors concerning the U.S. federal income tax consequences of holding our ADSs or common shares if we are considered a PFIC in any taxable year, including the potential availability and effect of any elections which would provide for alternative treatment.

Information with respect to Foreign Financial Assets

U.S. Holders that are individuals (and, to the extent provided in regulations, certain entities) that own “specified foreign assets,” including possibly the ADSs or common shares, with an aggregate value in excess of \$50,000 at the end of the taxable year or \$75,000 at any time during the taxable year are generally required to file IRS Form 8938 with information regarding such assets. Depending on the circumstances, higher threshold amounts may apply. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stock and securities issued by non-U.S. person, (ii) financial instruments and contracts held for investment that have non-U.S. issuer or counterparties, and (iii) interests in non-U.S. entities. If a U.S. Holder is subject to this information reporting regime, the failure to timely file IRS Form 8938 may subject the U.S. Holder to penalties. In addition to these requirements, U.S. Holders may be required to annually file FinCEN Report 114 (Report of Foreign Bank and Financial Accounts) with the U.S. Department of Treasury. U.S. Holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of the common ADSs and common shares.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of our ADSs or common shares and the proceeds from the sale or other disposition of our ADSs or common shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. Backup withholding may apply to such payments if you fail to provide a taxpayer identification number or certification of exempt status or fail to report in full dividend and interest income.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service in a timely manner. Information reporting requirements may apply regardless of whether withholding is required. U.S. Holders should consult their own tax advisors about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of ADSs or common shares. Significant penalties can apply if a U.S. Holder is required to disclose its ADSs or common shares and fails to do so.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership or disposition of our ADSs or common shares. You should consult your own tax advisors concerning the overall tax consequences to you, including the consequences under laws other than U.S. federal income tax laws, of an investment in our ADSs or common shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the U.S. Securities Exchange Act of 1934, or the Exchange Act. Accordingly, we are required to submit reports and other information to the SEC, including annual reports on Form 20-F and reports on Form 6-K. In addition, the SEC maintains an Internet website at <http://www.sec.gov>, from which you can electronically access these materials.

As a foreign private issuer, we are required to file with the SEC annual reports on Form 20-F, but we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act. For example, we are not required to prepare and issue quarterly reports. However, we have furnished, and intend to continue to furnish, our shareholders with quarterly reports containing unaudited financial data for the first three quarters of each fiscal year. In addition, as a foreign issuer, we are not subject to the proxy rules under Section 14 of the Exchange Act and our officers and directors are subject to Section 16 of the Exchange Act relating to insider short-swing profit disclosure and recovery regime.

We send the depositary a copy of all notices that we give relating to meetings of our shareholders or to distributions to shareholders or the offering of rights and a copy of any other report or communication that we make generally available to our shareholders. The depositary makes all these notices, reports and communications that it receives from us available for inspection by registered holders of ADSs at its office. The depositary mails copies of those notices, reports and communications to you if we ask the depositary to do so and furnish sufficient copies of materials for that purpose.

We file financial statements and other periodic reports with the Peruvian Securities Commission in Peru. Issuers of securities registered with the Peruvian Securities Commission are required to disclose material information relating to the issuer. Pursuant to the Securities Market Law and relevant regulations enacted thereunder, all material information in connection with the issuer of registered securities, its activities or securities issued or secured by such issuer which may influence the liquidity or price of such securities must be disclosed. Accordingly, issuers must file with the Peruvian Securities Commission mainly two types of information: (a) financial information, including unaudited interim financial statements on a quarterly basis (which are not required to be subject to limited review), and audited annual consolidated financial statements on an annual basis, and (b) material information relating to the issuer and its activities that may significantly affect the price, offering or negotiation of the issued securities, and in general, all the information that may be relevant for investors to be able to make investment decisions.

I. Subsidiary Information

See the Notes 2.B and 6 to our audited annual consolidated financial statements included in this annual report for a description of our subsidiaries.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a number of market risks arising from our normal business activities, including the possibility that changes in currency exchange rates or interest rates will adversely affect future cash flows and profit or the value of our financial assets and liabilities. From time to time, we enter into derivative transactions to hedge against foreign currencies and interest rate fluctuations. For further information regarding our market risk, see Note 4 to our audited annual consolidated financial statements included in this annual report.

Exchange Rate Risk

We are exposed to market risk associated with changes in foreign currency exchange rates. Our revenues and costs, and our assets and liabilities, are denominated in soles, U.S. dollars, Chilean pesos and, to a lesser extent, other currencies. In 2022, we estimate that 39.3%, 43.8% and 16.9% of our revenues were denominated in soles, U.S. dollars and other currencies (principally Chilean pesos), respectively, while 55.8%, 25.9% and 18.3% of our cost of sales during the year were denominated in soles, U.S. dollars and other currencies. In addition, as of December 31, 2022, 51.8%, 47.3% and 1.0% of our total debt was denominated in soles, U.S. dollars and other currencies, respectively. If, at December 31, 2022, the sol had strengthened/weakened by 2% against the U.S. dollar, with all other variables remaining constant, or pre-tax profit for the year would have increased/decreased by US\$1.2 million (US\$0.1 million in 2021 and S/0.8 million in 2020).

Interest Rate Risk

We may from time to time incur variable interest rate indebtedness, and accordingly our Financial expenses are affected by changes in interest rates. Based upon our indebtedness as of December 31, 2022, the variable interest rate indebtedness outstanding is as follows:

Linea 1 Senior Secured Notes. On February 2015, Linea 1 issued a total of S/629 million (US\$184.3 million) Series A Senior Secured VAC-Indexed Notes due 2039, with an annual interest rate of 4.75% plus adjustments for inflation. As of December 31, 2022, Linea 1 had S/630.0 million (US\$164.9 million) outstanding under these notes.

Bridge Loan. On March 17, 2022, the company entered into a bridge loan credit agreement for up to US\$120 million, with a group of financial entities comprised by *Banco BTG Pactual S.A. - Cayman Branch, Banco Santander Peru S.A., HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC,* and Natixis, New York Branch. The financing will be repaid over a period of 18 months. On April 5, 2022, the loan was disbursed and we used the proceeds to repay certain of our financial and other obligations.

Commodity Price Risk

We are exposed to market risk associated with changes in commodity prices, primarily for oil, steel and cement, which in aggregate represented a majority of our total input cost in 2022. We do not have long-term contracts for the supply of these key inputs. Based upon our consumption of these inputs during 2022, a 10% increase/decrease in the prices of each of oil, steel and cement would have increased/decreased our costs of sales by S/3.8 million, S/0.9 million and S/3.2 million, respectively. However, based on our production of oil during 2022, a 10% increase/decrease in the price of oil would have increased or decreased our revenues by S/38.2 million.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Expenses

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of common shares, issuances in respect of common share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADSs are cancelled or reduced for any other reason, US\$5.00 or less for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a common share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADS holders, by any party depositing or withdrawing common shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US\$0.05 or less per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of US\$0.05 or less per ADS per calendar year (or portion thereof) for services performed by the depository in administering the ADSs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADSs as of the record date or record dates set by the depository during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depository and/or any of the depository's agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the common shares or other deposited securities, the sale of securities, the delivery of deposited securities or otherwise in connection with the depository's or the custodian's compliance with applicable law, rule or regulation (which charge shall be assessed on a proportionate basis against holders as of the record date or dates set by the depository and shall be payable at the sole discretion of the depository by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution or sale of securities pursuant to paragraph 10 of the deposit agreement, such fee being in an amount equal to the US\$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were common shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depository to those holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of common shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- expenses of the depository in connection with the conversion of foreign currency into U.S. dollars.

We will pay all other charges and expenses of the depository and any agent of the depository (except the custodian) pursuant to agreements from time to time between us and the depository. The charges described above may be amended from time to time by agreement between us and the depository.

Our depository has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADS program, including investor relations expenses and exchange application and listing fees. The amounts of reimbursements available to us are not based upon the amounts of fees the depository collects from investors. The depository collects its fees for issuance and cancellation of ADSs directly from investors depositing common shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting on their behalf. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depository will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depository, the depository may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depository, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depository.

During 2022, the depository reimbursed us for expenses in an aggregate amount of US\$125,527.35 (S/472,610.47).

PART II.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

CS Peru Infrastructure Loan

Due to the impact of the COVID-19 pandemic on the company's results of operations, during the third and fourth quarters of 2020 and the first and second quarters of 2021, the company was in default under the CS Peru Infrastructure Loan for failing to maintain its maximum Leverage Ratio (as defined therein). On December 23, 2020, the company and the initial lender signed a waiver and consent agreement in respect of the initial default. The subsequent defaults were resolved during 2021 because we repaid in full the loan on August 13, 2021.

Norvial Corporate Bonds

Due to the impact of the COVID-19 pandemic and government measures to curb the spread of the virus, including the temporary suspension of tolls in Peru pursuant to Law 31018, on our subsidiary Norvial's results of operations, during the second quarter of 2020, Norvial was in default under its corporate bonds for failing to maintain its Debt Service Coverage Ratio (as defined therein). On August 5, 2020, the general assembly of bondholders granted a waiver in respect of the prior default. Norvial is currently in compliance with its financial covenants.

Financial Stability Framework Agreement

In July 2017, the Company and its subsidiaries (Cumbra, Construyendo País S.A., Vial y Vives - DSD and Concesionaria Vía Expresa Sur S.A.) signed a Financial Stability Framework Agreement with the following financial institutions: Scotiabank Perú S.A., Banco Internacional del Perú S.A.A., Banco BBVA Perú S.A., Banco de Crédito del Perú S.A., Citibank del Perú S.A. and Citibank N.A. The objectives of the Financial Stability Framework Agreement were: to guarantee Cumbra a syndicated revolving line of credit for working capital, a non-revolving line of credit to finance repayment commitments subject to performance bonds; to guarantee lines of credit for the issuance of performance bonds and to commit to maintain the existing letters of credit issued to Cumbra's requirements.

At December 31, 2021, the Company was in compliance with the obligations and covenants established in the Financial Stability Framework Agreement.

On March 29, 2022, S/28.2 million and US\$0.3 million corresponding to the total balance of the direct debt of the Financial Stability Framework Agreement (US\$ 7.4 million, equivalent to S/29.5 million, as of December 31, 2021) were paid, and the line of credit for the issuance of letters of guarantee remains in place. Santander Loan

The maturity of a short-term loan from Banco Santander to our subsidiary Cumbra was extended until September 30, 2022. As of the date of this annual report, Cumbra has deposited the full principal amount under the Santander Loan Agreement in the Santander Payment Account of the Guarantee and Management Trust Agreement dated March 28, 2022.

For more information, see "Item 5.B. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness."

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

None.

Use of Proceeds

In December 2018, our company issued and sold a total of 69,380,402 common shares to certain of our company's existing shareholders that exercised preemptive rights in accordance with Peruvian law and pursuant to a private placement. On April 2, 2019, our company issued and sold 142,483,633 common shares pursuant to the private placement, of which: (i) 55,291,877 shares were paid in full and (ii) 87,191,786 shares were paid 50% on such date with 50% paid on June 1, 2019. In total, our company issued and sold 211,864,065 common shares with the proceeds used to reduce debt, to pay our vendors and for working capital for one of our company's subsidiaries.

On August 13, 2021, AENZA issued bonds convertible into common shares in a total principal amount of US\$89.9 million. The bonds mature in February 2024, bear interest at a rate of 8%, and are payable quarterly. Pursuant to the terms and conditions of the convertible bonds, they may be converted into shares as of the sixth month from the date of issuance. In accordance with the terms and conditions of the convertible bonds, holders of convertible bonds in a principal amount equivalent to US\$11 million exercised their conversion rights and on February 28, 2022, we issued 37,801,073 new common shares. Additionally, holders of convertible bonds in a principal amount equivalent to US\$79 million exercised their conversion rights and, on March 31, 2022, we issued an additional 287,261,051 new common shares. After these conversions, the convertible bonds have been fully cancelled.

ITEM 15. CONTROLS AND PROCEDURES

CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Management, with the participation of our company's Chief Executive Officer and Vice President of Corporate Control and Planning, performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Vice President of Corporate Control and Planning, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective. Based on this evaluation, our Chief Executive Officer and Vice President of Corporate Control and Planning concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective due to the existence of the material weaknesses in internal control over financial reporting described below.

B. Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for our company as such term is defined by Exchange Act rules 13(a)-15(f) and 15(d)-15(f). Our company's system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual and interim consolidated financial statements will not be prevented or detected on a timely basis.

Management, with the participation of the Chief Executive Officer and Vice President of Corporate Control and Planning under the oversight of the board of directors evaluated the effectiveness of our internal control over financial reporting as of December 31, 2022, using the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2022, because of the following material weaknesses identified in our internal control over financial reporting.

- Our information technology general controls (ITGCs) related to our information technology (IT) systems were ineffective. Therefore, our automated process-level controls and manual controls dependent upon the accuracy and completeness of information derived from those IT systems were also ineffective, because they could have been adversely impacted.; and
- With regards to compliance with IFRS 15 – Revenue Recognition (IFRS 15), we did not effectively design and implement process-level control activities related to the recognition of revenue and costs within our engineering and construction segment.

Management concluded that these material weaknesses were primarily due to:

- With regards to our control environment, our resources did not have the necessary expertise and accountability for the design, implementation, operation, and documentation of certain internal controls over financial reporting and IT systems.
- Our risk assessment process did not identify relevant risks of material misstatement related to recognition of revenue and costs within our engineering and construction segment and ITGCs.
- Our structures, reporting lines, authorities and responsibilities regarding ITGCs and their impact on process-level controls were not appropriately established. Thus, our information and communication process that identified and assessed the controls necessary to ensure the reliability of the information used in financial reporting and that communicated relevant information about roles and responsibilities for internal control over financial reporting, was not effective.
- Our assessment of the operation of internal control over financial reporting, including monitoring activities, the continued appropriateness of control design and level of supporting documentation was not effective.

The revenue-related control deficiencies resulted in immaterial misstatements to revenue, cost of sales, deferred revenue, work in progress, accounts receivable and accounts payable that have been corrected in our consolidated financial statements as of and for the years ended December 31, 2021, and 2020. However, these control deficiencies created a reasonable possibility that a material misstatement to our annual consolidated financial statements would not be prevented or detected on a timely basis. Therefore, management concluded that the deficiencies represent material weaknesses in our internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2022.

C. Report of the Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.), our independent registered public accounting firm, which audited and reported on the consolidated financial statements as of and for the year ended December 31, 2022 contained in this annual report on Form 20-F, has issued an adverse opinion on the effectiveness of our internal control over financial reporting. Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.)'s report appears on page F-2 of this annual report on Form 20-F.

D. Remediation Plan

In response to the material weaknesses mentioned in Section B above, management, with oversight of the Audit Committee of the Board of Directors, has begun to implement steps to remediate the material weaknesses. Our efforts include the following actions:

- Enhancing our control environment by having sufficient trained staff, holding them accountable and having appropriate structures and reporting lines to enhance our information and communication processes.
- Enhancing policies and procedures to improve our risk assessment in the engineering and construction segment and updating our revenue recognition and cost policies and related accounting processes and internal controls in order to comply with IFRS 15.
- Developing a detailed remediation plan to remediate the ITGC deficiencies including: (i) restructuring the IT organization with the aim of assuring trained and accountable personnel; (ii) defining and implementing a specific ITGC matrix for legacy systems to align them to our current IT objectives; and (iii) enhancing control procedures to assure proper access control and segregation of duties across our IT systems.
- Implementing a Financial Committee, under the oversight of the Audit Committee, to regularly monitor for changes to IFRS, and, if applicable, the application of those changes to timely evaluate potential risks of material misstatement to our consolidated financial statements and the need to effectively design, implement and operate process-level controls in response to those risks of material misstatement.
- Strengthening our overall monitoring of internal control over financial reporting.

The Company will continue to monitor and assess our remediation activities to remediate these material weaknesses as soon as practicable.

E. Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Mr. Carlos Rojas as our Audit and Compliance Committee, qualifies as an “audit committee financial expert,” as defined in the instructions to Item 16A of Form 20-F. Our Board of Directors has also determined that Mr. Rojas fulfills the independence standards set forth in Rule 10A-3 of the U.S. Exchange Act.

ITEM 16B. CODE OF BUSINESS CONDUCT AND ETHICS

We are committed to responsible, honest, transparent and ethical conduct. Our management system enables us to communicate our corporate values and principles to all levels of the organization, offers a confidential reporting mechanism (*canal ético*), and has a governance structure, independent from management, to investigate and remedy potential breaches of our code.

We have adopted a code of business conduct and it applies to our directors, officers, employees and any other party that represents AENZA in any activity. Our code of business conduct is available on our website www.aenza.com.pe. Information on our website is not incorporated by reference in this annual report.

If we make any substantive amendment to the code of business conduct or if we grant any waiver, including any implicit waiver, from a provision of the code of business conduct that applies to our chief executive officer, VP of Corporate Finance and Business Development or Vice President of Corporate Control and Planning, we will disclose the nature of such amendment or waiver in our website or in our next Form 20-F to be filed with the SEC to the extent required under applicable rules. During the year ended December 31, 2022, no such amendment or waiver was granted.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit and Non-Audit Fees

The following table sets forth the fees billed to us by our former independent registered public accounting firm, Moore Assurance S.A.S. (a member firm of Moore Global Network Limited), in connection with its audit of our annual consolidated financial statements for the fiscal year ended December 31, 2021, which are included in this report and by our current independent registered public accounting firm, Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.), in connection with its audit of our annual consolidated financial statements for the fiscal year ended December 31, 2022, which are included in this report.

	For the year ended December 31,	
	2021	2022
	(in thousands of S/)	
Audit fees	4,257	5,338
Audit-related fees	895.8	177
Tax fees	-	-
All other fees	459.7	-
Total fees	5,612.5	5,515

(i) In the years ended December 31, 2021 and December 31, 2022, respectively, the Company paid S/1,154.9 thousand and S/1,403.9 thousand to Ernst & Young Asesores Empresariales S. Civil de R.L. and Ernst & Young Consultores S. Civil de R.L., in relation to tax advisory and consulting services.

(ii) In 2023, the Company paid S/1,623.5 thousand in fees to Moore Assurance S.A.S. (a member firm of Moore Global Network Limited) in relation to consent letters and revision of the Financial Statements for each of the two fiscal years ended December 31, 2020 and December 31, 2021.

Audit fees in the table above are the aggregate fees billed and billable by our independent auditor in connection with the audit of, or audit procedures in connection with, our annual consolidated financial statements and review of our internal controls. As of the date of this annual report, all fees invoiced to us by our previous independent registered public accounting firm, Moore Assurance S.A.S. (a member firm of Moore Global Network Limited) and our current independent registered public accounting firm, Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.), in connection with its respective services rendered to us have been paid or agreed for payment.

Our Audit Committee is responsible for the oversight of the independent auditors and has established pre-approval procedures for the engagement of our registered public accounting firm for audit and non-audit services. Services can only be contracted if they are approved by the Audit Committee, they comply with the restrictions provided under applicable rules and they do not jeopardize the independence of our auditors. All services provided by our prior independent auditor for our fiscal years ended December 31, 2020 and 2021 and by current independent auditor for our fiscal year ended December 31, 2022 were pre-approved by our Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Our Audit and Compliance Committee is comprised by the directors Mr. Carlos Rojas Perla (chairman of the committee), Mr. Santiago Hernando Perez, Mr. Antonio Carlos Valente Da Silva and Mr. Juan Vicente Revilla Vergara.

We disclose that, with respect to the current membership of Mr. Juan Vicente Revilla Vergara on our Audit Committee, the company has relied on the exemption from the independence requirements provided by Rule 10A 3(b)(1)(iv)(D) of the Securities and Exchange Act of 1934, as amended. Pursuant to said rule, a member of the Committee who is an affiliate of the foreign private issuer or a representative of such an affiliate that has only observer status on, and is not a voting member or the chair of, the audit committee, and neither the member nor the affiliate is an executive officer of the foreign private issuer, may be exempted from the independence requirement. Mr. Juan Vicente Revilla Vergara meets the requirements of Rule 10A 3(b)(1)(iv)(D).

Our reliance on the exemption provided by Rule 10A 3 of the Exchange Act, with respect to Mr. Juan Vicente Revilla Vergara, would not materially adversely affect the ability of our Audit and Compliance Committee to act independently.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Previous independent registered public accounting firm

The company is obliged to elect on an annual basis its principal accountant. The election takes place at the annual shareholders' meeting. The audit committee submitted to the board of directors their proposal for the election of the principal accountant for fiscal year 2022. The board of directors, at its meeting held on March 4, 2022, agreed to propose to the annual shareholders' meeting of March 31, 2022, the option to choose among two candidates. At the referred annual shareholders' meeting held on March 31, 2022, Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.) was elected as principal accountant for the fiscal year 2022. As a consequence, Moore Assurance S.A.S. (a member firm of Moore Global Network Limited) was replaced as our independent registered public accounting firm on March 31, 2022. Such replacement became effective upon completion by Moore Assurance S.A.S. of its procedures on the company's financial statements as of and for the year ended December 31, 2021 and the filing of the annual report for fiscal year 2021 filed with the SEC on May 16, 2022.

The reports of Moore Assurance S.A.S. on the company's consolidated financial statements for each of the two fiscal years ended December 31, 2020 and December 31, 2021, respectively, did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

In connection with the audits of the company's consolidated financial statements for each of the two fiscal years ended December 31, 2020 and December 31, 2021, and in the subsequent interim period through May 16, 2022, there have been no disagreements with Moore Assurance S.A.S. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Moore Assurance S.A.S. would have caused Moore Assurance S.A.S. to make reference to the matter in their report. There were no "reportable events" as that term is described in Item 16F(a)(1)(v) of Form 20-F, except for the material weakness reported in Item 15 of the annual report for fiscal year 2021 filed with the SEC on May 16, 2022.

We have requested that Moore Assurance S.A.S. furnish us with a letter addressed to the SEC stating whether it agrees with the above statements. A copy of that letter, dated May 16, 2022, is filed as Exhibit 8.02 filed herewith.

New independent registered public accounting firm

Our shareholders' meeting engaged Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L.) as our new independent registered public accounting firm as of March 31, 2022. During the fiscal years ended December 31, 2021 and 2020 and through March 31, 2022, we did not consult with Emmerich, Córdova y Asociados S. Civil. de R.L. (a member firm of KPMG and formerly Caipo y Asociados S. Civil. de R.L. regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and neither a written report was provided to us or oral advice was provided that Emmerich, Córdova y Asociados S. Civil. de R.L. concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is defined in Item 16F(a)(1)(iv) of Form 20-F or a reportable event as that term is defined in Item 16F(a)(1)(v) of Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer" within the meaning of the NYSE corporate governance standards. Under NYSE rules, a foreign private issuer may elect to comply with the practices of its home country and not to comply with certain corporate governance requirements applicable to U.S. companies with securities listed on the exchange.

We currently follow certain Peruvian practices concerning corporate governance and intend to continue to do so. There are significant differences in the Peruvian corporate governance practices as compared to those followed by United States domestic companies under the NYSE's listing standards.

The NYSE listing standards provide that the Board of Directors of a U.S. listed company must have a majority of independent directors. Under Peruvian corporate governance practices, a Peruvian company is not required to have a majority of independent members on its Board of Directors. Our Audit Committee is comprised of independent directors under SEC rules applicable to foreign private issuers.

The listing standards for the NYSE also require that U.S. listed companies have a nominating/corporate governance committee and a compensation committee (in addition to an audit committee). Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards. Under Peruvian law, a Peruvian company may, but is not required to, form such committees, which may be composed partially or entirely of non-independent directors. Accordingly, we do not have a nominating/corporate governance committee and a compensation committee.

In addition, NYSE rules require the independent non-executive directors of U.S. listed companies to meet on a regular basis without management being present. There is no similar requirement under Peruvian law, accordingly, we do not have such meetings.

The NYSE's listing standards also require U.S. listed companies to adopt and disclose corporate governance guidelines. In July 2002, the Peruvian Securities Commission and a committee comprised of regulatory agencies and associations prepared and published a list of suggested non-mandatory corporate governance guidelines called the "Principles of Good Governance for Peruvian Companies." These principles are disclosed on the Peruvian Securities Commission web page <http://www.smv.gob.pe> and the Lima Stock Exchange web page <http://www.bvl.com.pe>. Although we have implemented a number of these measures and have been selected to form part of the Best Corporate Governance Practices Index of the Lima Stock Exchange, we are not required to comply with the referred corporate governance guidelines by law or regulation.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

See our consolidated financial statements beginning at page F-1 of this annual report. See also Oil and Gas Supplementary Schedules beginning on page S-1.

ITEM 19. EXHIBITS

The agreements and other documents filed as exhibits to this annual report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and for the benefit of the other parties to the agreements and they may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit Number	Description
1.01****	By-Laws of the Registrant, as currently in effect
2.01**	Registrant's Form of American Depositary Receipt
2.02**	Deposit Agreement, dated as of December 31, 2018, among the Registrant, The Bank of New York Mellon, as depositary, and all owners and holders from time to time of American depositary shares issued thereunder
8.01	Subsidiaries of the Registrant
8.02	Moore Assurance S.A.S. Letter
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10.01.1***	Amendment, Waiver and Consent, dated as of February 28, 2020, by and between Aenza, as borrower, and CS Peru Infrastructure Holdings LLC, as initial lender.
10.01.2****	Waiver and Consent Agreement, dated December 23, 2020, by and between Aenza, as borrower, and CS Peru Infrastructure Holdings LLC, as initial lender.
10.02	Credit Agreement, dated as of March 17, 2022, by and between Aenza, as borrower, and Banco BTG Pactual S.A. - Cayman Branch, Banco Santander Peru S.A., HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, and Natixis, New York Branch, as lenders.
10.03*	English translation of Section 20 of Concession Agreement, dated as of July 22, 2014, by and among the Peruvian Ministry of Energy and Mines, as contracting authority and the concessionaire party thereto.
10.04*	English translation of Memorandum of Understanding, dated as of September 26, 2017, by and among Aenza, Negocios de Gas S.A., Enagás S.A., Odebrecht S.A., and Inversiones en Infraestructura de Transporte por Ductos S.A.C.
10.04.1*	English translation of Rights Subordination Agreement, dated as of April 29, 2016, by and among Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., and Gasoducto Sur Peruano S.A.
10.04.1.1*	English translation of Addendum No. 1, dated as of June 24, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.04.1.2*	English translation of Addendum No. 2 and Assignment Agreement, dated as of August 11, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.04.1.3*	English translation of Modification to Addendum No. 2 and Assignment Agreement, dated as of October 25, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.05*	English translation of Financial Stability Framework Agreement, dated as of July 31, 2017, by and among, inter alia, Aenza, as borrower, and Scotiabank Perú S.A.A., Banco Internacional del Perú S.A.A., BBVA Banco Continental, Banco de Crédito del Perú, Citibank del Perú S.A. and Citibank, N.A., as lenders.
10.06***	Description of Securities Registered Pursuant to Section 12 of the Exchange Act
12.01	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
12.02	Certification of the Vice President of Corporate Control and Planning pursuant to Section 302 of the Sarbanes-Oxley Act
13.01*****	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
13.02*****	Certification of the Vice President of Corporate Control and Planning pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
101. INS	XBRL Instance Document
101. SCH	XBRL Taxonomy Extension Schema Document
101. CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF	XBRL Taxonomy Extension Definition Linkbase Document
101. LAB	XBRL Taxonomy Extension Label Linkbase Document
101. PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on May 15, 2018.
 ** Incorporated herein by reference to the Registrant's registration statement on Form F-6 filed with the SEC on December 10, 2018.
 *** Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on June 25, 2020.
 **** Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on May 17, 2021.
 ***** This certification will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. §78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on Form 20-F on its behalf.

AENZA S.A.A.

By: /s/ Andre Mastrobuono
Name: Andre Mastrobuono
Title: Chief Executive Officer

By: /s/ Oscar Pando Mendoza
Name: Oscar Pando Mendoza
Title: Vice President of Corporate Control and Planning

Date: May 15, 2023

Supplementary Data (Unaudited)

Oil and Gas Producing Activities

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 932, "Extractive Activities-Oil and Gas," and regulations of the U.S. Securities and Exchange Commission (SEC), our company has included certain supplemental disclosures about its oil and gas exploration and production operations.

All information in the following supplemental disclosures related to Blocks I, III, IV and V.

A. Reserve Quantity Information

UNNA Energía S.A.'s net proved reserves in the fields in which they operate and changes in those reserves for operations are disclosed below. The net proved reserves represent our company's best estimate of proved oil and natural gas reserves. For 2020, 2021, and 2022, reserve estimates have been evaluated by its technical staff (reservoir engineers and geoscience professionals) and submitted to its Reserve Development Committee. The estimates for all years presented conform to the definitions found in FASB ASC paragraph 932-10-65-1 and Rule 4-10(a) of Regulation S-X.

Proved oil reserves are those quantities of oil, which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible, based on prices used to estimate reserves, from a given date forward from known reservoirs, and under existing economic conditions, operating methods, and government regulation prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

The term "reasonable certainty" implies a high degree of confidence that the quantities of oil actually recovered will equal or exceed the estimate. To achieve reasonable certainty, our company's engineers and independent petroleum consultants relied on technologies that have been demonstrated to yield results with consistency and repeatability. The technologies and economic data used to estimate our company's proved reserves include, but are not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information and property ownership interests.

PROVED RESERVES ⁽¹⁾

	Total		Peru	
	Oil (MBBL)	Gas (MMcf)	Oil (MBBL)	Gas (MMcf)
Proved developed and undeveloped reserves, December 31, 2020	25,245	56,416	25,245	56,416
Revisions of previous estimates ⁽⁴⁾	1,166	325	1,166	325
Enhanced oil recovery	—	—	—	—
Purchases	—	—	—	—
Production	(1,113)	(1,414)	(1,113)	(1,414)
Sales in place	—	—	—	—
Proved developed and undeveloped reserves, December 31, 2021	25,298	55,327	25,298	55,327
Revisions of previous estimates ⁽⁴⁾	1,819	(30,630)	1,819	(30,630)
Enhanced oil recovery	—	—	—	—
Purchases	—	—	—	—
Production	(1,115)	(696)	(1,115)	(696)
Sales in place	—	—	—	—
Proved developed and undeveloped reserves, December 31, 2022⁽²⁾⁽³⁾	26,002	24,001	26,002	24,001

(1) Proved reserves estimated in oil and gas properties located in Blocks III, IV and V (Talara and Paita) under one service contracts and two license contracts with Perupetro. The rights to produce hydrocarbons expire in October 2023 for Block V and April 2045 for Blocks III and IV. The proved reserves estimated in this report constitute all of the proved reserves under contract by UNNA Energía S.A.

- (2) The revisions in reserve estimates are based on new information obtained as a result of drilling activities and workovers. During 2021 and 2022, proved developed reserves of crude oil increased due to drilling activities in Block III and Block IV.
- (3) As of December 31, 2021, the associated gas reserves were 55,326 MMCF. As of December 31, 2022, the associated gas reserves were 24,001 MMCF.
- (4) Gas reserves as of December 31, 2022 were lower than gas reserves as of December 31, 2021 due to the inability to monetize gas available in Block III and considering only the volume of gas contracted from Gasnorp of 1,606 MMSCF of proved reserves.

**RESERVE QUANTITY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Total		Peru	
	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Proved developed reserves				
<i>Beginning of year</i>	10,366	14,881	10,366	14,881
<i>End of year</i>	9,314	18,529	9,314	18,529
Proved undeveloped reserves				
<i>Beginning of year</i>	18,301	12,589	18,301	12,589
<i>End of year</i>	15,931	37,887	15,931	37,887

**RESERVE QUANTITY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Total		Peru	
	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Proved developed reserves				
<i>Beginning of year</i>	9,314	18,529	9,314	18,529
<i>End of year</i>	8,647	8,647	8,647	15,984
Proved undeveloped reserves				
<i>Beginning of year</i>	15,931	37,887	15,931	37,887
<i>End of year</i>	16,651	39,342	16,651	39,342

**RESERVE QUANTITY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Total		Peru	
	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Proved developed reserves				
<i>Beginning of year</i>	8,647	15,984	8,647	15,984
<i>End of year</i>	10,226	11,345	10,226	11,345
Proved undeveloped reserves				
<i>Beginning of year</i>	16,651	39,342	16,651	39,342
<i>End of year</i>	15,776	12,656	15,776	12,656

B. Capitalized Costs Relating to Oil and Gas Producing Activities

The following table sets forth the capitalized costs relating to our company's crude oil and natural gas producing activities for the years indicated:

	2018	2019	2020 (in US\$ thousands)	2021	2022
Proved properties					
<i>Concessions</i>					
<i>Mineral property, wells and related equipment</i>	39,069	84,960	99,129	121,657	146,052
<i>Drilling and Works in progress and Replacement Units</i>	6,188	10,767	11,920	—	—
Total Proved Properties	45,257	95,727	111,049	121,657	146,052
Unproved properties	—	—	—	—	—
Total Property, Plant and Equipment	45,257	95,727	111,049	121,657	146,052
Accumulated depreciation, depletion, and amortization, and valuation allowances	(17,774)	(36,672)	(45,426)	(32,378)	(31,054)
Net capitalized costs	27,482	59,054	65,624	89,279	114,997

C. Costs Incurred in Oil and Natural Gas Property Acquisition, Exploration and Development Activities

The following table sets forth costs incurred related to our company's oil and natural gas activities for the years indicated:

	2018	2019	2020 (in US\$ thousands)	2021	2022
Acquisition costs of properties⁽¹⁾					
Proved	—	—	—	—	—
Unproved	—	—	—	—	—
Total acquisition costs	—	—	—	—	—
Exploration costs	(1,121)	—	—	—	—
Development costs	(25,192)	(44,612)	(13,300)	86,314	(24,107)
Total	(26,313)	(44,612)	(13,300)	86,314	(24,107)

(1) Our company has not incurred in any cost related to Oil and Gas property acquisition for all years presented.

D. Results of Operations for Oil and Natural Gas Producing Activities

The results of operations for oil and natural gas producing activities, excluding overhead costs and interest expenses, are as follows for the years indicated:

	2018	2019	2020 (in US\$ thousands)	2021	2022
Revenues					
Additional Revenues of Gas Extraction Services	96,543	100,042	55,919	81,774	107,051
Total Revenues⁽¹⁾	96,543	100,042	55,919	81,774	107,051
Production Costs	(31,431)	(32,741)	(26,344)	(29,048)	(26,861)
Costs of Labor	(2,099)	(2,571)	(3,791)	(5,180)	(5,399)
<i>Repairs and Maintenance</i>	(2,421)	(3,343)	(2,984)	(3,560)	(3,070)
<i>Materials, supplies and fuel consumed and supplies utilized</i>	(9,704)	(8,373)	(6,170)	(5,331)	(27)
<i>External services, insurances, security and others</i>	(7,979)	(9,684)	(8,427)	(8,465)	(9,185)
<i>Operation office and staff expenses</i>	(9,228)	(8,771)	(4,971)	(6,512)	(9,180)
<i>Additional Natural Gas supply costs after price adjustment Royalties</i>	(30,892)	(31,508)	(13,002)	(26,715)	(50,264)
DD&A Expenses	(17,690)	(19,417)	(15,719)	(14,353)	(13,642)
Income (loss) before Income tax expenses	16,530	16,376	855	11,657	16,284
Income tax expenses ⁽²⁾	(4,876)	(4,831)	(252)	(3,439)	(4,804)
Results of operations from producing activities	11,654	11,545	602	8,218	11,480

(1) Income after deductions for UNNA Energía S.A.'s share of government royalties according to contract obligations. There are no sales or transfers to our company's other operations.

(2) In 2018, the Peruvian government retained the legal tax rate at 29.5%. In 2019, the legal tax rate was 30.25%. In 2020, 2021, and 2022, the legal tax rate was 29.5%.

E. Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows, related to the proved reserves is based on estimates of net proved reserves and the period during which they are expected to be produced. Future cash inflows are computed by applying the twelve-month period unweighted arithmetic average of the price as of the first day of each month within that twelve-month period, unless prices are defined by contractual arrangements, after royalty share of estimated annual future production from proved oil and gas reserves.

Future production and development costs to be incurred in producing and further developing the proved reserves are based on year end cost indicators. Future Income tax expenses are computed by applying year end statutory tax rates.

The following chart shows standardized measures of discounted future net cash flows for the periods indicated:

	2018	2019	2020	2021	2022
Future Cash inflows⁽¹⁾	2,041,128	1,836,895	1,181,526	1,803,959	2,484,477
Future production costs	(1,446,949)	(1,311,758)	(722,422)	(1,063,655)	(1,701,600)
Future development costs	(232,432)	(338,141)	(336,998)	(374,581)	(353,192)
Future production and development costs⁽²⁾	(1,679,381)	(1,649,899)	(1,059,419)	(1,438,236)	(2,054,792)
Future Income tax expenses ⁽³⁾	(106,715)	(52,800)	(34,192)	(102,402)	(120,312)
Future Net cash flows	255,031	134,196	87,915	263,320	309,373
10% annual discount for estimates timing of cash flows	(115,518)	(62,683)	(41,343)	(140,385)	(83,845)
Standardized measure of discounted Future Net Cash Flows⁽⁴⁾	139,514	71,512	46,571	122,935	225,528

(1) For oil volumes, per barrel prices after deductions of UNNA Energia S.A.'s share government royalties used in determining future cash inflows for the years ended December 31, 2018, 2019, 2020, 2021 y 2022 were US\$49.82, US\$64.72, US\$38.06, US\$38.48 and US\$46.68 respectively. For gas volumes, gas price is linked to the oil price according to the gas purchase contract.

(2) Production costs and developments costs relating to future production of proved reserves are based on the continuation of existing economic conditions. Future estimated decommissioning costs are included.

(3) Taxation is computed using the appropriate year-end statutory corporate income tax rates.

(4) Future net cash flows from oil production are discounted at 10% regardless of assessment of the risk associated with its production activities.

F. Changes in Standardized Measure of Discounted Future Net Cash Flows

The following chart shows changes in standardized measures of discounted future net cash flows for the periods indicated:

	2018	2019	2020	2021	2022
	(in US\$ thousands)				
Standardized measure of discounted Future Net Cash Flows, beginning of the year	140,353	139,514	71,512	46,571	122,935
Revenue less production and other costs	(127,974)	(132,783)	(82,263)	(110,821)	(133,913)
Net changes in future development costs	(6,204)	(53,324)	(15,668)	(54,441)	(20,671)
Changes in price, net of production costs	(68,095)	(55,359)	(5,137)	154,531	19,893
Development cost incurred	29,218	44,612	13,300	(86,314)	24,107
Revisions of previous quantity estimates	72,852	9,882	(14,850)	(53,612)	90,931
Accretion of discount	99,822	87,508	58,757	91,413	88,461
Net change in Income tax expenses	427	30,250	10,277	(26,809)	(22,988)
Timing difference and other	(886)	1,213	10,643	162,417	56,773
Standardized measure of discounted Future Net Cash Flows, end of the year	139,514	71,512	46,571	122,935	225,528

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10.02	Credit Agreement, dated as of March 17, 2022, by and between Aenza, as borrower, and Banco BTG Pactual S.A. - Cayman Branch, Banco Santander Peru S.A., HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, and Natixis, New York Branch, as lenders.
10.03*	English translation of Section 20 of Concession Agreement, dated as of July 22, 2014, by and among the Peruvian Ministry of Energy and Mines, as contracting authority and the concessionaire party thereto.
10.04*	English translation of Memorandum of Understanding, dated as of September 26, 2017, by and among Aenza, Negocios de Gas S.A., Enagás S.A., Odebrecht S.A., and Inversiones en Infraestructura de Transporte por Ductos S.A.C.
10.04.1*	English translation of Rights Subordination Agreement, dated as of April 29, 2016, by and among Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., and Gasoducto Sur Peruano S.A.
10.04.1.1*	English translation of Addendum No. 1, dated as of June 24, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.04.1.2*	English translation of Addendum No. 2 and Assignment Agreement, dated as of August 11, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.04.1.3*	English translation of Modification to Addendum No. 2 and Assignment Agreement, dated as of October 25, 2016, to the Rights Subordination Agreement, dated as of April 29, 2016, by and among, inter alia, Odebrecht Latinvest Peru Ductos, S.A., Odebrecht S.A., Enagás, S.A., Aenza, Cumbra, Negocios de Gas S.A., Inversiones en Infraestructura de Transporte por Ductos S.A.C., Gasoducto Sur Peruano S.A., Odebrecht Perú Ingeniería y Construcción S.A.C., and Constructora Norberto Odebrecht S.A., Sucursal del Perú.
10.05*	English translation of Financial Stability Framework Agreement, dated as of July 31, 2017, by and among, inter alia, Aenza, as borrower, and Scotiabank Perú S.A.A., Banco Internacional del Perú S.A.A., BBVA Banco Continental, Banco de Crédito del Perú, Citibank del Perú S.A. and Citibank, N.A., as lenders.
10.06***	Description of Securities Registered Pursuant to Section 12 of the Exchange Act
12.01	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
12.02	Certification of the Vice President of Corporate Control and Planning pursuant to Section 302 of the Sarbanes-Oxley Act
13.01*****	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
13.02*****	Certification of the Vice President of Corporate Control and Planning pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
101. INS	XBRL Instance Document
101. SCH	XBRL Taxonomy Extension Schema Document
101. CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF	XBRL Taxonomy Extension Definition Linkbase Document
101. LAB	XBRL Taxonomy Extension Label Linkbase Document
101. PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on May 15, 2018.
 ** Incorporated herein by reference to the Registrant's registration statement on Form F-6 filed with the SEC on December 10, 2018.
 *** Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on June 25, 2020.
 **** Incorporated herein by reference to the Registrant's Form 20-F filed with the SEC on May 17, 2021.
 ***** This certification will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. §78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

AENZA S.A.A. and Subsidiaries

Consolidated Financial Statements

As of December 31, 2020, 2021 and 2022

Content	Page
Report of Independent Registered Public Accounting Firm for year ended December 31, 2022 Financial Statements (Emmerich, Córdova y Asociados S. Civil de R.L.; PCAOB ID : 2282; Location: Lima, Peru)	F-2
Report of Independent Registered Public Accounting Firm for year ended December 31, 2020 and December 31, 2021 Financial Statements (MOORE ASSURANCE SAS; PCAOB ID : 6006; Location: Bogotá, Colombia)	F-7
Consolidated Statements of Financial Position	F-12
Consolidated Statements of Profit or Loss	F-13
Consolidated Statements of Other Comprehensive Income	F-14
Consolidated Statements of Changes in Equity	F-15
Consolidated Statements of Cash Flows	F-16
Notes to the Consolidated Financial Statements	F-17 - F-129

S/ = Sol
US\$ = US dollar

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
AENZA S.A.A.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of AENZA S.A.A. and subsidiaries (the "Company") as of December 31, 2022, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated May 15, 2023 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of the trade account receivable from Gasoducto Sur Peruano S.A.

As discussed in Notes 5(a)(iv), 11(b) and 14(a)(i) to the consolidated financial statements, the Company has a 20% investment in Gasoducto Sur Peruano S.A. (GSP), which entered into a concession agreement with the Peruvian Government in 2014. In January 2017, The Peruvian Ministry of Energy and Mines early terminated the agreement due to the fact that GSP did not accredit the financial closure within the contractual term. In December 2017, GSP started bankruptcy proceedings, in which the Company was part of the GSP's creditors. In addition, the Liquidation Agreement of GSP was approved by the Board of Creditors to execute this proceeding, by which GSP believes it can recover the net carrying amount (NCA) of the concession assets from the Peruvian Government and, as a consequence, the Company expects to recover the accounts receivable. The Company had an account receivable from GSP for S/ 542.3 million, net, as of December 31, 2022.

We identified the assessment of the valuation of the trade account receivable from GSP as a critical audit matter. Subjective auditor judgment was required to evaluate the Company's assessment of the recoverable amount of this trade account receivable due to the possible course of actions the Board of Creditors could elect and the timing for their execution. In addition, the assessment of the discount rate used in the determination of the trade accounts receivable from GSP required specialized skills and knowledge. In this type of complex and long-term proceedings, the Company's key assumptions, such as, the recoverability of the NCA of the concession assets and the term of recovery, may vary in the future.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's assessment of the recovery of this trade account receivable from GSP. We evaluated the Company's and its external legal advisors' assessment of the early termination of the concession agreement, and the corresponding conclusions that impacted the assessed recoverable amount of the trade account receivable. We evaluated the report from the Company's external legal advisors with respect to the recovery process executed by the Board of Creditors. We involved legal professionals with specialized skills and knowledge, who assisted in the evaluation of the expected term of recovery used by the Company. We involved valuation professionals with specialized skills and knowledge, who assisted in the assessment of the discount rate used by the Company at December 31, 2022 by developing an independent range of discount rates and comparing those to the amounts used by the Company.

Provisions for civil reparation and the sanctioning administrative process

As discussed in Notes 1(c) and 21(a) to the consolidated financial statements, as of December 31, 2022, the Company recorded a provision for civil reparation for S/ 488.9 million that corresponds to a legal contingency related to the participation of the Company and two of its subsidiaries as minority partners in developed infrastructure projects in Peru, with companies belonging to the Odebrecht Group and construction projects related to the Construction Club. As result of the criminal investigations conducted by the Public Ministry, on September 15, 2022 the Company subscribed the final Plea Agreement with the Public Prosecutor's Office and the Attorney General's Office, establishing the amount of the civil reparation to the Peruvian State. The Plea Agreement enforceability is subject to court approval by the Peruvian Justice Court. Additionally, as of December 31, 2022, the Company recorded a provision for contingencies for S/ 52.4 million in relation to the sanctioning administrative process conducted by Peruvian National Institute for the Defense of Fee Competition and the Intellectual Property Protection (INDECOP) related to the Construction Club, for which the Company is awaiting the rule in the final INDECOP's administrative instance.

We identified the evaluation of the provisions for civil reparation and the sanctioning administrative process as a critical audit matter. Subjective auditor judgment was required to evaluate the Company's determination of the probable compensation for the civil reparation to the Peruvian State and the probable penalty as a result of the INDECOP's sanctioning administrative process due to the complexity, uncertainty and length of the legal and administrative processes.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to these provisions for contingencies. We evaluated the report of the external legal advisors of the Company in relation to their assessment of the Plea Agreement and the INDECOP's sanctioning administrative process. We read the Plea Agreement subscribed on September 15, 2022, between the Public Prosecutor's Office, Attorney General's Office, and the Company, and we compared the amounts described in the Plea Agreement and the amounts recognized in the consolidated financial statements.

Revenue recognition for engineering and construction contracts with customers

As discussed in Note 2.W to the consolidated financial statements, the Company recognizes revenue from engineering and construction contracts with customers over time using the output method to measure the physical percentage-of-completion, which is based on surveys of performance by the Company's experts. The Company recorded S/ 2,451 million of revenue from construction contracts for the year ended December 31, 2022.

We identified the evaluation of revenue recognition for engineering and construction contracts with customers as a critical audit matter. Evaluating the Company's determination of the physical percentage-of-completion based on surveys of performance by the Company's specialist involved a high degree of subjective auditor judgment. Specialized skills and knowledge were also required to evaluate the Company's determination of the physical percentage of completion.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the professional qualifications and the knowledge, skills, and ability of the Company's specialists involved in measuring the contract's physical percentage-of-completion. For a sample of construction revenue, we (i) inspected contracts signed between the Company and customers to evaluate the effects on revenue recognition of the relevant contractual conditions, (ii) analyzed the underlying documentation for the revenue recognized, (iii) interviewed and inspected documentation prepared by project personnel and (iv) involved professionals with specialized skills and knowledge in engineering, who assisted in the evaluation of the physical percentage-of-completion of the sample of construction revenue based on information provided by the Company.

/s/ Emmerich, Córdova y Asociados S. Civil de R.L.

We have served as the Company's auditor since 2022. Lima, Peru

May 15, 2023

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
AENZA S.A.A.:

Opinion on Internal Control Over Financial Reporting

We have audited AENZA S.A.A. and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission". In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of December 31, 2022, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements), and our report dated May 15, 2023 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- The information technology general controls (ITGCs) related to the Company's information technology (IT) systems were ineffective. Therefore, the automated process-level controls and manual controls dependent upon the accuracy and completeness of information derived from those IT systems were also ineffective, because they could have been adversely impacted; and
- With regards to compliance with IFRS 15 – *Revenue Recognition* (IFRS 15), the Company did not effectively design and implement process-level control activities related to the recognition of revenue and costs within the engineering and construction segment.

These material weaknesses were primarily due to:

- With regards to the Company's control environment, the Company's resources did not have the necessary expertise and accountability for the design, implementation, operation, and documentation of certain internal controls over financial reporting and IT systems.
- The Company's risk assessment process did not identify relevant risks of material misstatement related to recognition of revenue and costs within the engineering and construction segment and ITGCs.
- The Company's structures, reporting lines, authorities and responsibilities regarding ITGCs and their impact on process-level controls were not appropriately established. Thus, the Company's information and communication process that identified and assessed the controls necessary to ensure the reliability of the information used in financial reporting and that communicated relevant information about roles and responsibilities for internal control over financial reporting, was not effective.
- The Company's assessment of the operation of internal control over financial reporting, including monitoring activities, the continued appropriateness of control design and level of supporting documentation was not effective.

The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Emmerich, Córdova y Asociados S. Civil de R.L.

We have served as the Company's auditor since 2022. Lima, Peru

May 15, 2023

Emmerich, Cordova y Asociados S. Civil de R.L.,
PCAOB ID: 2282
Lima, Peru



INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors
AENZA S.A.A. and Subsidiaries

Report of Independent Registered Public Accounting Firm
To the Board of Directors and Shareholders of Aenza S.A.A. and its subsidiaries

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Aenza S.A.A. and its subsidiaries (the "Company") as of December 31, 2021, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the two years in the period ended December 31, 2021, and the related notes. We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations and their cash flows for each of the two years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Also, in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because material weaknesses in internal control over financial reporting existed as of that date related to deficiencies in the operational effectiveness of controls over SOX compliance. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in the Management Report on Internal Control over Financial Reporting appearing under Item 15. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Emphasis of Certain Matters

1. As discussed in Note 1 to the financial statements, Aenza S.A.A., in the so-called Lava Jato case, participated as a minority partner, directly and/or through subsidiaries and other entities with companies of the Odebrecht Group for the development of six projects of infrastructure; Cumbra Perú S.A. and Unna Transporte S.A.C. (formerly Concar S.A.C) (both subsidiaries of AENZA S.A.A.) were included in the criminal investigation that the Peruvian authorities have been carrying out for the alleged crime of corruption in relation to the Construction Club. Based on the Agreement entered into with the Prosecutor's Office and the Attorney General's Office on May 21, 2021, the Company registered in the financial statements as of December 31, 2021, the present value of the provision for the amount of S/240.1 million. The specific terms and conditions of the aforementioned Agreement are subject to judicial approval. Additionally, the National Institute for the Defense of Free Competition and the Protection of Intellectual Property of Peru (INDECOP), has incorporated Cumbra Perú S.A. in some administrative sanctioning procedure related to the Construction Club and has incorporated Cumbra Peru S.A. and Unna Transporte S.A.C. in some administrative sanctioning procedure related to the labor recruitment market in the construction sector. The company and its legal advisors estimate that the fine related to the Construction Club amounts to S/52.6 million and that the fine related to the labor recruitment market in the construction sector amounts to S/4.8 million, which have been registered in the financial statements as of December 31, 2021. Management of the Company cannot rule out the possibility of finding, in the future, adverse evidence, nor does it rule out that the authorities or third parties find, in the future, adverse evidence not currently known regarding other projects developed during the period under investigation.
2. As indicated in Notes 12 and 15 to the consolidated financial statements, the Company has an account receivable from Gasoducto Sur Peruano (associate) for S/ 643.8 million as of December 31, 2021. Gasoducto Sur Peruano entered into a bankruptcy process due to the early termination of the concession contract with the Peruvian government to build, operate and maintain the transportation system for natural gas pipelines; this process is in the creditors' recognition stage that will form the creditors' assembly. Based on the preliminary plea agreement signed with the Peruvian authorities, the Company desisted from requesting arbitration for the collection of that debt; however, according to the opinion of its legal advisors, the Company considers that Gasoducto Sur Peruano can exercise its right to collect from the Peruvian State for the net book value of the concession assets and thus recover the corresponding accounts receivable



Basis for Opinion

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the "Management's Report on Internal Control over Financial Reporting" referred to above. Our responsibility is to express an opinion on these financial statements and the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Provision for civil reparation

As described in note 22 to the consolidated financial statements, as of December 31, 2021, the company has registered a legal contingency for civil reparation amounting to S/240.1 million. That value corresponds to a probable compensation related to the participation of the Company and its subsidiaries as minority partners in certain entities that developed infrastructure projects in Peru with companies belonging to the Odebrecht group and the projects associated with the Construction Club. As indicated in notes 1 and 22, the Company recognized the civil compensation provisions based on the projects that have been reviewed with the Ad Hoc Prosecutor, the formulas established in Law 30737, and the conditions based on the Agreement entered into with the Prosecutor's Office on May 21, 2021. The use of estimates and judgments based on the negotiations developed during the plea agreement process is required by management to determine its provision. The principal considerations for our determination that performing procedures related to the legal provision of civil reparation is a critical audit matter are (i) the important judgments that may arise once the final plea agreement is signed, which led to (ii) a high degree of auditor judgment, subjectivity, and the effort in performing procedures related to the provision of civil reparation. Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included: (i) holding meetings with management to understand the process of updating the value of the registered civil reparation provision; (ii) requesting written and verbal communications from the general management and the audit committee on this matter; (iii) reading and evaluating the responses to our inquiries made to the company's legal advisor for matters related to the plea agreement process that could have an impact on determining the updated present value of the estimated liability as of December 31, 2021; (iv) evaluating the competence and capabilities of the external legal counsel that assessed the likelihood of loss and the estimate of the outflow of resources; (v) reviewing and testing the assumptions used in updating the present value of the provision based on . and (vi) testing the mathematical accuracy of the data that supports the calculation of the provision.

Valuation of account receivable related to Gasoducto Sur Peruano

As described in notes 12 and 15 to the consolidated financial statements, Aenza S.A.A. as of December 31, 2021, has an account receivable from an associated entity, Gasoducto Sur Peruano (hereinafter GSP), for S/643.8 million. GSP entered into a bankruptcy process due to the early termination of the concession contract with the Peruvian government to build, operate and maintain the transportation system through natural gas pipelines. This process is in the recognition stage of the creditors that will make up the Board of Creditors. As described in the emphasis paragraph of this report, based on the preliminary plea agreement signed with the Peruvian authorities, the Company withdrew from requesting arbitration for the collection of this debt; however, according to the opinion of its legal advisors, the Company believes GSP can exercise its right to collect from the Peruvian State for the Net Book Value of the concession assets and in this way recover the corresponding accounts receivable. The use of estimates and based judgments to calculate the amount of the account receivable that can be recovered is required by management to determine whether its related provision should be adjusted. The principal considerations for our determination that performing procedures related to updating the collection right to GSP is a critical audit matter are (i) the significant judgment of management in determining whether the receivable was impaired, which led to (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures related to the value recorded as a collection right from GSP as of December 31, 2021, as well as the uncertainty about the final outcome of the resolution that exists in this type of process due to its long duration and complexity, so the estimates made by the company's management based on the opinions of its advisors could vary in the future. Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included: (i) conducting meetings with management to understand the process of updating the GSP collection right developed by the corporate financial management and the corporate accounting management of the Company, (ii) reading and evaluating the responses to our inquiries made to y the company's legal advisor on this matter and (iii) obtaining and evaluating the assumptions used in the calculations made by management regarding the updated valuation of the GSP collection right as of December 31, 2021.

Uncertainty in determining the value of provision related to sanctioning administrative process by a Peruvian regulatory entity

As described in note 1 to the consolidated financial statements, on February 11, 2020, the subsidiary Cumbra Peru S.A. was notified by the Technical Secretary (the “TS”) of the Commission for the Defense of Free Competition (the “Commission”) of the Peruvian National Institute for the Defense of Free Competition and the Protection of Intellectual Property (“INDECOPI”) with the resolution that begins a sanctioning administrative procedure that involves a total of 35 companies and 28 natural persons, for alleged anti-competitive conduct in the market for public works. The resolution does not include the assignment of responsibilities or the result of the administrative sanctioning procedure, which will be determined at the end of the aforementioned procedure. The proceeding has concluded its evidentiary stage and the TS has recommended that the Commission impose a fine which amount has been objected. The decision of the Commission will conclude the first instance of the proceeding and can be appealed before the Tribunal of INDECOPI. As described in note 22 to the consolidated financial statements, the Company has recognized a provision in the amount of S/52.6 million, the result of a calculation based on its external advisor’s assessment of the case. Additionally, as described in note 22 to the consolidated financial statements, on February 7, 2022, both subsidiaries, Cumbra Peru S.A. and Unna Transporte S.A.C, were both notified that INDECOPI resolved to initiate an administrative sanctioning procedure regarding the alleged horizontal collusive practice in the modality of concerted sharing of suppliers in the market of hiring workers in the construction sector at national level between the years 2011 and 2017. As of December 31, 2021, the Company and its legal advisors have estimated a provision of S/4.8 million. The principal considerations for our determination that performing procedures relating to sanctioning administrative process provision is a critical audit matter are (i) the uncertainty in determining the present value of the sanction, so the estimates made by Management, based on the opinions of its legal advisors, could vary in the future, which led to (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s significant assumptions related to the estimated liability recognized as a consequence of their alleged connection to the Construction Club and the sanctioning administrative procedure for the alleged execution of a horizontal collusive practice Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included: (i) holding meetings to understand management’s process of updating the present value of the estimated liability recognized for its connection to the Construction Club, and the sanctioning administrative procedure for the alleged execution of a horizontal collusive practice (ii) reading and evaluating the responses to our inquires made to the company’s legal advisor for matters related to this legal claim and (iii) evaluating the assumptions used to determine the amount provisioned based on its external advisor’s assessment of the case as of December 31, 2021.

Impairment assessment of certain accounts receivable, other assets and contingencies

As described in note 13 to the consolidated financial statements, Aenza S.A.A. through its subsidiary Cumbra Peru S.A. maintains a lawsuit filed against a customer for an approximate amount of US\$78 million for damages suffered as a result of various contractual breaches. Tecnicas Reunidas Talara, the defendant, has filed a counterclaim for an approximate amount of US\$81 million, alleging that Cumbra Peru S.A. would have breached the subcontract entered into between the two (hereinafter the “Arbitration Process”). On December 28, 2020, Tecnicas Reunidas enforced two letters of guarantee issued by Banco Santander, for US\$16 million for Performance and the second letter for advance payment for US\$7.7 million, despite the fact that the obligations guaranteed by the letter of guarantee were being litigated in the process described in this paragraph. As of December 31, 2021, the balance of this item at nominal value amounts to US\$17.3 million equivalent to S/68.6 million (at present value the balance amounts to US\$14.8 million equivalent to S/63.8 million). The principal considerations for our determination that performing procedures related to unbilled receivables, funds held as collateral, other accounts receivable, and liabilities to cover possible contingencies is a critical audit matter are (i) uncertainty about the outcome of the resolution that exists in this type of process, long and complex, from a legal and economic point of view, so that the estimates made by Management, based on the opinions of its legal advisors, could vary in the future which led to (ii) a high degree of subjectivity in the auditor’s judgment for the performance of audit procedures. Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included, among others: (i) understanding the process adopted by Cumbra Peru S.A. to assess the recovery capacity of said assets and evaluating the design and implementation and operational effectiveness of the key controls related to these aspects; (ii) reading the Minutes of the engineering and construction committees and the Regional engineering and construction management, as well as the reading of Important Facts related to this process, communicated by the Corporation; (iii) reading and evaluating the responses to our inquiries made to the Company’s local and foreign legal advisors; (iv) evaluating the analysis of the recovery of financial assets developed by Management and the defense technical team in the arbitration process; (v) evaluating the recognition of liabilities, to cover possible contingencies related to the arbitration process (Backcharge) carried out by Management and (vi) evaluating assumptions used in calculating accounting estimates of the Corporation, related to the updating of collection rights, impairment of financial assets, as well as the calculation of the amortized cost for financial assets and liabilities related to the arbitration process.

Revenue and costs recognition from construction contracts with customers

As described in notes 7 and 26 to the consolidated financial statements, a large part of the company's income and costs corresponds to contracts for construction services in which income is recognized by the degree of progress or degree of completion method. The principal considerations for our determination that performing procedures related to the assessment of revenue and costs recognition from construction contracts with customers is a critical audit matter are (i) the recognition of the revenue, costs and the results of these contracts requires a high degree of judgment on the part of Management and control of the estimates made and the deviations that may occur throughout the duration of the contracts. These estimates consider all the costs and income related to the contracts, including any additional costs to those initially budgeted, the risks or claims that are in dispute, as well as the additional ones that are in the process of negotiation or even in the claim process, insofar as it is considered highly probable that there is no significant reversal when the inherent uncertainty is resolved, either because there is an approval by the client or because there are technical and / or legal reports that support it which led to (ii) a high degree of subjectivity in the auditor's judgment for the performance of audit procedures. Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included, among others: (i) evaluation of the design and implementation of the key controls related to the income and cost recognition process considering that performance obligation is satisfied over the time using the output method; (ii) reviewing of the company's construction contracts to evaluate the most significant estimates used in the recognition of income and costs; (iii) obtaining the supporting documentation for these estimates and the evidence of the judgments made, where appropriate by Management, such as: review of works control panels, quarterly planning, analysis of income and cost gaps, calculations and estimates of advances in the performance obligations, review of supporting documentation for additional works, as well as reading the income and cost recognition policies; (iv) performing visits by an expert to the constructions sites; (v) analyzing contracts to identify relevant contractual mechanisms, such as penalties and evaluating whether these clauses have been adequately reflected in the Company's consolidated financial statements and (vi) evaluating the provisions recognized at the close of the 2021 financial year related to the contracts, which includes verifying that the main obligations and their level of risk are reasonably reflected.

Determination of depreciation, depletion, amortization and impairment of long-lived assets

As described in notes 16 and 17 to the consolidated financial statements, the computation of the units-of-production method, which is used in the determination of depreciation, depletion and amortization (DD&A) of property, plant and equipment related to exploration and production and Natural Gas Treatment Plant, as well as in the determination of future cash flows used in the impairment analysis of long-lived assets, is dependent upon the estimation related to oil and gas reserves. The principal considerations for our determination that performing procedures relating to the determination of depreciation, depletion and amortization and impairment of long-lived assets is a critical audit matter are (i) the significant judgment by management, including the estimation of oil and gas reserves used to calculate the DD&A and perform the impairment analysis management uses internal reservoir engineers (hereinafter "specialists") when estimating the reserves, which are determined based on geological, technical and economic factors. Estimates of oil and gas reserves depend upon a number of variable factors and key assumptions, including, quantities of oil and gas that are expected to be recovered, the timing of the recovery, production levels, operating and capital costs to be incurred, sales price, among others, which led to (ii) a high degree of subjectivity in the auditor's judgment for the performance of audit procedures and evaluating management's significant assumptions related to the inherent technical engineering nature of the reserves estimation process, which requires the use of specialists in the performance of the assessment, including in the determining the reasonableness of management's key assumptions previously identified. Addressing the matter involved performing procedures and evaluating audit evidence in relation to forming our overall opinion on the consolidated financial statements. These procedures included, among others: (i) obtaining an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to calculate the DD&A and to perform its impairment analysis, including management's controls over the completeness and the accuracy of the financial data provided to the internal specialists for use in estimating oil and gas reserves and methodology used to develop such estimates; (ii) evaluating the estimated quantity of oil and gas reserves expected to be recovered used to calculate the DD&A and in the impairment calculation, we obtained the reports from internal specialists hired by management and evaluated the competency and objectivity of the specialists through the consideration of their professional qualifications, experience and their use of accepted industry practices; (iii) evaluating the completeness and accuracy of the financial data and inputs described above, which were used by the specialists in estimating oil and gas reserves by agreeing them to the DD&A and cash flows used in impairment analysis; (iv) for proved undeveloped reserves, we evaluated management's development plan for compliance with the SEC rule that undrilled locations are scheduled to be drilled within five years, unless specific circumstances justify a longer time, by assessing consistency of the development projections with the Company's drill plan and the availability of capital relative to the drill plan and (v) testing the mathematical accuracy of the DD&A computations and reviewed the model of impairment analysis of long-lived assets by assessing the consistency between the estimation of oil and gas reserves prepared by the specialists with volumes of reserves included in the projected financial information, among other procedures

Moore Assurance S.A.S.
PCAOB ID: 6006 Bogotá, Colombia

We served as the Company's auditor from 2017 to May 2022.

May 16, 2022, except for note 2.AA. "Immaterial correction of balances previously submitted as of December 31, 2021" as to which the date is May 15, 2023.

AENZA S.A.A. and Subsidiaries
Consolidated Statement of Financial Position
As of December 31, 2021 and 2022

In thousands of soles

	<i>Note</i>	2021	2022
Assets			
Current assets			
Cash and cash equivalents	9	957,178	917,554
Trade accounts receivable, net	10	834,632	1,078,582
Accounts receivable from related parties	11	20,817	27,745
Other accounts receivable, net	12	487,058	393,195
Inventories, net	13	488,326	346,783
Prepaid expenses		32,142	28,098
Total current assets		2,820,153	2,791,957
Non-current assets			
Trade accounts receivable, net	10	683,306	723,869
Accounts receivable from related parties	11	643,897	542,392
Prepaid expenses		23,607	17,293
Other accounts receivable, net	12	201,360	285,730
Inventories, net	13	-	65,553
Investments in associates and joint ventures	14	31,173	14,916
Investment property, net	15.A	63,011	61,924
Property, plant and equipment, net	15.B	303,170	284,465
Intangible assets and goodwill, net	16	743,391	787,336
Right-of-use assets, net	15.C	47,717	50,207
Deferred tax asset	23	276,346	295,638
Total non-current assets		3,016,978	3,129,323
Total assets		5,837,131	5,921,280
Liabilities			
Current liabilities			
Borrowings	17	241,340	574,262
Bonds	18	69,838	77,100
Trade accounts payable	19	912,826	1,027,256
Accounts payable to related parties	11	51,004	53,488
Current income tax		94,958	69,652
Other accounts payable	20	754,981	705,442
Other provisions	21	155,545	132,926
Total current liabilities		2,280,492	2,640,126
Non-current liabilities			
Borrowings	17	338,560	305,631
Bonds	18	1,191,084	792,813
Trade accounts payable	19	-	9,757
Other accounts payable	20	92,369	102,319
Accounts payable to related parties	11	50,712	27,293
Other provisions	21	329,497	569,027
Deferred tax liability	23	98,407	128,308
Total non-current liabilities		2,100,629	1,935,148
Total liabilities		4,381,121	4,575,274
Equity			
Capital	22	871,918	1,196,980
Legal reserve		132,011	132,011
Voluntary reserve		29,974	29,974
Share Premium		1,131,574	1,142,092
Other reserves		(68,629)	(97,191)
Retained earnings		(893,803)	(1,342,362)
Equity attributable to controlling interest in the Company		1,203,045	1,061,504
Non-controlling interest	31	252,965	284,502
Total equity		1,456,010	1,346,006
Total liabilities and equity		5,837,131	5,921,280

Notes from 7 to 119 are an integral part of these consolidated financial statements.

AENZA S.A.A. and Subsidiaries
Consolidated Statement of Profit or Loss
For the years ended December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Revenue				
Revenue from construction activities		1,854,819	2,467,477	2,451,067
Revenue from services provided		936,485	1,094,439	1,104,900
Revenue from real estate and sale of goods		394,249	579,482	849,157
Total revenue from ordinary activities arising from contracts with customers	24	3,185,553	4,141,398	4,405,124
Cost				
Cost of construction activities		(1,792,719)	(2,373,482)	(2,465,279)
Cost of services provided		(807,113)	(900,317)	(926,076)
Cost of real estate and sale of goods		(308,339)	(454,484)	(566,138)
Cost of sales and services	25	(2,908,171)	(3,728,283)	(3,957,493)
Gross profit		277,382	413,115	447,631
Administrative expenses	25	(134,013)	(179,613)	(162,598)
Other income and expenses	27	(181,182)	(4,477)	(290,614)
Operating (loss) profit		(37,813)	229,025	(5,581)
Financial expenses	26.A	(141,803)	(196,415)	(156,474)
Financial income	26.A	6,582	2,646	15,454
Interest for present value of financial asset or liability	26.B	28,182	(63,032)	(86,014)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	14	770	(861)	1,907
Loss before income tax		(144,082)	(28,637)	(230,708)
Income tax expense	28	(54,172)	(46,405)	(131,346)
Loss from continuing operations		(198,254)	(75,042)	(362,054)
Loss from discontinued operation, net of tax	35	(16,924)	(26,774)	-
Loss for the year		(215,178)	(101,816)	(362,054)
(Loss) profit attributable to:				
Controlling interest in the Company		(241,397)	(141,770)	(451,151)
Non-controlling interest		26,219	39,954	89,097
		(215,178)	(101,816)	(362,054)
Loss per share attributable to controlling interest in the Company during the year	33	(0.277)	(0.163)	(0.403)
Diluted loss per share attributable to controlling interest in the Company during the year	33	-	(0.142)	(0.377)
Loss per share from continuing operations attributable to controlling interest in the Company during the year	33	(0.257)	(0.132)	(0.403)
Diluted loss per share from continuing operations attributable to controlling interest in the Company during the year	33	-	(0.115)	(0.377)

Notes from 7 to 119 are an integral part of these consolidated financial statements.

AENZA S.A.A. and Subsidiaries
Consolidated Statement of Other Comprehensive Income
For the years ended December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	<i>Note</i>	For the year ended as of December 31,		
		2020	2021	2022
Loss for the year		(215,178)	(101,816)	(362,054)
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Cash flow hedge, net of tax		(626)	-	-
Other comprehensive income recycled		-	-	(7,461)
Foreign currency translation adjustment, net of tax		1,571	(5,009)	(20,911)
Exchange difference from net investment in a foreign operation, net of tax		708	(428)	(289)
Other comprehensive income for the year, net of tax	29	1,653	(5,437)	(28,661)
Total comprehensive income for the year		(213,525)	(107,253)	(390,715)
Comprehensive income attributable to:				
Controlling interest in the Company		(239,804)	(147,425)	(479,713)
Non-controlling interest		26,279	40,172	88,998
		(213,525)	(107,253)	(390,715)
Total comprehensive income for the year attributable to controlling interest in the Company:				
Continuing operations		(222,225)	(120,651)	(479,713)
Discontinued operations		(17,579)	(26,774)	-
		(239,804)	(147,425)	(479,713)

Notes from 7 to 119 are an integral part of these consolidated financial statements.

AENZA S.A.A. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	<i>Note</i>	Number of shares in thousands	Capital	Legal reserve	Voluntary reserve	Share premium	Other reserves	Retained earnings	Total	Non- controlling interest	Total
Balances as of January 1, 2020		871,918	871,918	132,011	29,974	1,132,179	(176,386)	(497,425)	1,492,271	401,877	1,894,148
(Loss) profit for the year		-	-	-	-	-	-	(241,397)	(241,397)	26,219	(215,178)
Cash flow hedge		-	-	-	-	-	(594)	-	(594)	(32)	(626)
Foreign currency translation adjustment		-	-	-	-	-	1,479	-	1,479	92	1,571
Exchange difference from net investment in a foreign operation		-	-	-	-	-	708	-	708	-	708
Comprehensive income of the year		-	-	-	-	-	1,593	(241,397)	(239,804)	26,279	(213,525)
Transactions with shareholders:											
Dividend distribution	32	-	-	-	-	-	-	-	-	(82,412)	(82,412)
Acquisition of (profit distribution to) non-controlling interests, net		-	-	-	-	-	-	-	-	(15,725)	(15,725)
Additional acquisition of non-controlling		-	-	-	-	(605)	-	-	(605)	(89)	(694)
Total transactions with shareholders		-	-	-	-	(605)	-	-	(605)	(98,226)	(98,831)
Balances as of December 31, 2020		871,918	871,918	132,011	29,974	1,131,574	(174,793)	(738,822)	1,251,862	329,930	1,581,792
Balances as of January 1, 2021		871,918	871,918	132,011	29,974	1,131,574	(174,793)	(738,822)	1,251,862	329,930	1,581,792
(Loss) profit for the year		-	-	-	-	-	-	(141,770)	(141,770)	39,954	(101,816)
Foreign currency translation adjustment		-	-	-	-	-	(5,230)	-	(5,230)	221	(5,009)
Exchange difference from net investment in a foreign operation		-	-	-	-	-	(425)	-	(425)	(3)	(428)
Comprehensive income of the year		-	-	-	-	-	(5,655)	(141,770)	(147,425)	40,172	(107,253)
Transactions with shareholders:											
Dividend distribution	32	-	-	-	-	-	-	-	-	(42,974)	(42,974)
Acquisition of (profit distribution to) non-controlling interests, net		-	-	-	-	-	-	-	-	(27,104)	(27,104)
Additional acquisition of non-controlling		-	-	-	-	-	46,477	-	46,477	(46,477)	-
Deconsolidation Adexus S.A.		-	-	-	-	-	-	52,131	52,131	-	52,131
Reclassification of PUT option Morelco		-	-	-	-	-	65,342	(65,342)	-	-	-
Dilution of non-controlling shareholders		-	-	-	-	-	-	-	-	(582)	(582)
Total transactions with shareholders		-	-	-	-	-	111,819	(13,211)	98,608	(117,137)	(18,529)
Balances as of December 31, 2021		871,918	871,918	132,011	29,974	1,131,574	(68,629)	(893,803)	1,203,045	252,965	1,456,010
Balances as of January 1, 2022		871,918	871,918	132,011	29,974	1,131,574	(68,629)	(893,803)	1,203,045	252,965	1,456,010
(Loss) profit for the year		-	-	-	-	-	-	(451,151)	(451,151)	89,097	(362,054)
Foreign currency translation adjustment		-	-	-	-	-	(20,814)	-	(20,814)	(97)	(20,911)
Other comprehensive income recycled		-	-	-	-	-	(7,461)	-	(7,461)	-	(7,461)
Exchange difference from net investment in a foreign operation		-	-	-	-	-	(287)	-	(287)	(2)	(289)
Comprehensive income of the year		-	-	-	-	-	(28,562)	(451,151)	(479,713)	88,998	(390,715)
Transactions with shareholders:											
Dividend distribution	32	-	-	-	-	-	-	-	-	(19,847)	(19,847)
Acquisition of (profit distribution to) non-controlling interests, net		-	-	-	-	-	-	-	-	(36,879)	(36,879)
Capital increase		325,062	325,062	-	-	10,518	-	-	335,580	-	335,580
Dilution of non-controlling shareholders		-	-	-	-	-	-	2,592	2,592	(735)	1,857
Total transactions with shareholders		325,062	325,062	-	-	10,518	-	2,592	338,172	(57,461)	280,711
Balances as of December 31, 2022		1,196,980	1,196,980	132,011	29,974	1,142,092	(97,191)	(1,342,362)	1,061,504	284,502	1,346,006

Notes from 7 to 119 are an integral part of these consolidated financial statements.

AENZA S.A.A. and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
OPERATING ACTIVITIES				
Loss before income tax		(164,770)	(60,373)	(230,708)
Adjustments to profit not affecting cash flows from operating activities:				
Depreciation	15	98,504	98,795	74,988
Amortization of intangible assets	16.F	98,621	106,512	102,035
Impairment (reversal) of inventories		(30)	2,984	(1,972)
Impairment of accounts receivable and other accounts receivable	25(iii) y 27.C	134,964	29,389	182,114
Debt condonation	27	(9,451)	-	(5,244)
Impairment of property, plant and equipment	25	-	8,088	10,187
Impairment of intangible assets	16	-	-	2,530
Other comprehensive income recycled		-	-	(7,461)
Other provisions		126,896	62,962	294,337
Change in the fair value of the liability for put option		245	-	-
Renegotiation of liability for acquisition of non-controlling Morelco	27	-	(70,322)	(3,706)
Financial expense, net		225,212	222,453	159,774
Impairment of investment	27.C	38	-	14,804
Incremental cost accrued		8,875	-	-
Incremental cost of acquiring interest in joint operation		-	12,732	-
Share of the profit and loss of associates and joint ventures accounted for using the equity method	14.A and B	(770)	861	(1,907)
Reversal of provisions	21	(33,264)	(13,027)	(11,930)
Disposal (reversal) of assets		8,895	2,410	137
Profit on sale of property, plant and equipment		(2,322)	(3,937)	(3,889)
Loss on remeasurement of accounts receivable and accounts payable		(25,888)	106,613	87,477
Net variations in assets and liabilities:				
Trade accounts receivable		209,400	(143,190)	(336,106)
Other accounts receivable		(50,680)	42,133	(133,349)
Other accounts receivable from related parties		(20,641)	(57,258)	22,572
Inventories		22,578	59,201	78,899
Prepaid expenses and other assets		(823)	(11,681)	16,545
Trade accounts payable		(78,218)	(27,375)	130,929
Other accounts payable		(62,148)	73,966	(86,194)
Other accounts payable to related parties		3,591	7,703	(4,737)
Other provisions		(9,051)	(27,964)	(41,000)
Interest paid		(137,369)	(146,369)	(145,773)
Payments for purchases of intangible assets - Concessions		(3,519)	(5,157)	(5,645)
Income tax paid		(112,851)	(75,641)	(124,047)
Net cash provided by operating activities		226,024	194,508	33,660
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		9,118	9,162	11,274
Interest received		4,292	2,474	12,894
Dividends received		2,318	3,445	380
Acquisition of investment property		(98)	(152)	(53)
Acquisition of intangible assets		(46,767)	(53,808)	(159,512)
Loss of deconsolidation of investment		-	(11,223)	-
Acquisition of property, plant and equipment		(33,596)	(38,087)	(63,155)
Net cash applied to investing activities		(64,733)	(88,189)	(198,172)
FINANCING ACTIVITIES				
Borrowing received		185,644	281,079	493,031
Bonds issued	18(d)	-	357,424	-
Amortization of borrowings received	17.F	(262,474)	(542,918)	(216,195)
Amortization of leases	17.F	(12,689)	(5,442)	(8,536)
Amortization of bonds issued		(37,981)	(48,858)	(56,745)
Payment for debt transaction costs		-	(5,681)	(13,736)
Dividends paid to non-controlling interest	32	(82,412)	(25,693)	(34,477)
Cash received (return of contributions) from non-controlling shareholders		(15,725)	(27,104)	(36,879)
Acquisition or sale of interest in a subsidiary of non-controlling shareholders, net	27.A	-	(33,232)	-
Net cash (applied to) provided by financing activities		(225,637)	(50,425)	126,463
(Net decrease) net increase in cash		(64,346)	55,894	(38,049)
Exchange difference		13,813	1,116	(1,575)
Cash and cash equivalents at the beginning of the year		950,701	900,168	957,178
Cash and cash equivalents at the end of the year	9	900,168	957,178	917,554
NON-CASH TRANSACTIONS:				
Capitalization of interests		4,887	1,244	937
Acquisition of assets through finance leases		71	104	-
Dividends declared to non-controlling interest	32	-	17,281	-
Acquisition of right-of-use assets		12,075	7,988	21,567
Capitalization of convertible bonds	22	-	-	335,580
Reclassification to other accounts receivable by Concesionaria Via Expresa Sur		24,157	-	-
Acquisition of supplier bonds		25,871	-	-

Notes from 7 to 119 are an integral part of these consolidated financial statements.

I. General Information

A. Incorporation and Operations

AENZA S.A.A., (hereinafter the “Company” or “AENZA”) is the parent of the AENZA Corporation that includes the Company and its subsidiaries (hereinafter, the “Corporation”) and is mainly engaged in its investments in the different companies of the Corporation. In addition, the Company provides strategic and functional services and office leases to the companies of the Corporation. The Company registered office is at Av. Petit Thouars 4957, Miraflores, Lima.

The Corporation is a conglomerate of companies whose operations encompass different business activities such as engineering and construction, energy, infrastructure (public concession ownership and operation) and real estate business. See details of the Corporation’s operating segments in Note 7.

B. Authorization for the Financial Statements Issuance

The consolidated financial statements for the year ended December 31, 2022 have been prepared and issued with authorization of Management and approved by the Board of Directors on May 15, 2023 and will be presented for consideration and approval to the General Shareholders’ Meeting that will be held within the terms established by Law. In Management’s opinion, the financial statements as of December 31, 2022, will be approved without any modifications.

The consolidated financial statements for the year ended December 31, 2021 were prepared and issued with the authorization of Management and approved by the Board of Directors on March 4, 2022 and were approved by the General Shareholders’ Meeting on March 31, 2022.

As indicated in note 2.AA, from the date the financial statements for the year ended December 31, 2021 were submitted to the shareholders for approval, the Company revised the balances previously presented as of December 31, 2021.

The revised consolidated financial statements for the year ended December 31, 2021 have been prepared and issued with the authorization of Management and the Board of Directors on May 15, 2023 and will be submitted for consideration and approval by the General Shareholders’ Meeting to be convened promptly.

C. Compliance with laws and regulations

The Company is involved in a series of criminal investigations conducted by the Public Ministry of Peru and administrative proceedings conducted by the National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI, for its Spanish Acronym) based on events that occurred between years 2003 and 2016. Such situations led to significant changes in the Company’s corporate governance structure, the opening of independent investigations and the adoption of measures to address and clarify these situations.

Criminal investigations derived from projects developed in partnership with companies of the Odebrecht Group

In connection with the Lava Jato case, the Company participated as a minority partner in six infrastructure projects with Odebrecht Group, directly or through its subsidiaries, in entities or consortia. The resulting contingency from these proceedings has been determined in the Plea Agreement (“the Agreement”) signed with the Peruvian Public Prosecutor’s Office and Attorney General’s Office and includes the following projects: IIRSA Sur Tranches 2 and 3, IIRSA Norte, the Electric Train Construction Project (Tranches 1 and 2) and Gasoducto Sur Peruano (GSP)

Criminal investigations in relation to the Construction Club case

Cumbra Peru S.A. has been included, along with other construction companies, in the criminal investigation that the Public Ministry of Peru has been carrying out for the alleged crime of corruption of officials in relation to the so-called ‘Construction Club’. The resulting contingency from these proceedings has been determined in the Agreement with the Peruvian Public Prosecutor’s Office and the Attorney General’s Office.

Moreover, at the end of February 2020, the Public Ministry of Peru requested Unna Transporte S.A.C., be included in such criminal investigation. That request was approved in October 2021. Just like other executives of other construction companies, a former commercial manager of Cumbra Peru S.A., a former president of the Board of Directors, a former Director, and the former Corporate General Manager of the Company have been included in these criminal investigations.

The Company’s Management cannot guarantee the finding nor rule out the possibility of authorities or third parties finding additional adverse evidence not currently known with respect to other projects executed during the period under investigation. If applicable, these new facts could be included in the Agreement entered into with the Peruvian Public Prosecutor’s Office and the Attorney General’s Office.

Final Plea Agreement

On May 21, 2021, the Company entered into an Agreement with the Special Team of Peruvian prosecutors who are committed to full dedication to the knowledge of investigations related to corruption offenses of officials and related personnel, in which the company Odebrecht and others would have incurred (the "Prosecutor's Office") and with the ad hoc Public Prosecutor's Office for investigations and processes related to crimes corruption of officials, money laundering and related activities allegedly committed by the Odebrecht company and others (the "Attorney General's Office").

On September 15, 2022, the Agreement was entered into between the Peruvian Public Prosecutor's Office, the Attorney General's Office and the Company, whereby AENZA S.A.A. accepted they were utilized by certain former executives to commit illicit acts in a series of periods until 2016, and committed to pay a civil compensation to the Peruvian Government of approximately S/ 488.9 million (approximately S/ 333.3 million and US\$ 40.7 million, respectively) calculated according to the formulae established by Law 30737.

According to the Agreement, payment shall be made within twelve (12) years at a legal interest rate in soles and dollars (3% and 1% annual interest as of December 31, 2022, respectively). The Company also undertakes to establish a series of guarantees after the approval (by which the judge verify that the agreement are in accordance with Law) of the Agreement, composed of i) a trust agreement that includes shares issued by a subsidiary of the Company, ii) mortgage on a property owned by the Company, and iii) a guarantee account with funds equivalent to the annual installment for the following year. Among other conditions, the Agreement includes a restriction for AENZA S.A.A. and subsidiaries Cumbra Peru S.A. and Unna Transporte S.A.C. to participate in public construction and road maintenance contracts for 2 years from the approval of the Agreement. The other member companies of the Corporation are not subject to any impediment or prohibition to contract with the Peruvian Government. As of December 31, 2022, the Company recognized in its financial statements the total liabilities associated to the Agreement for S/488.9 million (Note 21.a) recognizing an expense of S/258.3 million under "Other Income and Expenses" and an exchange difference income of S/9.5 million under "Financial Expenses" in 2022 (Note 26.A) (As of December 31, 2021, the balance was S/240.1 million).

As of December 31, 2022, and as of the reporting date of the consolidated financial statements, in the opinion of the Company's Management and legal advisors, the civil compensation covers the total contingency to which the Company is exposed to as a result of the investigations revealed since 2017. Nevertheless, the Agreement enforceability is subject to court approval and its terms and conditions are subject to confidentiality provisions.

Investigations and administrative process initiated by INDECOPI in relation to the Construction Club case

On July 11, 2017, the INDECOPI initiated an investigation against several Peruvian construction companies (including Cumbra Peru S.A.), about the existence of an alleged cartel called the Construction Club.

On February 11, 2020, the subsidiary Cumbra Peru S.A. was notified by the Technical Secretariat (the "TS") of the Free Competition Defense Commission of INDECOPI with the resolution that begins a sanctioning administrative procedure involving a total of 35 companies and 28 natural persons, for alleged anticompetitive conduct in the market of Public Works.

On November 17, 2021, the Commission imposed a fine of approximately S/67 million against Cumbra Peru S.A., which is currently being challenged and is pending of resolution by the final administrative instance within the INDECOPI Court. As of December 31, 2022, Cumbra Peru S.A. recorded an provision amounting to S/52.4 million (as of December 31, 2021 a present value equivalent to S/52.6 million was recorded).

Investigations and administrative process initiated by INDECOPI in relation to the labor recruitment market

On February 7, 2022, Cumbra Peru S.A. and Unna Transporte S.A.C. were notified with Resolution 038-2021/CLC-INDECOPI, by means of which the National Directorate of Research and Promotion of Free Competition of INDECOPI decided to initiate an administrative sanctioning procedure regarding the alleged horizontal collusive practice in the modality of concerted sharing of suppliers in the market of hiring workers in the construction sector at national level from 2011 to 2017.

On April 7, 2022, Cumbra Peru S.A. and Unna Transporte S.A.C. proposed a cease-and-desist agreement for the early termination of the sanctioning administrative procedure, where they (i) accepted the alleged conduct, (ii) committed to comply with a free competition rules compliance program during years 2022, 2023, and 2024, and (iii) committed to paying a compensation amounting to S/ 2.7 million in two installments (the first one within 60 days after the notification of the Resolution approving the cessation undertaking and the second one within 12 months). By means of Resolution 054-2022/CLC-INDECOPI dated August 19, 2022, the INDECOPI approved the proposed cease-and-desist agreement and concluded the sanctioning procedure.

2. Basis of Preparation and Significant Accounting Policies

Significant accounting policies applied to prepare the consolidated financial statements are detailed below. These policies have been applied consistently to all years presented in these consolidated financial statements; unless otherwise indicated.

Going concern basis of accounting

Management continues to have a reasonable expectation that the Corporation has adequate resources to continue in operation for a reasonable period of time and that the going concern basis of accounting remains appropriate. Following the Post Covid stabilization process initiated in 2021, the Corporation was able to regain operational control of all its operations in 2022. As of December 31, 2022 AENZA's consolidated backlog amounted to S/5,327.6 million (US\$1,394.7 million). Corporation believes that backlog provides visibility for potential growth in the coming years and that is strategically targeted to key end-markets such as mining, infrastructure, power, energy and real estate. As a leading Peruvian conglomerate in Infrastructure, Energy, Real Estate, and Engineering & Construction segments with a diversified and difficult-to-replicate portfolio of best-in-class assets and an attractive growth strategy, the Corporation is well-positioned to capitalize upon the significant infrastructure deficit and other business opportunities in Latin America.

For the year ended 2022, the Corporation's current assets as of December 31, 2022 were S/2,792 million and the Corporation's cash and cash equivalents were S/917.6 million. As of December 31, 2022, Corporation had a total outstanding indebtedness of S/1,690.7 million (US\$442.6 million). In 2022, the Corporation recognized a loss of the year of S/362.1 million, which were affected primarily by non-recurring costs in relation to past projects in the E&C segment and the provision related to the Plea Agreement signed on September 15, 2022. For the year ended December 31, 2022, the Company recognized in its financial statements the total liabilities associated with the Plea Agreement recognizing an expense of S/258.3 million. In this sense AENZA is committed to pay a civil compensation to the Peruvian Government of approximately S/488.9 million. Additionally, on March 17, 2022, the Corporation entered into a bridge loan credit agreement for up to US\$120 million that matures in October 2023.

The appropriateness of the going concern basis of accounting is dependent on the continued availability of borrowings. Management has the ability to take the following mitigation actions to preserve liquidity and optimize the Group's cash flow:

- Reducing non-essential capital expenditures and deferring or cancelling discretionary spend;
- Financial restructuring, including a short-term and long-term structural solutions and capital increase.

Based on these factors, Management has a reasonable expectation that the Corporation has adequate resources headroom.

A. Basis of preparation

i. Basis of accounting

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

ii. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, according to the Corporation's accounting records, except for derivative financial instruments and investment property, which are measured at fair value.

iii. Responsibility for the information

The information contained in these financial statements is the responsibility of the Management of the Corporation that expressly states that all the principles and criteria included in the IFRSs as issued by the IASB, effective as of December 31, 2021 and 2022, have been applied.

iv. Functional and presentation currency

These consolidated financial statements are presented in soles (S/), which is the Corporation's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The functional currencies of the Subsidiaries domiciled in Chile and Colombia are CLP (Chilean Pesos) and COP (Colombian Pesos), respectively.

v. Use of judgments and estimates

In preparing these consolidated financial statements, Management has made judgments and estimates that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Revenue recognition: identification of performance obligations and determination of revenue recognition at a point in time (Note 2.W).
- Lease term: whether the Company and its Subsidiary are reasonably certain to exercise extension options in leases (note 2.Y).
- Estimate of current tax payable and current tax expense in relation to an uncertain tax treatment (Note 2.R).

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of December 31, 2021 and 2022, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is included in the following notes:

- Measurement of expected credit losses (ECL) allowance for trade receivables and contract assets: (Note 2.I);
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Note 2.T);
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized in previous periods (Note 2.R);
- Allowance for inventory obsolescence (Note 2.J);
- Allowance for useful lives and residual values of property, plant, and equipment (Note 2.L).

Measurement of fair values

A number of the Corporation's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. The Company regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Corporation uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Measurement based on quoted prices in active markets for identical assets or liabilities.
- Level 2: Measurement based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Measurement based on inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs, generally based on internal estimates and assumptions of the Corporation).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Corporation recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during the period which the change occurred.

B. Consolidation of financial statements

i. Subsidiaries

The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Business acquisition-related costs are expensed as incurred. Balances, income, and expenses from transactions between Corporation companies are eliminated. Profits and losses resulting from inter-group transactions that are recognized as assets are also eliminated.

ii. Business Combinations

The Corporation accounts for business combinations using the acquisition method when control is transferred to the Corporation. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

iii. Non-controlling interests

For each business combination, the Corporation shall select between measuring the non-controlling interests in the acquiree at fair value or at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Associates

Associates are those entities in which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Corporation has joint control, whereby the Corporation has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Corporation's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

v. Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either a joint operation or as a joint venture depending upon each investor's rights and obligations arising from the arrangement. The Corporation has assessed the nature of its joint arrangements and determined that they are joint ventures.

Joint ventures are accounted for using the equity method. Under the equity method, interest in joint ventures is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of post-acquisition profits and losses, as well as movements in other comprehensive income. When the Corporation's share in the losses of a joint venture equals or exceeds its interest in such joint venture (including any long-term share that is substantially part of the Corporation's net investment in the joint venture), the Corporation does not recognize additional losses, unless it has assumed obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Corporation and its joint ventures are eliminated to the extent of the Corporation's interest in such joint ventures. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Gains arising from the application of the equity of accounting method are recognized in the consolidated statement of profit or loss and other comprehensive income.

In the Corporation, joint operations mainly relate to consortia (entities without legal personality) created for the development of construction contracts. Considering that the only objective of this type of consortium is to develop a specific project, all revenue and costs are included within revenue from construction activities and cost of construction activities, respectively.

vi. Changes in ownership interest in a subsidiary that do not result in a loss of control

Transactions with non-controlling shareholders that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of shares to non-controlling shareholders are also recorded in equity at the time of disposal.

vii. Disposal of subsidiaries

When the Corporation loses control of a subsidiary, any interest retained in said entity is remeasured at its fair value at the date it loses control of the subsidiary, and any change in respect to the carrying amount is recognized in profit or loss. Subsequently, said fair value is considered the initial carrying amount for purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Corporation had directly disposed of the related assets or liabilities. This means that the amount previously recognized in other comprehensive income could be reclassified to profit or loss for the year.

viii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Corporation's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

C. Foreign currency translation

i. Functional and presentation currency

These consolidated financial statements are presented in soles (S/), which is the Corporation's functional and presentation currency. All subsidiaries, joint arrangements, and associates use the Peruvian sol as their functional currency, except for foreign subsidiaries, for which the functional currency is the currency of the country in which they operate.

ii. Transactions and balances

Transactions in foreign currency are translated into functional currency at the exchange rates at the dates of the transactions or the valuation date in the case of items that are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the statement of profit or loss, except when deferred in other comprehensive income. Foreign exchange gains and losses of all monetary items are included in the statement of other comprehensive income under 'Exchange difference, net'.

Exchange differences arising from foreign currency loans granted by the Company to its subsidiaries are recognized in profit or loss both in the consolidated financial statements of the Company and in the separate financial statements of the subsidiaries. In the consolidated financial statements, such exchange differences are recognized in other comprehensive income and are reclassified to profit or loss in the event of the disposal of the subsidiary or debt repayment to the extent such loans qualify as part of the "net investment in a foreign operation."

iii. Corporation companies

The results and financial position of the Corporation entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Corporation's presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position are translated at the closing rate at the date of that consolidated statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at the average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate prevailing on the date of the transaction);
- (iii) capital is translated by using the historical exchange rate for each capital contribution made; and
- (iv) all resulting exchange differences are recognized as separate components in other comprehensive income, under 'Translation of net investment in foreign operations'.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate. Exchange differences are recognized in other comprehensive income.

D. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Corporation's Management.

If there are changes in the internal organization in a manner that causes the identification of operating segments to change, the Corporation shall restate the comparative information for earlier periods unless the information is not available.

E. Public service concessions

Concession agreements entered into between the Corporation and the Peruvian government whereby the Corporation, acting in its capacity as concessionaire, assumes obligations for the construction and improvement of infrastructure, and which qualify as public service concessions are accounted as defined by IFRIC 12 *Service Concession Arrangements*. Under these arrangements, the government controls and regulates the infrastructure services provided by the Company and establishes to whom these services are to be provided and at what prices. The concession agreement establishes the obligation to return the infrastructure to the grantor at the end of the concession term or when there is any expiration event. This feature gives the grantor the control over the risks and rewards of the residual value of the assets at the end of the concession term. For this reason, the Company will not recognize infrastructure as part of its premises, plant, and equipment. The consideration to be received from the Peruvian government for public infrastructure construction or improvement activities is recognized as a financial asset, intangible asset, or both, as set forth below:

- i. It is recognized as a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset either because the government guarantees to pay specified or determinable amounts or because the government covers the shortfall between the amounts received, as concessionaire, from users of the public service and specified or determinable amounts. These financial assets are initially recognized at fair value, and, subsequently, at amortized cost (financial asset model).
- ii. It is recognized as an intangible asset to the extent that the agreement provides the Corporation with a contractual right to charge users for public services rendered. The resulting intangible asset measured at cost is amortized as described in Note 2.M (intangible asset model).
- iii. It is recognized as a financial asset and an intangible asset when the Corporation is paid partly by a financial asset and partly by an intangible asset (bifurcated model).

F. Financial instruments

i. Recognition and initial measurement

Trade accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

■ ***Financial assets***

On initial recognition, assets are classified as measured at amortized cost or Fair Value Through Profit and Loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired based on the Company's business model for managing the financial assets and the characteristics of the contractual cash flows of the financial asset.

Management determines the classification of its financial assets at the date of initial recognition and reevaluates this classification as of the date of each consolidated financial statement closing. As of December 31, 2021 and 2022, the Company only holds financial assets at amortized cost.

A financial asset is measured at amortized cost if both of the following conditions are met and is not measured at FVTPL:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at FVTPL. This includes all derivative financial assets that are not cash flow hedge. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch or recognition that would otherwise arise.

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The Corporation classified its financial assets at amortized cost.

■ ***Financial liabilities***

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, and are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest income and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Corporation enters into transactions whereby it transfers assets recognized in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Corporation derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Corporation currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognized in profit or loss. The Corporation designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Corporation documents the risk management objective and strategy for undertaking the hedge. The Corporation also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

As of December 31, 2021 and 2022, the Corporation does not hold derivative financial instruments.

G. Impairment

i. Financial assets

Financial instruments and contract assets

The Corporation considers a financial asset to be nonperforming when contractual payments are more than 365 days past due. However, in certain cases, the Corporation may consider a financial asset to be nonperforming when internal or external information indicates that it is unlikely that the Corporation will receive the contractual amounts due before the Company executes the guarantees received. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

IFRS 9 *Financial Instruments* requires that expected credit losses be recorded for all financial assets, except those carried at FVTPL, estimating them over twelve months or over the lifetime of the financial instrument ("lifetime"). Under this standard, the Company applies the general approach for trade and other accounts receivable, which requires assessing whether credit risk has significantly increased to determine whether the loss shall be estimated based on 12 months after the reporting date or during the lifetime of the asset.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss ("ECL's"). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, loss of the time value of money and individual analysis of the clients (considering their geographical location).

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or debtor;
- a breach of contract such as a default or being more than 90 and 180 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

For financial assets for which the Company has no reasonable expectation of recovering either all or a portion of the outstanding amount, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The gross carrying amount of a financial asset is written off when the Corporation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers and for corporate customers, the Corporation individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Corporation expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Corporation's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the Corporation reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit's ("CGU"). Goodwill arising from a business combination is allocated to CGU or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

H. Cash and cash equivalents

In the consolidated statement of financial position and cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, other highly liquid investments with maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in the balance of other financial liabilities as current liabilities.

I. Trade accounts receivable

Trade accounts receivable are amounts due from customers for goods or services sold by the Corporation. If any trade account receivable is expected to be collected within one year, it is classified as current; otherwise, it is classified as non-current.

Trade accounts receivable are initially recognized at transaction value, and subsequently, they are measured at amortized cost using the effective interest method, less any provision for impairment, except for trade accounts receivable of less than one year that are recorded at face value which is similar to their fair values due to their short-term maturity.

It includes Management's estimates corresponding to collection rights for services performed but not yet invoiced and/or approved by client, which have been valued using the percentage of completion method. It corresponds mainly to the Engineering and Construction segment (subsidiaries Cumbra Peru S.A. and Cumbra Ingenieria S.A.). In the Infrastructure segment, concerning concessions, it corresponds to future collections for public services, mainly represented by unconditional contractual rights to be received from the Grantor under the financial asset model (Note 2.E)

J. Inventories

The inventories include land, work-in-progress and finished buildings related to the real estate activity, materials used in the construction activity, and supplies traded as part of the exploration and extraction activity.

i. Real Estate Activity

Land used for the execution of real estate projects is recognized at acquisition cost. Work-in-progress and finished real estate include the costs of design, materials, direct labor, borrowing costs (directly attributable to the acquisition, construction, production of the qualifying asset), other indirect costs, and general expenses related to the construction. The lands used for real estate projects with launch date in future periods are presented as non-current asset.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses. Annually, the Corporation reviews whether inventories have been impaired identifying three groups of inventories to measure their net realizable value: i) land bought for future real estate projects which are compared to their appraisal value, if the acquisition value is higher, a provision for impairment is recognized; ii) land under construction: in this case impairment is measured based on cost projections; if these costs are higher than selling prices of each real estate unit, an estimate for impairment is recorded; and iii) finished real estate units: these inventory items are compared to the selling prices less commercialization costs; if they are higher, a provision for impairment is recorded.

For the reductions in the carrying amount of these inventories to their net realizable value, a provision is recognized for impairment of inventories with a charge to profit or loss for the year in which those reductions occur.

ii. Exploration and extraction activities

Inventories are valued at the lower of production costs and net realizable value ("NRV"), on the basis of the weighted average method. The NRV represents the value at which it is estimated to realize oil, gas and its derivatives LPG and Saturated Acyclic Hydrocarbons, which is calculated on the basis of international prices less the discounts usually granted. Miscellaneous supplies, materials, and spare parts are valued at the lower of cost and replacement value, based on the average method. The cost of inventories excludes financing expenses and exchange differences. Inventories in transit are recorded at cost, using the specific identification method.

The Corporation registered a provision for materials impairment to profit and loss for the cases in which book value exceeds recoverable value.

iii. Other activities

Materials and supplies are recorded at the lower of cost (by the weighted average method) and their replacement cost. The cost of these items includes freight and non-refundable applicable taxes.

Impairment of these items is estimated on the basis of specific analyses performed by Management on their turnover. If it is identified that the carrying amount of inventories of materials and supplies exceeds their replacement value, the difference is charged to profit or loss in the period in which this situation is determined.

Management considers that, as of the date of the consolidated financial statements, it is not necessary to record provisions additional to those recognized in the financial statements to cover losses due to obsolescence of these inventories.

K. Investment properties

Investment properties are shown at cost less their accumulated depreciation and impairment losses, if any. Subsequent costs attributable to investment properties are capitalized only if it is probable that future economic benefits will flow to the Company and the cost of these assets can be measured reliably; otherwise, they are recognized as expenses when incurred.

Maintenance and repair expenses are recognized in profit or loss in the period when they are incurred. If the carrying amount of a property is greater than its estimated recoverable amount, it is immediately reduced to its recoverable amount.

Depreciation is calculated under the straight-line method at a rate that is considered sufficient to absorb the cost of assets at the end of the useful life and considering their significant components, with substantially different useful lives (each component is accounted for separately for depreciation purposes and is depreciated over its separate useful life). The estimated useful lives of those properties range from 5 to 50 years.

These investment properties have been leased under operating leases to third parties.

L. Property, plant, and equipment

i. Recognition and measurement

These assets are stated at historical cost less accumulated depreciation and accumulated losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Assets under construction are capitalized as a separate component. Upon completion, the cost of these assets is transferred to their definitive category. Replacement units are assets whose depreciation begins when units are installed for use within the related asset.

ii. Subsequent expenditure

Subsequent expenditures are included in the carrying amount of the asset or they are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Corporation, or are likely to extend the estimated useful life of the asset, and the cost of these assets can be measured reliably. Maintenance and repair expenses are presented in the consolidated statement of profit or loss in the period when incurred.

iii. Depreciation

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset. The estimated useful lives are as follows:

	Years
Buildings and premises	3 to 50
Machinery and equipment	2 to 20
Vehicles	2 to 10
Furniture and fixtures	2 to 10
Other equipment	2 to 10

Depreciation of machinery and equipment, and vehicles recognized as "Major equipment" is calculated based on their hours of use. Under this method, the total number of hours that the machinery and equipment can operate is estimated and an hourly value is established.

The residual value and the useful life of an asset are reviewed and adjusted, if necessary, at year-end. Profit or loss for the sale of assets are recognized in 'Other income and expenses' in the statement of profit or loss. Regarding joint operations that carry out construction activities, the difference between the proceeds from disposals of fixed assets and their carrying amount is shown within 'Revenue from construction activities' and 'cost of construction activities', respectively.

M. Intangible assets

i. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the purchase consideration, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of the net identifiable assets. If the purchase consideration, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree is lower than the fair value of the net assets of the acquired subsidiary, then the difference is recognized in the statement profit or loss.

Goodwill arising from a business combination is allocated to each cash-generating unit (CGU), or group of CGUs, that are expected to benefit from the business combination. Goodwill is monitored at the operating segment level.

Goodwill is tested for impairment at least annually or more often if there is evidence of impairment. Any impairment is recognized as an expense in 'Other income and expenses' and cannot be reversed later.

ii. Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognized at fair value at the acquisition date. Management has determined that these trademarks have indefinite useful lives.

The trademark is tested for impairment at least annually or more often if there is evidence of impairment. Any impairment is recognized as an expense in 'Other income and expenses'. The carrying amount written off due to impairment is reviewed at each reporting date to verify possible reversals of the impairment and is recognized in 'Other income and expenses'.

iii. Concession rights

The intangible asset related to the right to charge users for the services covered by the concession (Notes 2.E and F) is initially recorded at the fair value of construction or improvement services and, prior to the beginning of amortization, an impairment test is performed; it is amortized using the straight-line method, from the date revenue from services starts using the effective period of the concession agreement.

iv. Contractual customer relationships

Contractual customer relationships are assets resulting from business combinations that were initially recognized at fair value, determined on the basis of the present value of the expected net cash flows from such relationships, over a period of time based on the estimated customer tenure (the estimation of useful life is based on the contract terms which fluctuates between 5 and 9 years). The useful life and the estimate of impairment of these assets are individually assessed.

v. Cost of well development

Costs incurred during the development phase associated with the preparation of the wells for the extraction of hydrocarbons from the lots located in Talara, are capitalized as part of intangible assets. These costs are amortized over the useful lives of the wells (estimated in remaining periods for Lots I and V and the unit-of-production method for Lots III and IV), until the end of the term of the contracts with Perupetro. The Lot I contract expired in 2021 and Lot V contract will expire in 2023.

The Corporation has established the Successful Efforts Method as its policy for the recognition and evaluation of exploration oil assets. During 2021, an exploratory well was drilled in Block IV, obtaining successful results. In 2022, no exploratory well drilling activities were carried out.

vi. Software

Software development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Corporation are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- Management has the intention to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated that the software is likely to generate future economic benefits;
- the technical, financial and other resources necessary to complete the development of the software to enable its use or sale are available; and
- expenses attributable to the software during its development can be reliably measured.

Other development costs that do not meet these recognition criteria are recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Software development costs recognized as assets are amortized over their estimated useful lives, which range from 2 to 12 years.

vii. Surface rights

It refers to the rights held by the subsidiary Promotora Larcomar S.A. Land use rights are stated at historical cost less amortization and any accumulated impairment losses. The useful life of the surface rights is 60 years according to the signed contract and may be extended if agreed by parties. Amortization will begin when it becomes ready for its intended use by Management.

N. Trade accounts payable

Trade accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is to be made in a year or less (or in the normal operating cycle of the business if it is higher); otherwise, they are presented as non-current liabilities.

Accounts payable are initially recognized at fair value, and subsequently, they are measured at amortized cost using the effective interest method, except for trade accounts payable of less than one year that are recorded at face value which is similar to their fair values due to their short-term maturity.

O. Financial liabilities at FVTPL

Financial liabilities designated at initial recognition at FVTPL are designated at the initial recognition date, and only if the criteria of IFRS 9 are met. The Corporation does not maintain financial liabilities at fair value.

P. Other financial liabilities

They correspond to loans and bonds issued by the Corporation, which are initially recognized at their fair value, net of transaction costs incurred. These financial liabilities are subsequently recorded at amortized cost. Any resulting difference between the funds received (net of transaction costs) and the redemption value is recognized in the statement of profit or loss during the loan term using the effective interest method.

Costs incurred to obtain these financial liabilities are recognized as transaction costs to the extent that it is probable that a part or the whole loan will be received. In this case, these charges defer until the loan is received.

Q. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they have been incurred, except for intangible assets and inventories in which the borrowing costs are capitalized.

General and specific borrowing costs directly attributable to acquisitions, construction or development of qualifying assets, which are assets that necessarily take a substantial period of time (more than twelve months) to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Corporation suspends the capitalization of borrowing costs during the periods in which the development of activities of a qualifying asset has been suspended. The income obtained from the temporary investment of specific borrowings that have not yet been invested in qualifying assets is deducted from the borrowing costs eligible for capitalization.

R. Current and deferred income tax

Income tax of the period comprise current and deferred income tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in the statement of other comprehensive income or directly in equity. In this case, the tax is also recognized in the statement of other comprehensive income or directly in equity, respectively.

The current tax is calculated on the basis of the tax laws enacted at the date of the statement of financial position in the countries where the Company and its subsidiaries operate and generate taxable income. Management, where applicable, makes provisions on the amounts expected to be paid to the tax authorities.

A provision is recognized for those matters for which the determination of taxes is uncertain, but it is considered probable that there will be a future outflow of economic resources to a tax authority. Provisions are measured at the best estimate of the amount expected to be paid. The assessment is based on the tax judgment of professionals within the Company supported by prior experience in relation to such activities and in certain cases based on specialized independent tax advice.

Deferred income tax is recognized on temporary differences arising from tax basis of assets and liabilities, and their balances in consolidated financial statements. A deferred income tax asset is only recognized to the extent that it is probable that future taxable profits will be available, against which temporary differences can be utilized. Deferred income tax is determined using tax rates and legislation enacted as of the date of the consolidated statement of financial position that are expected to be applied when the deferred tax is realized or paid. A deferred tax asset is only recognized so far as it is probable that there would be future tax benefits against which temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax arising from the initial recognition of goodwill is not recognized; likewise, the deferred tax is not recorded if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination that does not affect the accounting or tax profit or loss at the time of the transaction.

S. Employee benefits

The Corporation recognizes a liability when the employee has rendered services in exchange for which is entitled to receive future payments and an expense when the Corporation has consumed the economic benefit from the service rendered by the employee in exchange for the benefits in question.

The Corporation determines employee benefits in accordance with current labor and legal regulations and classifies them as short-term benefits, long-term benefits, and termination benefits.

Short-term benefits are those other than severance indemnities, the payment of which is settled in the twelve months following the end of the period in which the employees have rendered their services; they correspond to current compensation (wages, salaries, and social health contributions), annual and sick leave, profit sharing and incentives and other non-monetary benefits.

Long-term benefits are those benefits to be paid more than twelve months after the end of the period in which the services have been rendered. As of December 31, 2021 and 2022, the Corporation did not grant benefits under this category.

Termination benefits are those benefits payable as a result of: (i) the entity's decision to terminate the employee's contract before the retirement date, and (ii) the employee's decision to voluntarily accept the termination of the employment relationship.

i. Short-term benefits

Current compensation

Current compensation consists of wages, salaries, social health contributions, legal bonuses and compensation for length of service (CTS, for its Spanish acronym). Wages, salaries and social health contributions are paid monthly based on the consideration for services rendered.

The Corporation entities recognizes the expense for legal bonuses and their related liabilities under laws and regulations currently in force in Peru, Chile, and Colombia. In Peru, legal bonuses correspond to two monthly payments which are accrued based on the consideration for the service. There are no legal bonuses in Chile; in Colombia, it is called service bonus and corresponds to a monthly remuneration per year.

Compensation for length of service (CTS) corresponds to the employee's indemnity rights which are accrued based on the consideration for the service rendered calculated in accordance with the legislation in force in each country where the entities comprising the Corporation operate. They are determined as follows: (i) in Peru, it is equivalent to half the compensation in force at the date of payment and is made through deposit in bank accounts designated by the workers in the months of May and November of each year; (ii) in Colombia, it is equivalent to 8.33% of the monthly remuneration, and (iii) in Chile this benefit is not available.

Annual paid absences

Personnel's annual vacations are recognized on an accrual basis. The provision for estimated liability corresponding to personnel's annual vacations, resulting from services rendered by the employees, is recorded on the date of the statement of financial position and corresponds to: (i) one month for personnel in Peru, (ii) fifteen days for personnel in Colombia, and (iii) in the case of Chile, they are subject to the worker's seniority and range from fifteen to thirty days.

Profit sharing and incentives

The workers' profit sharing is determined on the basis of the legal provisions in force in each country where the entities of the Corporation operate, as follows: (i) in Peru, it is equivalent to 5% of the taxable base determined by each Company of the Corporation, in accordance with current income tax legislation, (ii) in Chile, workers' profit sharing is a component of the remuneration (equivalent to 4.75 minimum wages per year) or 10% of the profit, to be determined by the employer, (iii) in Colombia, these benefits are not provided to employees.

ii. Termination benefits

The Corporation entities recognize liabilities and expenses for severance indemnities when they occur, based on the legal provisions in force in each country. Under Peruvian law, compensation for arbitrary dismissal for personnel with indefinite-term contracts is 1.5 times the monthly compensation for each year worked, up to a maximum of twelve monthly compensations.

Under Colombian legislation, for the first year worked, the equivalent of 30 days of salary is granted, and from the second year on, the compensation will be the equivalent of 20 days of salary for each additional year (or the proportion); under the legislation of Chile, the employee receives a compensation of thirty days of monthly salary for each year worked with a maximum of 330 days.

T. Other provisions

Provisions are recognized when the Corporation has a present obligation, either legal or constructive, as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and it is possible to reliably estimate its amount. Provisions are reviewed at the end of each period. If the time value of money is significant, provisions are discounted using a pre-tax rate that reflects, when appropriate, specific risks of liabilities. The reversal of the discount due to the passage of time results in an increase of the obligation which is recognized with a charge to the statement of profit or loss as a finance cost.

Contingent obligations are disclosed when their existence will only be confirmed as a result of future events or when the amount cannot be measured reliably. Contingent assets are not recognized and are disclosed only if it is probable that the Corporation will generate economic benefits in the future.

Provision for the closure of oil production wells

Subsidiary Unna Energia S.A. recognizes a provision for the closure of operating units that correspond to the legal obligation to close oil production wells once the production phase has been completed. At the initial date of recognition, the liability that arises from said obligation is measured at fair value and discounted to present value, following the valuation techniques established in IFRS 13 *Fair Value Measurement*; accordingly, the same amount is simultaneously charged to the intangible account in the statement of financial position.

Subsequently, the liability will increase in each period to reflect the financial cost considered in the initial measurement of the discount, and the capitalized cost will be depreciated based on the useful life of the related asset. When a liability is settled, the subsidiary recognizes any gain or loss that may arise. The fair value changes estimated for the initial obligation and interest rates are recognized as an increase or decrease in the carrying amount of the obligation and related asset, according to IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*. Any reduction in this provision, and therefore, any reduction in the related assets which exceeds the carrying amount of the asset, will be immediately recognized in the statement of comprehensive income.

If the review of the obligation resulted in the need to increase the provision, and as a result, the carrying amount of the related asset also increases, the subsidiary takes into account whether this increase corresponds to an indication that the asset has become impaired and if so, impairment tests will be conducted (Note 2.G).

U. Put option arrangement

In the case of a put option contract on the equity of a subsidiary that allows the shareholder to reallocate its shares in a certain period, the amount payable under the option is initially recognized at the present value of the reimbursement under 'Other accounts payable', directly charged to equity. The charge to equity is recorded separately as put options subscribed on the non-controlling interest.

Subsequently, the financial liability is updated by changes in the assumptions on which the estimation of the expected cash flows is based and by the financial component due to the passage of time. The effects of this update are recognized in profit and loss.

In 2021, Cumbra Peru S.A. acquired the entire non-controlling interest of the subsidiary Morelco S.A.S. As of December 31, 2022, Cumbra Peru S.A. the liability was totally paid.

V. Capital

Common shares are classified as equity and are determined using the par value of the shares that have been issued.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction of the received amount, net of taxes.

W. Revenue from contracts with customers

Revenues from contracts with customers are recognized, for each performance obligation, either during a period of time or at a point in time, depending on which method best reflects the transfer of control of the underlying products or services to the obligation of particular performance with the customer.

The Corporation recognizes the revenue through the application of the five steps defined in the regulations: i) identifying the contract with the customer; ii) identifying performance obligations in the contract; iii) determining the transaction price; iv) allocating the transaction price to performance obligations; and v) recognizing revenue when (or as) a performance obligation is satisfied.

The following describes the Corporation's policy of recognition for each type of revenue in line with IFRS 15:

i. Engineering and construction

Revenues from engineering and construction (E&C) contracts are recognized over time as the customer simultaneously receives and consumes the benefits provided by the Corporation's performance, the Corporation's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and the Corporation's performance does not create an asset with an alternative use. For these reason, the Corporation accounts for revenue over time by measuring the progress towards complete satisfaction of its performance obligations under each contract.

The Corporation applies the output method to measure the physical percentage-of-completion which is based on surveys of projects performance by the Corporation's experts. The Corporation considers this method depicts the transfer of control of the goods or services to the customers, as it reflects also an enforceable right to payment by the Corporation for work performed to date.

The Corporation assesses whether one or more of the following factors has been satisfied: a) the contract, applicable law or other evidence provides a legal basis for the modification; b) additional costs were caused by circumstances that were unforeseen on the date of execution of the contract and not a result of deficiencies incurred by the Corporation's performance; c) modification-related costs are identifiable and considered reasonable in view of the work performed; or d) evidence supporting the modification is objective and verifiable. When one or more of the foregoing factors is satisfied, the changes to the rights and obligations in the contract modification are considered by the Corporation to be enforceable.

The nature of some contracts, such as cost plus fee contracts, unit price contracts or similar contracts give rise to variable consideration that may include reimbursable costs, incentives and penalties. To include variable consideration related to a contract modification in the estimated transaction price, the Corporation must conclude that it is “highly probable” that a significant revenue reversal will not occur. The Corporation determines the likelihood of revenue reversal occurring (and therefore whether such price will be recovered) based on an analysis of whether any of the following factors are present: i) contractual entitlement; ii) past practice with the customer; iii) specific discussions or preliminary negotiations with the customer; or iv) verbal approval by the customer. If, as a result of such analysis, the Corporation concludes that it is “highly probable” that there will not be a significant reversal of the amount of revenue recognized, it recognizes the variable consideration relating to the contract modification. When the benefit of the contract cannot be reliably estimated, the associated revenue is recognized to the extent that the costs incurred are recoverable. Revenue is invoiced upon receipt of customer approval.

When it is probable that total contract costs will exceed the related revenue, the expected loss is recognized immediately.

The Corporation estimates the amount of revenue to be recognized as variable consideration using judgments and estimates to determine the most probable value, which is expected to best predict the amount of consideration to which the Corporation will be entitled.

ii. Real-estate

Sale of real estate – urban and industrial lots

Revenue from real estate sale contracts is recognized when control over the property has been transferred to the client with the delivery record. Revenue is measured based on the price agreed under the contract. Until this is met, the revenue received will be counted as customer advances. These sales contracts have two performance obligations: i) the one corresponding to the transfer of the property, which includes the common areas of the building where these real estates are located, and ii) the one corresponding to the transfer of the common area outside the real estate assets but that are part of the real estate projects, which are recognized when the common area has been delivered.

Sale of urban lots

Revenue related to sales of urban lots is recognized when control over the property is transferred to the customer. Until this is met, the revenue received will be counted as customer advances. Revenue is measured based on the transaction price agreed under the contract. These sales contracts have a single performance obligation for the sale of lots, which is executed upon delivery of the sale of the assets.

Sale of industrial lots

Revenue related to sales of industrial lots is recognized when control over the property has been transferred to the customer. Until this is met, the revenue received will be counted as customer advances. These sales contracts have two performance obligations: i) transfer of the industrial lot and ii) urban authorization of the industrial lot.

iii. Energy

Revenues from services rendered for oil and gas extraction, storage and dispatch of fuels and other services

Revenues from the rendering of oil and gas extraction, fuel storage and dispatch and other services rendered are recognized when the full specific service is provided, calculating the service actually provided as a portion of the total services to be provided. This type of revenue has a single performance obligation, that is performed when the service is provided at a point in time.

Revenue from the sale of oil and byproducts

Revenue from the sale of oil and byproducts is recognized when the control of the assets is transferred to the customer, which is when the goods are delivered. In this type of revenue, there is a single performance obligation for the sale of oil and byproducts which is enforced at the delivery of the goods.

iv. Infrastructure

Revenue from concession services

Revenue from concession services corresponds to operation and maintenance services and is recognized according to its nature in the period in which the service is provided. In this type of revenue, there is a single performance obligation, enforced when the service is provided.

Revenues from toll collection

Revenues generated by Red Vial 5 S.A. from toll collection through vehicle control booths are grouped in three different toll stations, located along the Ancon – Huacho – Pativilca road sections. This type of transactions are recognized at a point of time due to the control is transferred to the time of toll collection.

X. Cost and expense recognition

Engineering and construction contracts

Contract costs include all the incurred direct costs such as materials, labor, subcontracting costs, manufacturing and supply costs of equipment, start-up costs, depreciation and amortization, and indirect costs. Periodically, the Company evaluates the reasonableness of the estimates used in the determination of the total estimated cost of the contract. If, as a result of this evaluation, the total estimated cost of the project exceeds expected revenues, an adjustment is made in order to reflect onerous contract and the corresponding effect in profit or loss of the period in which the loss is incurred.

Cost for sale of oil and byproducts

The costs of services provided, and the costs of sales of oil and byproducts are recognized when incurred, which in this case are incurred at the same time that related revenue is recognized. Other costs and expenses are recognized as they accrue, regardless of the moment when they are paid, and are recorded in the accounting periods to which they relate.

Cost for concession operation services

The costs for operation and maintenance services are recognized when incurred, at the same time that related revenue is recognized. Other costs and expenses are recognized as they accrue, regardless of the moment when they are paid, and are recorded in the accounting periods to which they relate.

Y. Leases

Lease contracts are analyzed for the purpose of identifying those containing the characteristics specified in IFRS 16 *Leases (hereinafter IFRS 16)* for recognition, measurement, presentation and disclosure.

The Corporation evaluates in every lease contract the following:

- If it conveys the right to control the use of an identified asset;
- If the contract term is longer than twelve months;
- If the underlying asset amount is a material amount, and,
- That the fees to be paid are not entirely variable.

Leases in which the Corporation is a lessee

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The term of the lease includes the periods covered by an option to extend the contract if the Corporation is reasonably sure to exercise that option.

The lease liability is the total unpaid installments, measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

In the engineering and construction segment, interest expenses related to leasing contracts of the core business are reported in gross margin; the rest of the Corporation segments reports them in finance expenses.

Operating cash flows will be greater since cash payments for the main portion of the lease debt are classified within the financing activities. Only the portion of the payments that reflects interest can continue to be presented as operating cash flows.

Leases in which the Corporation is a lessor

Operating leases and assets are included in the consolidated statement of financial position according to the nature of the asset. Revenues from operating leases are recognized on a straight-line basis over the term of the lease agreement and the incentives granted to lessees are reduced from rental income. Accordingly, the Corporation, as lessor, has not changed the recognition of its leases.

Z. Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which dividends are approved.

AA. Immaterial corrections of previously reported balances as of December 31, 2021

In connection with the preparation of its consolidated financial statements, the Corporation identified an error in the interpretation and application of the accounting treatment of revenue and cost recognition arising from contracts with customers in the engineering and construction segment in prior years. Management of the Corporation has evaluated and concluded that the correction of this error has resulted in non-material adjustment to the net income previously reported in the consolidated financial statements as of December 31, 2020 and 2021. It should be noted that the aforementioned adjustments had no impact on total cash flows from operating, investing or financing activities.

A reconciliation between the previously reported amounts and the revised amounts as of December 31, 2020 and 2021, and for the years then ended is presented below:

Consolidated Statement of Financial Position:

In thousands of soles	As of		
	Reported	Adjustment	Revised
ASSETS			
Current assets			
Trade accounts receivables, net	687,514	61,059 (a)	748,573
Work in progress, net	186,433	(173,701) (b)	12,732
Other accounts receivable	404,743	4,563 (a)	409,306
Other current assets	1,502,478	-	1,502,478
Total current assets	2,781,168	(108,079)	2,673,089
Non-current assets			
Deferred tax asset	262,165	6,909 (c)	269,074
Other non-current assets	2,983,417	-	2,983,417
Total non-current assets	3,245,582	6,909	3,252,491
Total assets	6,026,750	(101,170)	5,925,580
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	1,064,416	(95,697) (b)	968,719
Other current liabilities	1,389,115	-	1,389,115
Total current liabilities	2,453,531	(95,697)	2,357,834
Non-current liabilities			
Deferred tax liability	102,907	8,031 (c)	110,938
Other non-current liabilities	1,875,016	-	1,875,016
Total non-current liabilities	1,977,923	8,031	1,985,954
Total liabilities	4,431,454	(87,666)	4,343,788
Equity			
Equity attributable to controlling interest in the Company	1,267,606	(15,744)	1,251,862
Non-controlling interest	327,690	2,240	329,930
Total equity	1,595,296	(13,504)	1,581,792
Total liabilities and equity	6,026,750	(101,170)	5,925,580

In thousands of soles	As of December 31, 2021		
	Reported	Adjustment	Revised
ASSETS			
Current assets			
Trade accounts receivables, net	590,280	244,352 (a)	834,632
Work in progress, net	309,063	(309,063) (b)	-
Other current assets	1,985,521	-	1,985,521
Total current assets	2,884,864	(64,711)	2,820,153
Non-current assets			
Deferred tax asset	275,076	1,270 (c)	276,346
Other non-current assets	2,740,632	-	2,740,632
Total non-current assets	3,015,708	1,270	3,016,978
Total assets	5,900,572	(63,441)	5,837,131
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	980,767	(67,941) (b)	912,826
Other provisions	154,829	716 (c)	155,545
Other current liabilities	1,212,121	-	1,212,121
Total current liabilities	2,347,717	(67,225)	2,280,492
Non-current liabilities			
Deferred tax liability	97,367	1,040 (c)	98,407
Other non-current liabilities	2,002,222	-	2,002,222
Total non-current liabilities	2,099,589	1,040	2,100,629
Total liabilities	4,447,306	(66,185)	4,381,121
Equity			
Equity attributable to controlling interest in the Company	1,199,816	3,229	1,203,045
Non-controlling interest	253,450	(485)	252,965
Total equity	1,453,266	2,744	1,456,010
Total liabilities and equity	5,900,572	(63,441)	5,837,131

Consolidated statements of profit or Loss:

In thousands of soles	For the year ended December 31, 2020		
	Reported	Adjustment	Revised
Revenues from construction activities	1,815,671	39,148 (a)	1,854,819
Revenues from services provided	936,485	-	936,485
Revenue from real estate and sale of goods	394,249	-	394,249
	<u>3,146,405</u>	<u>39,148</u>	<u>3,185,553</u>
Cost of construction activities	(1,716,309)	(76,410) (b)	(1,792,719)
Cost of services provided	(811,505)	4,392 (b)	(807,113)
Cost of real estate and sale of goods	(308,339)	-	(308,339)
	<u>(2,836,153)</u>	<u>(72,018)</u>	<u>(2,908,171)</u>
Gross profit (loss)	310,252	(32,870)	277,382
Administrative expenses	(134,013)	-	(134,013)
Other income and expenses	(181,182)	-	(181,182)
Operating loss	(4,943)	(32,870)	(37,813)
Financial expenses	(146,355)	-	(146,355)
Financial income	39,316	-	39,316
Share of the profit or loss of associates and joint ventures accounted for using the equity method	770	-	770
Loss before income tax	(111,212)	(32,870)	(144,082)
Income tax expense	(62,208)	8,036 (c)	(54,172)
Loss from continuing operations	(173,420)	(24,834)	(198,254)
Loss from discontinued operations	(16,924)	-	(16,924)
Loss for the year	<u>(190,344)</u>	<u>(24,834)</u>	<u>(215,178)</u>
(Loss) profit attributable to:			
Controlling interest in the Company	(217,871)	(23,526)	(241,397)
Non-controlling interest	27,527	(1,308)	26,219
	<u>(190,344)</u>	<u>(24,834)</u>	<u>(215,178)</u>
Loss per share attributable to controlling interest in the Company during the year	<u>(0.250)</u>	<u>(0.027)</u>	<u>(0.277)</u>
Total comprehensive income for the year Comprehensive income attributable to:			
Controlling interest in the Company	(209,599)	(30,205)	(239,804)
Non-controlling interest	27,641	(1,362)	26,279
	<u>(181,958)</u>	<u>(31,567)</u>	<u>(213,525)</u>

Segment information by geographic area

In thousands of soles	For the year ended December 31, 2020		
	Reported	Adjustment	Revised
Revenue			
Peru	2,477,435	32,980	2,510,415
Chile	514,907	6,169	521,076
Colombia	151,876	-	151,876
Mexico	2,187	-	2,187
	<u>3,146,405</u>	<u>39,148</u>	<u>3,185,553</u>

In thousands of soles	For the year ended December 31, 2021		
	Reported	Adjustment	Revised
Revenue from construction activities	2,272,561	194,916 (a)	2,467,477
Revenue from services provided	1,094,439	-	1,094,439
Revenue from real estate and sale of goods	579,482	-	579,482
	<u>3,946,482</u>	<u>194,916</u>	<u>4,141,398</u>
Cost of construction activities	(2,178,648)	(194,834) (b)	(2,373,482)
Cost of services provided	(918,212)	17,895 (b)	(900,317)
Cost of real estate and sale of goods	(454,484)	-	(454,484)
	<u>(3,551,344)</u>	<u>(176,939)</u>	<u>(3,728,283)</u>
Gross profit	395,138	17,977	413,115
Administrative expenses	(179,613)	-	(179,613)
Other income and expenses	(4,477)	-	(4,477)
Operating profit	211,048	17,977	229,025
Financial expenses	(262,574)	-	(262,574)
Financial income	5,773	-	5,773
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(861)	-	(861)
Loss before income tax	(46,614)	17,977	(28,637)
Income tax expense	(43,700)	(2,705) (c)	(46,405)
Loss from continuing operations	(90,314)	15,272	(75,042)
Loss from discontinued operations	(26,774)	-	(26,774)
Loss for the year	<u>(117,088)</u>	<u>15,272</u>	<u>(101,816)</u>
(Loss) profit attributable to:			
Controlling interest in the Company	(153,210)	11,440	(141,770)
Non-controlling interest	36,122	3,832	39,954
	<u>(117,088)</u>	<u>15,272</u>	<u>(101,816)</u>
Loss per share attributable to controlling interest in the Company during the year	<u>(0.176)</u>	<u>0.013</u>	<u>(0.163)</u>
Total comprehensive income for the year Comprehensive income attributable to:			
Controlling interest in the Company	(159,592)	12,167	(147,425)
Non-controlling interest	36,089	4,083	40,172
	<u>(123,503)</u>	<u>16,250</u>	<u>(107,253)</u>

Segment information by geographic area

In thousands of soles	For the year ended December 31, 2021		
	Reported	Adjustment	Revised
Revenue			
Peru	3,255,214	29,460	3,284,674
Chile	585,317	165,248	750,565
Colombia	105,951	209	106,160
	<u>3,946,482</u>	<u>194,916</u>	<u>4,141,398</u>

As a result of this process, the balances in the consolidated statement of cash flows were revised as follows:

In thousands of soles	For the year ended December 31, 2020		
	Reported	Adjustment	Revised
OPERATING ACTIVITIES			
(Loss) profit before income tax	(131,900)	(32,870) (a,b)	(164,770)
Adjustments to profit not affecting cash flows from operating activities:			
Other adjustments	630,525	-	630,525
Net variations in assets and liabilities:			
Trade accounts receivable and working in progress	131,674	77,726 (a,b)	209,400
Other accounts receivable	(46,117)	(4,563) (a)	(50,680)
Trade accounts payable	(42,062)	(36,156) (b)	(78,218)
Other accounts payable	(58,011)	(4,137) (c)	(62,148)
Other variations	(258,085)	-	(258,085)
Net cash provided by operating activities	226,024	-	226,024
INVESTING ACTIVITIES			
Net cash applied to investing activities	(64,733)	-	(64,733)
FINANCING ACTIVITIES			
Net cash applied to financing activities	(225,637)	-	(225,637)
Net decrease in cash	(64,346)	-	(64,346)
Exchange difference	13,813	-	13,813
Cash and cash equivalents at the beginning of the year	950,701	-	950,701
Cash and cash equivalents at the end of the year	900,168	-	900,168
NON-CASH TRANSACTIONS:			
Capitalization of interests	4,887	-	4,887
Acquisition of assets through finance leases	71	-	71
Acquisition of right-of-use assets	12,075	-	12,075
Reclassification to other accounts receivable by Concesionaria Via Expresa Sur	24,157	-	24,157
Acquisition of supplier bonds	25,871	-	25,871

In thousands of soles	For the year ended December 31, 2021		
	Reported	Adjustment	Revised
OPERATING ACTIVITIES			
(Loss) profit before income tax	(78,350)	17,977 (a,b)	(60,373)
Adjustments to profit not affecting cash flows from operating activities:			
Other provisions	62,246	716 (c)	62,962
Incremental cost of acquiring interest in joint operation	-	12,732 (b)	12,732
Other adjustments	490,819	-	490,819
Net variations in assets and liabilities:			
Trade accounts receivable and working in progress	(82,527)	(60,663) (a,b)	(143,190)
Other accounts receivable	41,626	507 (a)	42,133
Trade accounts payable	(55,131)	27,756 (b)	(27,375)
Other accounts payable	72,991	975 (c)	73,966
Other variations	(257,166)	-	(257,166)
Net cash provided by operating activities	194,508	-	194,508
INVESTING ACTIVITIES			
Net cash applied to investing activities	(88,189)	-	(88,189)
FINANCING ACTIVITIES			
Net cash applied to financing activities	(50,425)	-	(50,425)
Net decrease in cash	55,894	-	55,894
Exchange difference	1,116	-	1,116
Cash and cash equivalents at the beginning of the year	900,168	-	900,168
Cash and cash equivalents at the end of the year	957,178	-	957,178
NON-CASH TRANSACTIONS:			
Capitalization of interests	1,244	-	1,244
Acquisition of assets through finance leases	104	-	104
Dividends declared to non-controlling interest	17,281	-	17,281
Acquisition of right-of-use assets	7,988	-	7,988

(a) As discussed in Note 2.W, revenue from engineering and construction contracts is recognized over time as the Corporation fulfills its obligations, as there is a continuous transfer of control of the deliverable to the customer and revenue is recognized using the percentage-of-completion method for each contract through the date of the consolidated financial statements.

Revenue from additional work resulting from a modification or instruction received from the customer to make a change in the scope of work, price, or both will result in an increase in contract revenue which is also recognized using the percentage-of-completion method when the Corporation concludes that it is highly probable that there will not be a significant reversal of such revenue. Before the immaterial correction, the Corporation recognized a lower proportion of this additional revenue at the date of the consolidated financial statements depending on the status or stage in the process of obtaining formal, written approval for the additional work. After the immaterial correction, the Corporation recognized additional revenue based on the percentage of completion of the additional work, as long as the Corporation can conclude from its dealings with its clients that it is highly probable that there will not be a significant reversal of such revenue.

- (b) Before the immaterial correction, the Corporation presented the net position of construction contracts as either an asset or a liability. The contract was considered an asset when the gross margin earned at the measurement date was less than the Corporation’s estimated gross margin at contract completion. This asset was presented as “Work in progress”. If the gross margin obtained was greater than the estimated gross margin at completion, it was presented as a liability under “Accounts payable – Provision for estimated contract costs by stage of completion, both with an effect on the cost of construction activities account.

In order to correct the immaterial error, the Corporation reversed the balances of the work in progress account from assets and the provision for construction contract costs from liabilities, recognized the costs incurred in the consolidated statement of profit or loss.

- (c) Corresponds to the recognition of the tax effects related to the adjustments described in (a) and (b) above.

3. Standards, amendments, and interpretation of international financial reporting standards

A. New amendments to IFRS mandatory as of January 1, 2022

The following standards and interpretations and amendments to existing standards were issued with mandatory application for the accounting period beginning January 1, 2022, but were not relevant and did not have a material impact on the Corporation’s operations:

Effective date	New standards or modifications
January 1, 2022	Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract Annual Improvements to IFRS 2018-2020 (Amendments to IFRS 1, IAS 9, and IAS 41) Amendments to IAS 16 – Property, Plant and Equipment – Revenue Before Expected Use Amendments to IFRS 3 – Reference to the Conceptual Framework

B. New IFRSs and interpretations issued after the date of presentation of the consolidated financial statements

At the date of authorization of these consolidated financial statements, the Company has not applied the following new and revised Standards that have been issued but are not yet effective.

Effective date	New standards or modifications
January 1, 2023	Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current IFRS 17 Insurance Contracts and its amendments. Amendments to IAS 1 and Practical Statement 2 “Making Judgments Related to Materiality” – Disclosures of Accounting Policies Amendments to IAS 8 – Definition of Accounting Estimates Amendments to IAS 12 – Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction
Adoption optional/ effective date deferred indefinitely	Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These accounting pronouncements issued but not yet effective are not expected to have a material impact on the Company’s consolidated financial statements.

4. Financial Risk Management

The Corporation’s Management is responsible for managing financial risks. The corporation Management manages the general administration of financial risks such risks include currency risk, price risk, fair-value and cash-flow interest rate risks, credit risk, the use of derivative and non-derivative financial instruments, and investment of liquidity surplus, as well as financial risks; all of which are regularly supervised and monitored.

A. Financial risk factors

The Corporation’s activities expose it to a variety of financial risks: market risks (including currency risk, price risk, fair-value and cash-flow interest rate risks), credit risk, and liquidity risk.

The Corporation’s general program for risk management is mainly focused on financial market unpredictability and seeks to minimize potential adverse effects on the Corporation’s financial performance.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices involve four types of risk: interest rate risk, exchange rate risk, commodity price risk and other price risks. Financial instruments affected by market risk include bank deposits, trade accounts receivable, other accounts receivable, other financial liabilities, bonds, trade accounts payable, other accounts payable and accounts receivable from and payable to related parties.

(i) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will be reduced by adverse fluctuations in exchange rates. Management is responsible for identifying, measuring, controlling and reporting the exposure to foreign exchange risk.

The Corporation is exposed to foreign exchange risk arising from local transactions in foreign currencies and from its foreign operations. As of December 31, 2021 and 2022, this exposure is focused mainly on fluctuations of the U.S. dollar, Chilean peso, and Colombian peso. The Corporation’s management monitors this risk by analyzing the country’s macroeconomic variables.

The balances of financial assets and liabilities denominated in foreign currencies correspond to balances in US Dollars, Chilean pesos and Colombian pesos, which are stated exchange rate published on that date, according to the currency type:

	As of December 31, 2021		As of December 31, 2022	
	Buy	Sale	Buy	Sale
U.S. Dollars (a)	3.975	3.998	3.808	3.820
Chilean Peso (b)	0.004706	0.004733	0.004449	0.004463
Colombian Peso (c)	0.000998	0.001004	0.000792	0.000794

- (a) U.S. Dollar as published by the Superintendencia de Banca y Seguros (hereinafter SBS).
(b) Chilean peso as published by Banco Central de Chile.
(c) Colombian peso as published by Banco de la Republica de Colombia.

The consolidated statement of financial position as of December 31, includes the following balances:

In thousands of US dollars	2021	2022
Assets		
Cash and cash equivalents	119,627	58,280
Trade accounts receivable, net	92,016	124,593
Accounts receivable from related parties	219,209	276,048
Other accounts receivable	87,742	75,536
	<u>518,594</u>	<u>534,457</u>
Liabilities		
Borrowings	(101,975)	(215,076)
Bonds	(95,022)	(5,569)
Trade accounts payable	(123,128)	(119,104)
Accounts payable to related parties	(81,799)	(133,745)
Other accounts payable	(60,821)	(88,012)
Other provisions	(29,641)	(42,241)
	<u>(492,386)</u>	<u>(603,747)</u>

The Corporation assumes foreign exchange risk because it does not use derivative financial instruments to mitigate exchange rate fluctuations.

For the periods ended December 31, 2020, 2021 and 2022, the Corporation's exchange gains and losses for the exposure of U.S. Dollar, the Chilean peso, and the Colombian peso against the Peruvian Sol was (Note 26.A):

In thousands of soles	2020	2021	2022
Gain	426,164	383,199	449,864
Loss	(429,930)	(430,410)	(450,133)
	<u>(3,766)</u>	<u>(47,211)</u>	<u>(269)</u>

If, as of December 31, 2022, the U.S. Dollars, the Chilean peso, and the Colombian peso had been strengthened/weakened by 5% against the Peruvian Sol, the pre-tax profit or loss for the year would have an impact equivalent to S/13 thousand (S/ 2.7 million in 2021). If, as of December 31, 2022, the U.S. Dollars, the Chilean peso, and the Colombian peso had been strengthened/weakened by 10% against the Peruvian Sol, the pre-tax profit or loss for the year would have an impact equivalent to S/27 thousand (S/ 4.7 million in 2021).

The consolidated statement of changes in equity comprises a foreign currency translation adjustment originated by its subsidiaries. The consolidated statement of financial position includes the following assets and liabilities in its currency (in thousands):

	2021		2022	
	Assets	Liabilities	Assets	Liabilities
Chilean pesos	72,776,160	93,740,228	60,684,971	81,864,810
Colombian pesos	59,773,077	31,057,046	96,944,436	59,114,296

The Corporation's foreign currency translation adjustment in 2022 was negative by S/20.9 million (negative by S/ 5 million in 2021).

(ii) Price risk

The Corporation is exposed to the risk of hydrocarbon price fluctuations which impacts on the selling price of the products that it commercializes, which are significantly affected by changes in global economic conditions, resource availability, and the cycles of related industries. Management considers reasonable these possible fluctuations in the hydrocarbons prices, based in the Corporation's economic market environment.

If, as of December 31, 2022, the oil price had increased/decreased by 5%, the pre-tax profit for the year would have increased/decreased by S/ 28.4 million and S/ 29.8 million (S/42.3 million and S/39.7 million in 2021). This analysis assumes that all other variables remain constant. If, as of December 31, 2022, the oil price had increased/decreased by 10%, the pre-tax profit for the year would have increased/decreased by S/ 56.4 million and S/ 62 million (S/88.9 million and S/78.6 million in 2021).

(iii) Fair-value and cash-flow interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Corporation's interest rate risk arises mainly from its long-term financial liabilities. Variable rate long-term financial liabilities expose the Corporation to cash-flow interest rate risk. Fixed-rate financial liabilities expose the Corporation to fair-value interest rate risk.

The Corporation assumes the interest rate risk, due to they do not use financial derivative instruments for mitigate variations in the interest rate risk.

The sensitivity to a reasonably possible change in interest rates is shown below. With all other variables held constant, the Corporation's income before income taxes would be affected by the impact on variable rate borrowings. For the period ended December 31, 2022 and 2021 the impact on income before income taxes on a 10% increase or decrease amounts to approximately S/2.5 million and S/2.6 million, respectively (S/2 million and S/2.1 million, respectively, in 2021). The assumed movement in basis points related to the interest rate sensitivity analysis is based on the current market environment.

(b) Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or commercial contract, resulting in a financial loss.

Credit risk for the Corporation arises from its operating activities due to credit exposure to customers and from its financial activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. The maximum exposure to credit risk for the consolidated financial statements as of December 31, 2022 and 2021 is represented by the sum of cash and cash equivalents (Note 9), trade accounts receivable (Note 10), other accounts receivable (Note 12) and accounts receivable from related parties (Note 11).

Customer credit risk is managed by Management subject to the Corporation's established policies, procedures and control related to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined based on this assessment. The maximum credit risk exposure at the reporting date is the carrying value of each class of financial assets disclosed in Note 10.

The Corporation assesses the concentration of risk with respect to trade accounts receivable as low risk because sales are not concentrated in small customer groups and no customers account for 10% or more of the Corporation's revenues.

Management monitors the credit risk of other receivables on an ongoing basis and assesses those receivables that show evidence of impairment to determine the required allowance for doubtful accounts.

Concerning loans to related parties, the Corporation has measures in place to ensure the recovery of these loans through the controls maintained by the Corporate Finance Management and the performance evaluation conducted by the Board of Directors (Note 11).

Management does not expect the Corporation to incur any losses from the performance of these counterparties, except for the ones already recorded in the consolidated financial statements.

(c) Liquidity risk

Prudent liquidity risk management implies holding enough cash and cash equivalent, and financing available through a proper number of credit sources, and the ability to close positions in the market. Historically, the Corporation's cash flows from operations have enabled it to meet its obligations. The Corporation has implemented various actions to reduce its exposure to liquidity risk and has developed a Financial Plan based on several steps, which were designed with a commitment to compliance within a reasonable period of time. The Financial Plan is intended to meet the various obligations at the Company and Corporation entities levels.

The Corporate Finance Office monitors the cash flow projections made on liquidity requirements of the Corporation to ensure it exists sufficient cash to meet operational needs so that the Corporation does not breach borrowing limits or covenants, where applicable, on any of its borrowing facilities. Less significant financing transactions are controlled by the Finance Management of each subsidiary.

Such forecasting takes into consideration the Corporation's debt financing plans, covenant compliance, compliance with ratio targets in the statement of financial position and, if applicable, with external regulatory or legal requirements.

As of December 31, 2022, the Company has significant current payment obligations arising from the Plea Agreement (Note 1.C) and the Bridge Loan (Note 17.A.i). For this purpose, Management is developing a financial plan with the aim of covering the short-term part of these obligations.

Cash surplus on the amounts required for the administration of working capital are invested in checking accounts that generate interest and time deposits, selecting instruments with appropriate maturities or sufficient liquidity.

The table below analyzes the Corporation's financial liabilities grouped according to the remaining period from the date of the statement of financial position to the date of maturity. The amounts disclosed in the table below are the contractual undiscounted cash flows, which include interest to be accrued according to the established schedule.

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
As of December 31, 2021						
Other financial liabilities (except for finance leases and lease liability for right-of-use asset)	509,557	224,503	52,751	173,392	124,320	574,966
Finance leases	9,836	5,624	4,613	296	-	10,533
Lease liability for right-of-use asset	60,507	18,817	24,295	21,993	8,086	73,191
Bonds	1,260,922	137,852	206,476	837,931	792,037	1,974,296
Trade accounts payables (except non-financial liabilities)	912,826	912,826	-	-	-	912,826
Accounts payables to related parties	101,716	51,004	50,712	-	-	101,716
Other accounts payables and other provisions (except non-financial liabilities)	842,198	323,070	22,941	109,383	422,666	878,060
	<u>3,697,562</u>	<u>1,673,696</u>	<u>361,788</u>	<u>1,142,995</u>	<u>1,347,109</u>	<u>4,525,588</u>

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
As of December 31, 2022						
Other financial liabilities (except for finance leases and lease liability for right-of-use asset)	819,973	599,310	71,732	216,392	-	887,434
Finance leases	835	873	-	-	-	873
Lease liability for right-of-use asset	59,085	19,075	31,705	23,386	113	74,279
Bonds	869,913	141,246	185,114	419,969	707,800	1,454,129
Trade accounts payables (except non-financial liabilities)	1,037,013	1,027,256	9,757	-	-	1,037,013
Accounts payables to related parties	80,781	53,488	25,420	697	1,176	80,781
Other accounts payables and other provisions (except non-financial liabilities)	712,071	186,326	64,307	89,868	470,129	810,630
	<u>3,579,671</u>	<u>2,027,574</u>	<u>388,035</u>	<u>750,312</u>	<u>1,179,218</u>	<u>4,345,139</u>

B. Capital management

The Corporation's objective in managing capital is to safeguard its ability to continue as going concern in order to generate returns to its shareholders, benefits to stakeholders, and keep an optimal capital structure to reduce capital cost. Since 2017, due to the situation of the Corporation, Management has monitored deviations that might cause the non-compliance of covenants and may hinder renegotiation of liabilities (Note 17.A). In special situations and events, the Corporation identifies potential deviations, requirements and establishes a plan.

The Corporation may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt to maintain or adjust the capital structure.

The Corporation monitors its capital based on the leverage ratio. This ratio is calculated as net debt divided by the sum of net debt plus equity. The net debt corresponds to the total financial liabilities (including current and non-current indebtedness) adding the provision for civil compensation less cash and cash equivalents.

As of December 31, 2021 and 2022, the leverage ratio is as follows:

<i>In thousands of soles</i>	Note	2021	2022
Total borrowing, bonds and civil compensation (*)	17 and 18	2,326,903	2,238,699
Less: Cash and cash equivalents	9	(957,178)	(917,554)
Net debt (a)		1,369,725	1,321,145
Total equity (b)		1,456,010	1,346,006
Total net debt plus equity (a) + (b)		<u>2,825,735</u>	<u>2,667,151</u>
Gearing ratio		<u>0.48</u>	<u>0.50</u>

(*) The provision for civil compensation is included in other provisions (Note 21).

During the years ended December 31, 2021 and 2022, there were no changes in the objectives, policies or processes related to capital management.

5. Use of Judgments and Estimates

The estimates and judgments used are continuously evaluated and are based on historical experience and other factors, including the reasonable expectation of occurrence of future events depending on the circumstances.

A. Significant accounting estimates and criteria

The Corporation makes estimates and assumptions regarding the future. Resulting accounting estimates very rarely will be the same as the actual results. The following are the estimates and assumptions that have significant risk as to produce a material adjustment to the balances of assets and liabilities for next periods.

i. Impairment testing of goodwill and other finite useful-life fixed assets and indefinite useful-life intangible assets

Impairment testing is undertaken annually to determine if goodwill arising from business acquisitions and other useful-life indefinite intangible assets are impaired, in accordance with the policy described in Note 2.G. For this purpose, goodwill is allocated to the different CGUs to which it relates while other indefinite useful-life intangible assets are assessed individually.

The recoverable amounts of the CGU and of other indefinite useful-life intangible assets have been determined based on the higher of their value-in-use or fair value less costs to sell. This testing requires the exercise of Management's professional judgment to analyze any potential indicators of impairment such as the use of estimates in determining the value in use, including preparing future cash flows, macro-economic forecasts as well as defining the interest rate at which said cash flows will be discounted.

If the Corporation experiences a significant drop in revenues or a drastic increase in costs or changes in other factors, the fair value of their business units might decrease. If Management determines that the factors reducing the fair value of the business units are permanent, those economic factors will be taken into consideration to determine the recoverable amount of those business units and therefore, goodwill, as well as other indefinite useful-life intangible assets may be deemed to be impaired, which could result in write-off being necessary.

As a result of these evaluations, as of December 31, 2021 and 2022, no provision for goodwill impairment was identified (Note 16.A) and; as of December 31, 2022, the Corporation recognized impairment of the Vial y Vives-DSD brands for S/2.5 million; however, no provision was identified for the Morelco brand. In 2021, no impairment was identified for these brands (Note 16.B).

As of December 31, 2021 and 2022, the Corporation conducted a sensitivity analysis increasing or decreasing the assumptions of gross margin, discount rate, and revenue and terminal growth rate by 10% (this percentage corresponds to the relevant evaluation range for management). This analysis assumes that all other variables remain constant.

Goodwill

In 2022, if the gross margin, discount rate, and perpetual growth rate were 10% below or above management's estimates, collectively and/or independently, the Corporation would not have had to recognize a provision for impairment of goodwill of UGE Engineering and Construction (Morelco) because its fair value would have increased or decreased by S/13.5 million.

In 2021, if the gross margin and discount rate were 10% below or above management's estimates, in the aggregate and/or independently, the Corporation would have had to recognize an impairment provision for goodwill of UGE Ingeniería y construcción (Morelco) within the range of S/4.6 million and S/15 million.

Trademarks

In 2022, if the revenue growth rate, discount rate and perpetual growth rate were 10% below or above management's estimates, in the aggregate and/or independently, the Corporation would have had to recognize an impairment provision for the Vial y Vives-DSD brands in the range of S/3.1 million and S/3.9 million, and for the Morelco brand, the Corporation would not have had to recognize an impairment provision because its recoverable value would have increased or decreased in the range of S/2.1 million and S/16.1 million.

In 2021, if the revenue growth rate, discount rate and perpetual growth rate were 10% below or above management's estimates, in the aggregate and/or independently, the Corporation would have had to recognize an impairment provision for the Vial y Vives-DSD brand in the range of S/3 million and S/3.1 million; and for the Morelco brand, the Corporation would not have had to recognize an impairment provision because its fair value would have increased or decreased in the range of S/10.2 million and S/11.4 million.

ii. Taxation

Determination of the tax obligations and expenses requires interpretations of the applicable tax legislation. The Corporation has professional advice on legal tax matters before making any decision on tax matters.

Deferred tax assets and liabilities are calculated based on the temporary differences arising between the taxable basis of assets and liabilities and the respective amounts stated in the financial statements of each entity comprising the Corporation, using the tax rates in effect in each of the years in which the difference is expected to reverse. Any change in tax rates will affect the deferred tax assets and liabilities. This change will be recognized in the consolidated statement of profit or loss in the period in which the change takes effect.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences and tax losses can be used. For this purpose, the Corporation takes into consideration all available information, including factors such as historical data, projected income, current operations, and tax planning strategies. A tax benefit related to a tax position is only recognized if the benefit will be realized.

The income tax for the year includes Management's evaluation of the amount of taxes to be paid in uncertain tax positions, where the liabilities have not yet been agreed with the tax administration. The Corporation's possible maximum exposure to tax contingency amounts to S/ 310.98 million.

iii. Percentage of completion revenue recognition

Revenue from services based on construction contracts are recognized by the percentage of completion method, according to the output method (Note 2.W.i). The Corporation applies the output method to measure the physical percentage-of-completion which is based on surveys of projects performance by the Corporation's experts. The Corporation considers this method depicts the transfer of control of the goods or services to the customers, as it reflects also an enforceable right to payment by the Corporation for work performed to date.

Costs directly related to a specific contract includes: labor costs at the construction site (including construction supervision), costs of materials used in construction, depreciation costs of equipment used in the contract, design and technical assistance costs directly related to the contract, among others (Note 2.X). However, any expected and likely cost overruns related to the contract over total expected income under the contract is recognized as expense immediately. In addition, any change in the estimates under the contract is recognized as a change in accounting estimates in the period in which the change is made and future periods, if applicable. In certain construction contracts, the terms of these agreements allow to retain an amount to customers until construction is completed.

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

As of December 31, 2020, 2021 and 2022, a sensitivity analysis was performed considering a 10% increase/decrease in the construction margins in the following sectors: i) buildings, ii) energy, iii) industry, iv) infrastructure, v) mining, vi) oil & gas, vii) water and sewage, and viii) various services, as shown below:

	2020	2021	2022
Revenue	1,854,819	2,467,477	2,451,067
Gross profit	62,100	93,995	(14,212)
%	3.35	3.81	0.58
Plus 10%	3.69	4.19	0.64
Increase in profit (loss) before income tax	6,343	9,392	(1,475)
	68,443	103,387	(15,687)
Less 10%	3.02	3.43	0.52
Decrease in (loss) profit before income tax	(6,343)	(9,392)	1,475
	55,757	84,603	(12,737)

Provision for decommissioning and well closure

The provision for decommissioning and well closure is an obligation established by law for all operators. Accordingly, it is more likely than not that an outflow of resources will be required to settle the obligation and it is possible to reliably estimate its amount. The operator is responsible for this activity to the extent that the wells have been worked during the contract period.

As of December 31, 2021 and 2022, the estimate of the amount calculated by the Corporation is based on the following factors:

- Total number of wells to be plugged,
- Well decommissioning and plugging costs (these costs are estimated on the basis of plug and abandonment performed in previous periods and with quotations made for the Lot I abandonment plan), and
- Costs for facility abandonment and remediation areas

The Corporation estimates the present value of its future obligation for decommissioning and well closure costs (well closure liability) and increases the carrying amount of the asset to be retired in the future, which is shown in intangible assets item in the consolidated statement of financial position. The provision is recognized at the present value of the expected disbursements in local and foreign currency to settle the obligation using the Peruvian sovereign bond discount rate in local and foreign currency, respectively for 5, 15 and 30 years.

The pre-tax discount rates used for the calculation of the present value in 2022 were 5.41% (US dollars) and 7.21% (soles) for Lot I; 5.29% (US dollars) and 6.96% (soles) for Lot V (in 2021 1.48% and 4.54% for Lot I and 1.13% and 4.01% for Lot V, respectively); and 6.57% (US dollars) and 8.22% (soles) for Lots III and IV, based on the rate applicable to Peruvian sovereign bonds in soles and dollars between 3, 5 and 30 years respectively, in effect as of December 2021 and 2022. The liability for the closure of wells and other oil premises is readjusted to reflect changes arising from the passage of time and from reviews conducted either at the date of occurrence or the amount of the present value of the originally estimated obligations (Note 21).

If, as of December 31, 2021 and 2022, the estimated rate had increased or decreased by 10%, the impact on pre-tax profit would not have been significant. This analysis assumes that all other variables remain constant:

<i>In thousands of soles</i>	2021	2022
10%	1,628	383
(10%)	1,812	409

iv. Impairment of investment in associate and account receivable to Gasoducto Sur Peruano S.A.

As a consequence of the termination of the concession agreement signed between Gasoducto Sur Peruano S.A. (hereinafter "GSP") and the Peruvian State (Note 14.A), in 2019 the Company impaired the full value of its investment in GSP.

In the case of the accounts receivable to GSP (Note 11 and Note 14), the Management has determined its recoverability under the following assumptions: (i) the amount that GSP will recover as a result of a possible public auction y (ii) the liquidation of the company via the GSP Creditor's meeting.

Accounts receivable related to GSP as of December 31, 2021 and 2022 amount to S/ 643.9 million and S/ 542.4 million, respectively (Note 11).

The calculation of the impairment estimate adheres to a process of liquidation of GSP in accordance with Peruvian legislation, according to which the value of the asset to be recovered is used first to cover the payments of liabilities in the different categories of creditors and the remainder, if it is the case, to cover the payment to the shareholders, taking into account the existing subordination agreements.

In 2018, in relation to the amount to be recovered by GSP, the Company assumed a recovery of the minimum amount established in the Concession Agreement, which is equivalent to 72.25% of the Net Carrying Amount (NCA) of the Concession assets. This amount represented a minimum payment to be obtained by GSP based on a public auction to be set up for the adequate transfer of the Concession's assets to a new concessionaire, under the relevant contractual terms and conditions.

Beginning 2019, the recovery of NCA estimated by Management equals 50%, considering the agreements reached in the Final Plea Agreement and a total term of eight years has been considered, which included the formation of the Creditors' Meeting, the approval of the settlement plan, the presentation of the arbitration claim, as well as the entire arbitration process.

As of the date of this report, GSP is under liquidation. AENZA S.A.A. has pointed as chairman of the Creditors' Meeting. On April 11, 2023, the Creditors' Meeting approved with 77% of the votes, the Liquidation Agreement, which establishes the liquidator's framework. Likewise, on April 12, 2023, the liquidator (Alva Legal Asesoría Empresarial S.A.C.) has notarially requested the initiation of the Direct Treatment procedure with the Ministry of Energy and Mines in accordance with the rules of the Concession Contract. The Company considers that the term of eight years for the recovery of the investment is adequate, considering the possibility of an arbitration process and the time it will take to execute the award. See assumptions and recognized values in Note 14.A.i. The Company's management maintains the recovery estimate in 8 years, applying a discount rate of 5.85% (recovery term of eight years with a discount rate of 2.73% as of December 31, 2021). These estimates generated during 2022 a present value effect of approximately S/72.2 million (S/32.8 million during 2021).

B. Significant judgments in applying accounting policies

Consolidation of entities in which the Corporation holds less than 50%

The Corporation owns some direct and indirect subsidiaries in which it has control, even having less than 50% of the voting rights. These entities are mainly related to indirect subsidiaries in the real estate business owned through Viva Negocio Inmobiliario S.A.C., having control over relevant activities affecting the subsidiaries' returns, even though the Corporation holds interest between 30% and 50%. Additionally, the Corporation has *de facto* control by a contractual agreement with the majority investor over Promotora Larcomar S.A. of which it owns 46.55% of the equity interest.

Consolidation of entities in which the Corporation does not have joint control but holds rights and obligations over the assets and liabilities

The Corporation assesses, on an ongoing basis, the nature of the contracts signed with one or more parties. If the Corporation is not determined to have control or joint control but has rights to the assets and obligations for the liabilities under the arrangement, the Corporation recognizes its assets, liabilities, income and expenses and its interest in any jointly controlled assets or liabilities and any income or expenses arising from the arrangement as a joint operation in accordance with IFRS 11 *Joint Arrangements* (Note 2.B.v).

6. Interests in Other Entities

The consolidated financial statements include the accounts of the Company and its subsidiaries. Additionally, the consolidated financial statements include interests in joint operations in which the Company or certain subsidiaries have joint control with their partners (Note 2.B).

A. Main subsidiaries

The following table shows the main direct and indirect subsidiaries classified by operating segment (Note 7):

Name	Country	Economic activity
Engineering and Construction:		
Cumbra Peru S.A.	Peru, Chile, and Colombia	Service of civil construction, electromechanical assembly, and building, management and implementation of real estate projects, and other related services.
GyM Chile S.p.A.	Chile	Investment funds, investment companies, and similar financial entities.
Vial y Vives - DSD S.A.	Chile	Construction engineering projects, civil construction, and related technical advisory, rental of agriculture and livestock, forest, construction and civil engineering machinery and equipment without operators.
Morelco S.A.S.	Colombia, Ecuador, and Peru	Provision of construction and assembly services, supply of equipment and materials, operation and maintenance, and engineering services in the specialties of mechanics, instrumentation, and civil works.
Cumbra Ingenieria S.A.	Peru, Mexico, and Bolivia	Engineering advisory and consultancy, project execution, and project studies and supervision, and work management.
Energy:		
Unna Energia S.A.	Peru	Oil and natural gas products and byproducts extraction, operation and exploitation services, as well as fuel storage and dispatch services.
Oiltanking Andina Services S.A.	Peru	Operation of the gas processing plant of Pisco - Camisea.
Transportadora de Gas Natural Comprimido Andino S.A.C. (TGNCA)	Peru	Trade of natural gas through a virtual system and compression service.
Name	Country	Economic activity
Infrastructure:		
Unna Transporte S.A.C.	Peru	Operation and maintenance of highways and concessions.
Tren Urbano de Lima S.A.	Peru	Concession to operate the metro transportation system of Lima Metropolitana.
Carretera Andina del Sur S.A.	Peru	Concession to construct, operate, and maintain Section 1 of "Interoceanica Sur" highway.
Red Vial 5 S.A.	Peru	Concession to restore, operate, and maintain the "Ancon - Huacho - Pativilca" Section of "Panamericana Norte" Highway.
Carretera Sierra Piura S.A.C.	Peru	Concession to operate and maintain the Buenos Aires - Canchaque provincial highway.
Concesionaria Via Expresa Sur S.A.	Peru	Concession to design, construct, operate, and maintain Via Expresa - Paseo de la Republica in Lima.
Real estate:		
Viva Negocio Inmobiliario S.A.C.	Peru	Development and management of real estate projects directly or jointly to other partners.
Parent company operation:		
CAM Holding S.p.A.	Chile	Investment company.
Qualys S.A.	Peru	Provision of human, economic and technological services to the Corporation's companies.
Promotores Asociados de Inmobiliarias S.A.	Peru	It operates in the real estate industry and is engaged in development and sale of offices.
Negocios del Gas S.A.	Peru	Investment company for construction, operation, and maintenance of natural gas and natural gas liquids transportation systems.
Inversiones en Autopistas S.A.	Peru	Company holding shares, interests, or other any ownership or credit investment.
Operadores de Infraestructura S.A.C.	Peru	Activities related to the leasing of advertising space and commercial premises on Line 1 of the Lima Metro.

The following table shows the Corporation's subsidiaries and related interest as of December 31, 2022:

In percentage	Percentage of common shares directly held by Parent Company (%)	Percentage of common shares directly held by Subsidiaries (%)	Percentage of common shares directly held by the Group (%)	Percentage of common shares directly held by non-controlling interest (%)
Engineering and Construction:				
Cumbra Peru S.A.	99.39%	-	99.39%	0.61%
- Morelco S.A.S.	-	100.00%	100.00%	-
- GyM Chile S.p.A.	-	100.00%	100.00%	-
- Vial y Vives - DSD S.A.	-	99.16%	99.16%	0.84%
- Cumbra Inversiones Colombia S.A.S.	-	100.00%	100.00%	-
Cumbra Ingenieria S.A.	89.41%	-	89.41%	10.59%
- Ecologia Tecnologia Ambiental S.A.C.	-	100.00%	100.00%	-
- GM Ingenieria y Construccion de CV	-	100.00%	100.00%	-
- GM Ingenieria Bolivia S.R.L.	-	98.57%	98.57%	1.43%
Energy:				
Unna Energia S.A.	95.00%	-	95.00%	5.00%
- Oiltanking Andina Services S.A.	-	50.00%	50.00%	50.00%
- Transportadora de Gas Natural Comprimido Andino S.A.C.	-	100.00%	100.00%	-
Infrastructure:				
Unna Transporte S.A.C.	100.00%	-	100.00%	-
Tren Urbano de Lima S.A.	75.00%	-	75.00%	25.00%
Carretera Andina del Sur S.A.C	100.00%	-	100.00%	-
Red Vial 5 S.A.	18.20%	48.80%	67.00%	33.00%
Carretera Sierra Piura S.A.C.	99.96%	0.04%	100.00%	-
Concesionaria Via Expresa Sur S.A.	98.89%	1.11%	100.00%	-
Real Estate:				
Viva Negocio Inmobiliario S.A.C.	99.54%	-	99.54%	0.46%
Parent company operations:				
Qualys S.A.	100.00%	-	100.00%	-
Promotora Larcomar S.A.	46.55%	-	46.55%	53.45%
Negocios del Gas S.A.	99.99%	0.01%	100.00%	-
Agenera S.A.	99.00%	1.00%	100.00%	-
Inversiones en Autopistas S.A.	1.00%	99.00%	100.00%	-
Cam Holding S.p.A.	100.00%	-	100.00%	-

The following table shows the Corporation's subsidiaries and related interest as of December 31, 2021:

In percentage	Percentage of common shares directly held by Parent Company (%)	Percentage of common shares directly held by Subsidiaries (%)	Percentage of common shares directly held by the Group (%)	Percentage of common shares directly held by non-controlling interest (%)
Engineering and Construction:				
Cumbra Peru S.A.	99.39%	-	99.39%	0.61%
- Morelco S.A.S.	-	100.00%	100.00%	-
- GyM Chile S.p.A.	-	100.00%	100.00%	-
- Vial y Vives - DSD S.A.	-	94.49%	94.49%	5.51%
- Cumbra Inversiones Colombia S.A.S.	-	100.00%	100.00%	-
Cumbra Ingenieria S.A.	89.41%	-	89.41%	10.59%
- Ecologia Tecnologia Ambiental S.A.C.	-	100.00%	100.00%	-
- GM Ingenieria y Construccion de CV	-	100.00%	100.00%	-
- GM Ingenieria Bolivia S.R.L.	-	100.00%	100.00%	1.43%
Energy:				
Unna Energia S.A.	95.00%	-	95.00%	5.00%
- Oiltanking Andina Services S.A.	-	50.00%	50.00%	50.00%
- Transportadora de Gas Natural Comprimido Andino S.A.C.	-	100.00%	100.00%	-
Infrastructure:				
Unna Transporte S.A.C.	100.00%	-	100.00%	-
Tren Urbano de Lima S.A.	75.00%	-	75.00%	25.00%
Carretera Andina del Sur S.A.C	100.00%	-	100.00%	-
Red Vial 5 S.A.	18.20%	48.80%	67.00%	33.00%
Carretera Sierra Piura S.A.C.	99.96%	0.04%	100.00%	-
Concesionaria Via Expresa Sur S.A.	99.98%	0.02%	100.00%	-
Real Estate:				
Viva Negocio Inmobiliario S.A.C.	56.22%	43.32%	99.54%	0.46%
Parent company operations:				
Qualys S.A.	100.00%	-	100.00%	-
Promotora Larcomar S.A.	46.55%	-	46.55%	53.45%
Negocios del Gas S.A.	99.99%	0.01%	100.00%	-
Agenera S.A.	99.00%	1.00%	100.00%	-
Inversiones en Autopistas S.A.	1.00%	99.00%	100.00%	-
Cam Holding S.p.A.	100.00%	-	100.00%	-

B. Public service concessions

The Corporation has public service concessions. When applicable, the income attributable to the construction or restoration of infrastructure has been accounted for by applying the models described in Note 2.E (financial asset model and intangible assets).

In all Corporation's concessions, the infrastructure returns to the Grantor at the end of the Agreement.

AENZA S.A.A. and Subsidiaries

 Notes to the Consolidated Financial Statements
 December 31, 2020, 2021 and 2022

Find below the concessions held by the Corporation as of December 31, 2021 and 2022:

Name of Concessionaire	Description	Estimated investment	Consideration	Interest	Concession termination	Accounting model
Carretera Andina del Sur S.A.	This company operates and maintains a highway of 750 km from San Juan de Marcona Port to Urcos, Peru, which is connected to the Interoceanica highway. The highway has five tolls and three weigh stations.	US\$ 99 million	Transaction secured by the Peruvian Government comprising annual payments for highway maintenance and operation, under responsibility of the Ministry of Transportation and Communications (MTC).	100.00%	2032	Financial asset
Carretera Sierra Piura S.A.C.	This company regularly operates and maintains a highway of 78 km, which connects Buenos Aires and Canchaque towns in Peru. The highway has one toll.	US\$ 31 million	Transaction secured by the Peruvian Government regardless traffic volume. Revenue is secured by an estimated annual amount of US\$ 1.4 million.	100.00%	2025	Financial asset
Concesionaria La Chira S.A.	Design, financing, construction, operation, and maintenance of "Planta de Tratamiento de Aguas Residuales y Emisario Submarino La Chira" project. About 25% of sewage of Lima is treated under this project.	S/ 450 million	Transaction secured by the Peruvian Government consisting of monthly and quarterly payments settled by Sedapal's collection trust.	50.00%	2036	Financial asset
Tren Urbano de Lima S.A.	Concession to operate the Electric Mass Transportation System of Lima and Callao, Line 1 Villa El Salvador - Avenida Grau - San Juan de Lurigancho, the only railway system in Lima Metropolitana, including (i) operation and maintenance of existing trains (24 trains as initial investment and 20 additional trains) and (ii) operation and maintenance of the railway system (railway and infrastructure).	S/ 566 million	Transaction secured by the Peruvian Government through a quarterly payment made by the MTC based on kilometers per train.	75.00%	2041	Financial asset
Red Vial 5 S.A.	Operation and maintenance of the highway connecting Lima to the northwest of Peru. This highway, known as Red Vial, is 183 km long from Ancon to Pativilca and has three tolls.	US\$ 187 million	Collected from users (self-funded concession; revenue comes from toll collection).	67.00%	2028	Intangible
Concesionaria Via Expresa Sur S.A.	Concession to design, finance, construction, operation, and maintenance of the infrastructure associated with the Via Expresa Sur project. This project comprises the second stage expansion of Via Expresa – Paseo de la Republica, between Av. Republica de Panama and Panamericana highway.	-	By virtue of this agreement, the users had to pay the respective tolls and the Peruvian Government guaranteed to pay the amount to cover the deficit resulting from collection to users and the annual limits established in such an agreement. On December 16, 2022, the Municipality of Lima and Concesionaria Via Expresa Sur declared the expiration of the Concession Agreement.	100.00%	2053	Financial asset

C. Hydrocarbon and gas contracts

As of December 31, 2022, the subsidiary Unna Energia S.A. has mainly three contracts signed with Perupetro S.A. In 2021, it had four contracts signed with Perupetro S.A. and one contract signed with ENEL, as indicated below:

i. Service contract for exploration and exploitation of hydrocarbons (Lot V)

This contract was signed with Perupetro S.A. in 1993 for a period of twenty years. In March 2010 the Extension Agreement to the oil services contract was signed until October 2023. The lot is located in the provinces of Talara and Contralmirante Villar, departments of Piura and Tumbes, Grau region, northeastern Peru. As of December 31, 2022, the Company held a total of 95 wells of which 39 wells were active and 56 wells were inactive (as of December 31, 2021 it held 95 wells of which 40 wells were active and 55 wells were inactive).

ii. License agreement for the exploitation of hydrocarbons (Lot III)

Subscribed with Perupetro S.A. in March 2015 for a period of thirty years for oil, and forty years for non-associated natural gas counted from April 5, 2015, the date corresponding to the start of operations. The lot is located in the provinces of Talara and Paita, Grau region, northeastern Peru. As of December 31, 2022, the Company held a total of 505 wells of which 172 wells were active and 333 wells were inactive (as of December 31, 2021 it held 498 wells of which 134 wells were active and 364 wells were inactive).

iii. License agreement for the exploitation of hydrocarbons (Lot IV)

Subscribed with Perupetro S.A. in March 2015 for a period of thirty years for oil, and forty years for non-associated natural gas counted from April 5, 2015, the date corresponding to the start of operations. The lot is located in the provinces of Talara and Contralmirante Villar, department of Piura and Tumbes, Grau region, northeastern Peru. As of December 31, 2022, the Company had a total of 578 wells of which 361 wells were active and 217 wells were inactive (as of December 31, 2021 it had 528 wells of which 337 wells were active and 191 wells were inactive).

iv. Service contract for exploration and exploitation of hydrocarbons (Lot I)

Contract terminated on December 26, 2021, signed in 1991 by Cavelcas del Peru S.A. (CAVELCAS) and Perupetro S.A. for a period of twenty years. On July 31, 1995 CAVELCAS made the assignment of the contractual position for 100% of the participation to the Company, the latter assuming the technical, economic and financial responsibility of the operations. In March 2010 an extension agreement was signed for this contract until December 2021. To date, the Company is in the process of obtaining the approval of the Abandonment Plan, in order to execute the activities under its responsibility due to the termination of the Contract.

v. Contract for the operation of hydrocarbon supply terminals.

On July 16, 2014, Petroperu S.A. signed contracts for the operation of the North and Central hydrocarbon supply terminals with the subsidiary Unna Energia S.A. and Oiltanking Peru S.A.C., for the provision of reception, storage and dispatch services for a term of twenty years from the date of signing the contracts, for which the Terminales del Peru Consortium was formed, which began operating on September 2, 2014. Unna Energia S.A. is the operator and both consortium members exercise joint control of the business and have a 50% shareholding.

D. Joint operations

As of December 31, 2020, 2021 and 2022, the Corporation participates in 41, 39 and 38 joint operations with third parties, respectively. The table below lists the main joint operations in which the Corporation participates.

Joint operations	Percentage of interest		
	2020	2021	2022
AENZA S.A.A.			
- Concesionaria La Chira S.A.	50%	50%	50%
Cumbra Peru S.A.			
- Consorcio Huacho Pativilca	67%	67%	67%
- Consorcio GyM – CONCIVILES	67%	67%	67%
- Consorcio Chicama - Ascope	50%	50%	50%
- Consorcio Constructor Alto Cayma	50%	50%	50%
- Consorcio Ermitaño	50%	50%	50%
- Consorcio GyM-Stracon	50%	50%	50%
- Consorcio HV GyM	50%	50%	50%
- Consorcio La Chira	50%	50%	50%
- Consorcio Lima Actividades Comerciales Sur	50%	50%	50%
- Consorcio Lima Actividades Sur	50%	50%	50%
- Consorcio Rio Urubamba	50%	50%	50%
- Consorcio Alto Cayma	49%	49%	49%
- Consorcio La Gloria	49%	49%	49%
- Consorcio Norte Pachautec	49%	49%	49%
- Consorcio Italo Peruano	48%	48%	48%
- Consorcio Vial Quinua	46%	46%	46%
- Consorcio Constructor Ductos del Sur	29%	29%	29%
- Consorcio Constructor Chavimochic	27%	27%	27%
- Consorcio Inti Punku	49%	49%	49%
- Consorcio Pasco	1%	1%	1%
Unna Energia S.A.			
- Consorcio Terminales	50%	50%	50%
- Terminales del Peru	50%	50%	50%
Unna Transporte S.A.C.			
- Consorcio Ancon-Pativilca	67%	-	-
- Consorcio Peruano de Conservacion	50%	50%	50%
- Consorcio Manperan	67%	67%	67%
- Consorcio Vial Sierra	50%	50%	50%
- Consorcio Vial Ayahuaylas	99%	99%	99%
- Consorcio Vial ICAPAL	10%	-	-
- Consorcio Vial Sullana	99%	99%	99%
- Consorcio Vial del Sur	99%	99%	99%
- Consorcio Obras Viales	99%	99%	-
Cumbra Ingenieria S.A.			
- Consorcio Vial la Concordia	88%	88%	88%
- Consorcio GMI- Haskoningdhv	70%	70%	70%
- Consorcio Supervisor Ilo	55%	55%	55%
- Consorcio Poyry-GMI	40%	40%	40%
- Consorcio Internacional Supervision Valle Sagrado	33%	33%	33%
- Consorcio Ecotec - GMI - PIM	30%	30%	30%
- Consorcio Ribereno Chinchaycamac	40%	40%	40%
- Consorcio Supervisor GRH	64%	83%	83%
- Consorcio Ecotec - GMI	20%	20%	20%

All joint agreements listed above are operated in Peru.

The main activities of the joint operations correspond to:

Joint agreements	Economic activity
AENZA S.A.A.	Construction, operation, and maintenance of the raw sewage treatment plant of La Chira to the south of Lima. The purpose of the project is to face environmental problems of Lima, due to raw sewage flowing into the sea.
Cumbra Peru S.A.	Consortiums created only to come into construction contracts.
Unna Energia S.A.	Consorcio Terminales and Terminales del Peru provide services of reception, storage, shipment, and transportation of liquid hydrocarbons such as gasoline, fuel for aircrafts, diesel and residual fuel, among others.
Unna Transporte S.A.C.	Services of refurbishment, routine and regular maintenance of highways, and highway preservation and conservation services.
Cumbra Ingenieria S.A.	Engineering advisory and consulting services, execution of studies and projects, project management, and work supervision.

7. Operating Segments

Operating segments are reported consistently with the internal reports that are reviewed by the Corporation's chief decision-maker; that is, the Executive Committee, which is led by the Corporate General Manager. This Committee acts as the maximum authority in operations decision making and is responsible for allocating resources and assessing the performance of each operating segment.

The Corporation's segments are assessed by the activities of the following business units: (i) engineering and construction, (ii) energy, (iii) infrastructure, and (iv) real estate.

As set forth under IFRS 8, reportable segments based on the level of revenue are 'engineering and construction', 'infrastructure' and 'energy'.

Income derived from operations abroad (Chile and Colombia) represents 19.5% of the Corporation's total income in 2022 (20.7% in 2021 including Chile and Colombia).

Inter-segmental sale transactions are made at prices similar to those that would have been agreed to with non-related third parties. Revenues from external customers reported are measured in a manner consistent with the basis of preparation of the statement of profit or loss. Sale of goods are related to real estate segment. Revenues from services are related to other segments.

Corporation's sales and accounts receivable are not concentrated in a few customers. There are no external customers representing 10% or more of the Corporation's revenue.

The Corporation has determined four reportable segments. These operating segments are components of a company about which separate financial information is available that is regularly evaluated by the Corporate Governance Board ("CODM") in deciding how to allocate resources and assess performance.

The operations of Corporation in each reportable segment are as follows:

- (a) Engineering and construction: This segment includes traditional engineering services such as architectural planning, structural, civil and design engineering for advanced specialties including process design, simulation, and environmental services, as well as construction at three divisions: i) civil works, such as the construction of hydroelectric power stations and other large infrastructure facilities; ii) electromechanical construction, such as concentrator plants, oil and natural gas pipelines, and electric transmission lines; iii) building construction, such as offices, residential buildings, hotels, and affordable housing projects, shopping centers, and industrial facilities.
- (b) Energy: This segment includes oil exploration, exploitation, production, treatment, and trade in four oil deposits, separation and trade of natural gas and its byproducts at the gas processing plant, as well as the construction and assembly of oil facilities or those linked to the oil and gas industry. It also includes storage and dispatch of fuel and oil byproducts.

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2020, 2021 and 2022

- (c) Infrastructure: The Corporation has long-term concessions or similar contractual arrangements in Peru for three highways with tolls, Lima Metro, a sewage treatment plant in Lima, and operation and maintenance services for infrastructure assets.
- (d) Real Estate: The Corporation mainly develops and sells properties for low- and middle-resource sectors, which are experiencing a significant increase in available income, as well as luxury properties to a lesser degree. It also develops commercial spaces and offices.

The CODM uses the Adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) as the primary relevant measure to understand the Corporation's operating performance and allocate resources and its operating segments.

Adjusted EBITDA is not a measurement of results based on International Financial Reporting Standards. The Corporation's definition related to adjusted EBITDA may not be comparable to similar performance measures and disclosures from other entities.

The adjusted EBITDA is reconciled to net loss as follows:

<i>In thousands of soles</i>	2020	2021	2022
Net loss	(215,178)	(101,816)	(362,054)
Financial income and expenses	145,705	209,495	141,020
Interests for present value of financial asset or liability	(28,182)	63,032	86,014
Income tax	50,408	41,443	131,346
Depreciation and amortization	197,125	205,307	177,023
Adjusted EBITDA	149,878	417,461	173,349
<i>Adjustments to adjusted EBITDA for other items</i>			
Impairment of investments	-	-	14,525
Provisions: civil compensation and legal claims	89,084	30,457	256,198
Put option on Morelco S.A.S. acquisition	-	(70,322)	-
Adjusted EBITDA for other items	238,962	377,596	444,072

The adjusted EBITDA with non recurring items per segment is as follows:

<i>In thousands of soles</i>	2020	2021	2022
Engineering and construction	15,461	47,295	(72,335)
Energy	109,443	173,664	184,199
Infrastructure	91,255	197,066	262,626
Real estate	32,555	36,912	137,671
Parent company operations	(145,017)	(34,450)	10,550
Intercompany eliminations	135,265	(42,891)	(78,639)
	238,962	377,596	444,072

The following table shows the Corporation's financial statements by operating segments:

**Operating segments financial position
Segment reporting**

<i>In thousands of soles</i>	Engineering and construction	Energy	Infrastructure			Real estate	Parent Company operations	Eliminations	Consolidated
			Toll roads	Transportation	Water treatment				
As of December 31, 2021									
Assets.-									
Cash and cash equivalent	303,925	121,873	114,100	182,607	7,499	109,828	117,346	-	957,178
Trade accounts receivables, net	610,651	67,662	38,418	106,856	1,003	9,958	84	-	834,632
Accounts receivable from related parties	95,390	121	48,012	4,309	-	3,166	52,644	(182,825)	20,817
Other accounts receivable	390,133	31,092	30,057	18,734	960	3,783	12,297	2	487,058
Inventories, net	48,192	35,489	7,662	31,949	13	366,650	-	(1,629)	488,326
Prepaid expenses	15,838	3,575	6,531	344	52	-	5,802	-	32,142
Total current assets	1,464,129	259,812	244,780	344,799	9,527	493,385	188,173	(184,452)	2,820,153
Long-term trade accounts receivable, net	851	-	15,654	666,801	-	-	-	-	683,306
Long-term accounts receivable from related parties	335,150	-	19,700	42	11,536	-	584,596	(307,127)	643,897
Prepaid expenses	-	981	20,558	1,894	684	-	-	(510)	23,607
Other long-term accounts receivable	10,448	86,815	-	-	7,346	57,243	39,508	-	201,360
Investments in associates and joint ventures	108,038	8,951	-	-	-	5,443	1,447,556	(1,538,815)	31,173
Investment property, net	-	-	-	-	-	22,416	42,558	(1,963)	63,011
Property, plant and equipment, net	142,228	153,456	7,056	749	181	6,845	1,653	(8,998)	303,170
Intangible assets and goodwill, net	142,499	257,580	322,625	351	-	733	14,575	5,028	743,391
Right-of-use assets, net	3,825	3,890	5,308	61	17	1,888	40,789	(8,061)	47,717
Deferred income tax asset	180,586	4,717	21,304	-	644	16,960	47,038	5,097	276,346
Total non-current assets	923,625	516,390	412,205	669,898	20,408	111,528	2,218,273	(1,855,349)	3,016,978
Total assets	2,387,754	776,202	656,985	1,014,697	29,935	604,913	2,406,446	(2,039,801)	5,837,131
Liabilities.-									
Borrowings	136,512	27,046	3,687	45	18	69,065	13,573	(8,606)	241,340
Bonds	4,896	-	36,637	24,496	-	-	3,809	-	69,838
Trade accounts payable	699,851	67,686	44,210	30,637	464	30,401	38,894	683	912,826
Accounts payable to related parties	130,848	1,079	47,340	42,185	19	19,155	13,623	(203,245)	51,004
Current income tax	59,407	15,748	17,922	-	347	1,058	476	-	94,958
Other accounts payable	560,920	23,116	38,198	9,104	791	91,342	31,510	-	754,981
Provisions	71,301	25,498	4,158	-	-	560	54,028	-	155,545
Total current liabilities	1,663,735	160,173	192,152	106,467	1,639	211,581	155,913	(211,168)	2,280,492
Borrowings	5,382	121,693	1,721	15	-	5,315	205,244	(810)	338,560
Long-term bonds	21,386	-	215,296	602,201	-	-	352,201	-	1,191,084
Other long-term accounts payable	54,026	-	8,163	219	2,862	24,427	2,672	-	92,369
Long-term accounts payable to related parties	25,957	-	1,006	88,213	24,671	-	197,844	(286,979)	50,712
Provisions	56,362	55,279	33,188	3,039	-	-	181,629	-	329,497
Deferred income tax liability	19,705	31,187	-	47,515	-	-	-	-	98,407
Total non-current liabilities	182,818	208,159	259,374	741,202	27,533	29,742	939,590	(287,789)	2,100,629
Total liabilities	1,846,553	368,332	451,526	847,669	29,172	241,323	1,095,503	(498,957)	4,381,121
Equity attributable to controlling interest in the Company	528,033	378,653	149,904	125,271	763	139,728	1,308,104	(1,427,411)	1,203,045
Non-controlling interest	13,168	29,217	55,555	41,757	-	223,862	2,839	(113,433)	252,965
Total liabilities and equity	2,387,754	776,202	656,985	1,014,697	29,935	604,913	2,406,446	(2,039,801)	5,837,131

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	Engineering and construction	Energy	Infrastructure			Real estate	Parent Company operations	Eliminations	Consolidated
			Toll roads	Transportation	Water treatment				
As of December 31, 2022									
Assets.-									
Cash and cash equivalent	209,737	104,553	130,213	171,747	2,910	111,487	186,907	-	917,554
Trade accounts receivables, net	697,512	80,245	34,183	118,867	898	146,316	561	-	1,078,582
Accounts receivable from related parties	86,146	68	51,523	4,455	52	378	115,736	(230,613)	27,745
Other accounts receivable	298,784	39,921	28,902	15,229	30	5,380	7,294	(2,345)	393,195
Inventories, net	41,933	29,935	9,655	39,780	-	227,067	-	(1,587)	346,783
Prepaid expenses	10,945	2,055	5,496	369	160	448	8,625	-	28,098
Total current assets	1,345,057	256,777	259,972	350,447	4,050	491,076	319,123	(234,545)	2,791,957
Long-term trade accounts receivable, net	2,806	-	16,215	699,487	1,392	3,969	-	-	723,869
Long-term accounts receivable from related parties	299,268	-	15,858	42	14,015	-	602,004	(388,795)	542,392
Prepaid expenses	-	826	14,549	1,731	632	-	65	(510)	17,293
Other long-term accounts receivable	101,366	89,782	-	-	7,346	55,347	31,889	-	285,730
Inventories, net	-	-	-	-	-	65,553	-	-	65,553
Investments in associates and joint ventures	975	12,049	-	-	-	2,752	1,509,790	(1,510,650)	14,916
Investment property, net	-	-	-	1,507	-	19,823	40,594	-	61,924
Property, plant and equipment, net	102,822	176,596	6,193	848	150	7,531	1,286	(10,961)	284,465
Intangible assets and goodwill, net	131,431	363,066	274,597	238	-	615	13,414	3,975	787,336
Right-of-use assets, net	8,745	12,795	7,106	23	143	2,580	38,485	(19,670)	50,207
Deferred income tax asset	175,702	4,572	26,787	-	415	23,781	59,316	5,065	295,638
Total non-current assets	823,115	659,686	361,305	703,876	24,093	181,951	2,296,843	(1,921,546)	3,129,323
Total assets	2,168,172	916,463	621,277	1,054,323	28,143	673,027	2,615,966	(2,156,091)	5,921,280
Liabilities.-									
Borrowings	19,191	38,612	3,844	17	6	43,118	480,735	(11,261)	574,262
Bonds	4,554	-	41,343	31,203	-	-	-	-	77,100
Trade accounts payable	740,142	124,259	52,916	52,292	223	35,939	16,950	4,535	1,027,256
Accounts payable to related parties	297,505	2,734	46,257	22,421	296	12,227	20,291	(348,243)	53,488
Current income tax	12,495	247	8,609	2,433	104	45,092	672	-	69,652
Other accounts payable	490,494	19,724	49,187	9,146	1,298	115,661	24,837	(4,905)	705,442
Provisions	81,288	20,535	1,722	1,197	-	540	27,644	-	132,926
Total current liabilities	1,645,669	206,111	203,878	118,709	1,927	252,577	571,129	(359,874)	2,640,126
Borrowings	6,480	100,597	3,462	-	138	10,852	192,435	(8,333)	305,631
Long-term bonds	16,719	-	177,341	598,753	-	-	-	-	792,813
Long-term trade accounts payable	-	-	-	9,757	-	-	-	-	9,757
Other long-term accounts payable	94,261	-	2,243	189	2,932	-	2,694	-	102,319
Long-term accounts payable to related parties	7,886	57,300	1,176	27,294	21,663	-	189,451	(277,477)	27,293
Provisions	11,453	49,701	11,463	4,947	-	-	491,463	-	569,027
Deferred income tax liability	16,670	53,242	-	58,396	-	-	-	-	128,308
Total non-current liabilities	153,469	260,840	195,685	699,336	24,733	10,852	876,043	(285,810)	1,935,148
Total liabilities	1,799,138	466,951	399,563	818,045	26,660	263,429	1,447,172	(645,684)	4,575,274
Equity attributable to controlling interest in the Company	363,404	417,970	166,678	177,208	1,483	278,501	1,165,811	(1,509,551)	1,061,504
Non-controlling interest	5,630	31,542	55,036	59,070	-	131,097	2,983	(856)	284,502
Total liabilities and equity	2,168,172	916,463	621,277	1,054,323	28,143	673,027	2,615,966	(2,156,091)	5,921,280

<i>In thousands of soles</i>	Engineering and construction	Energy	Infrastructure			Real estate	Parent Company operations	Eliminations	Consolidated
			Toll roads	Transportation	Water treatment				
For the year ended									
December 31, 2020									
Revenue	2,131,740	369,798	466,824	345,258	3,359	182,439	71,197	(385,062)	3,185,553
Gross profit (loss)	83,124	53,251	40,858	107,918	366	40,345	(2,344)	(46,136)	277,382
Administrative expenses	(102,985)	(16,119)	(16,584)	(12,738)	(289)	(16,462)	(23,647)	54,811	(134,013)
Other income and expenses, net	(43,573)	(4,185)	(79,576)	72	42	1,962	(55,984)	60	(181,182)
Operating (loss) profit	(63,434)	32,947	(55,302)	95,252	119	25,845	(81,975)	8,735	(37,813)
Financial expenses	(53,605)	(15,745)	(30,194)	(9,316)	(275)	(12,625)	(48,371)	28,328	(141,803)
Financial income	4,239	1,014	4,326	1,586	897	2,900	21,913	(30,293)	6,582
Gain(loss) on present value of financial asset or financial liability	3,985	(555)	(2,182)	-	-	1,662	25,489	(217)	28,182
Share of profit or loss in associates and joint ventures	-	2,391	-	-	-	34	(137,238)	135,583	770
(Loss) profit before income tax	(108,815)	20,052	(83,352)	87,522	741	17,816	(220,182)	142,136	(144,082)
Income tax	4,422	(7,500)	(13,477)	(26,681)	(277)	(2,854)	(7,768)	(37)	(54,172)
(Loss) profit from continuing operations	(104,393)	12,552	(96,829)	60,841	464	14,962	(227,950)	142,099	(198,254)
Profit (Loss) from discontinuing operations	-	-	-	-	-	-	(16,919)	(5)	(16,924)
(Loss) profit for the year	(104,393)	12,552	(96,829)	60,841	464	14,962	(244,869)	142,094	(215,178)
(Loss) profit from attributable to:									
Owners of the Company	(100,107)	9,176	(88,865)	45,631	464	1,391	(244,829)	135,742	(241,397)
Non-controlling interest	(4,286)	3,376	(7,964)	15,210	-	13,571	(40)	6,352	26,219
	(104,393)	12,552	(96,829)	60,841	464	14,962	(244,869)	142,094	(215,178)

<i>In thousands of soles</i>	Engineering and construction	Energy	Infrastructure			Real estate	Parent Company operations	Eliminations	Consolidated
			Toll roads	Transportation	Water treatment				
For the year ended									
December 31, 2021									
Revenue	2,753,987	541,859	515,382	348,915	3,650	239,391	67,202	(328,988)	4,141,398
Gross profit (loss)	139,035	110,078	81,964	81,993	1,322	42,025	3,372	(46,674)	413,115
Administrative expenses	(125,094)	(14,575)	(14,460)	(14,267)	(449)	(14,911)	(46,193)	50,336	(179,613)
Other income and expenses	40,301	(4,400)	(3,683)	1,537	4	1,337	(38,705)	(868)	(4,477)
Operating profit (loss)	54,242	91,103	63,821	69,263	877	28,451	(81,526)	2,794	229,025
Financial expenses	(118,725)	(13,436)	(27,568)	(8,298)	(124)	(11,927)	(46,265)	29,928	(196,415)
Financial income	1,278	298	2,544	520	510	470	40,740	(43,714)	2,646
(Loss) gain on present value of financial asset or financial liability	(2,395)	(533)	(1,874)	-	-	1,779	(72,411)	12,402	(63,032)
Share of profit or loss in associates and joint ventures	(1,794)	2,833	-	-	-	831	35,686	(38,417)	(861)
(Loss) profit before income tax	(67,394)	80,265	36,923	61,485	1,263	19,604	(123,776)	(37,007)	(28,637)
Income tax	(14,140)	(22,469)	(10,012)	(19,382)	(500)	(6,644)	26,808	(66)	(46,405)
(Loss) profit from continuing operations	(81,534)	57,796	26,911	42,103	763	12,960	(96,968)	(37,073)	(75,042)
Loss from discontinuing operations	-	-	-	-	-	-	(26,716)	(58)	(26,774)
(Loss) profit for the year	(81,534)	57,796	26,911	42,103	763	12,960	(123,684)	(37,131)	(101,816)
(Loss) profit from attributable to:									
Owners of the Company	(82,160)	51,294	15,946	31,577	763	794	(123,637)	(36,347)	(141,770)
Non-controlling interest	626	6,502	10,965	10,526	-	12,166	(47)	(784)	39,954
	(81,534)	57,796	26,911	42,103	763	12,960	(123,684)	(37,131)	(101,816)

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

<i>In thousands of soles</i>	Engineering and construction	Energy	Infrastructure			Real estate	Parent Company operations	Eliminations	Consolidated
			Toll roads	Transportation	Water treatment				
For the year ended									
December 31, 2022									
Revenue	2,679,198	633,792	614,525	388,811	4,412	367,276	68,091	(350,981)	4,405,124
Gross profit (loss)	(23,293)	118,934	105,400	119,729	4,644	151,797	11,702	(41,282)	447,631
Administrative expenses	(126,844)	(13,942)	(12,861)	(10,806)	(947)	(15,932)	(35,543)	54,277	(162,598)
Other income and expenses	79,114	639	25,291	(3,042)	-	(5,014)	(332,399)	(55,203)	(290,614)
Operating profit (loss)	(71,023)	105,631	117,830	105,881	3,697	130,851	(356,240)	(42,208)	(5,581)
Financial expenses	(70,040)	(17,704)	(26,655)	(7,235)	(1,691)	(9,407)	(65,285)	41,543	(156,474)
Financial income	2,010	1,692	2,119	2,440	223	1,086	52,271	(46,387)	15,454
(Loss) gain on present value of financial asset or financial liability	(6,196)	2,078	(267)	-	-	2,616	(84,245)	-	(86,014)
Share of profit or loss in associates and joint ventures	13,511	3,098	-	-	-	626	14,338	(29,666)	1,907
(Loss) profit before income tax	(131,738)	94,795	93,027	101,086	2,229	125,772	(439,161)	(76,718)	(230,708)
Income tax	(15,755)	(30,905)	(19,587)	(31,836)	(746)	(42,885)	10,397	(29)	(131,346)
(Loss) profit from continuing operations	(147,493)	63,890	73,440	69,250	1,483	82,887	(428,764)	(76,747)	(362,054)
(Loss) profit for the year	(147,493)	63,890	73,440	69,250	1,483	82,887	(428,764)	(76,747)	(362,054)
(Loss) profit from attributable to:									
Owners of the Company	(145,695)	56,800	59,262	51,937	1,483	31,094	(428,905)	(77,127)	(451,151)
Non-controlling interest	(1,798)	7,090	14,178	17,313	-	51,793	141	380	89,097
	(147,493)	63,890	73,440	69,250	1,483	82,887	(428,764)	(76,747)	(362,054)

Segments by geographical areas:

<i>In thousands of soles</i>	2020	2021	2022
Revenues:			
- Peru	2,510,415	3,284,674	3,544,465
- Chile	521,076	750,565	708,996
- Colombia	151,876	106,160	151,663
- Mexico	2,187	-	-
	3,185,553	4,141,398	4,405,124
Non-current assets:			
- Peru	2,918,529	2,752,560	2,911,954
- Chile	267,850	165,652	151,328
- Colombia	107,486	98,766	66,041
	3,293,864	3,016,978	3,129,323

8. Financial Instruments

A. Financial instruments by category

Financial assets related to concession agreements are shown in the consolidated statement of financial position as 'short-term trade accounts receivable' and 'long-term trade accounts receivable'.

As of December 31, the classification of financial assets and liabilities by category is as follows:

<i>In thousands of soles</i>	2021	2022
Financial assets according to the consolidated statement of financial position		
Loans and accounts receivable at amortized cost:		
- Cash and cash equivalents	957,178	917,554
- Trade accounts receivable and other accounts receivable (excluding non-financial assets)	1,258,265	1,452,606
- Financial assets related to concession agreements (ii)	814,293	861,190
- Accounts receivable from related parties	664,714	570,137
	3,694,450	3,801,487

<i>In thousands of soles</i>	2021	2022
Financial liabilities according to the consolidated statement of financial position		
Other financial liabilities at amortized cost:		
- Bank loans and other financial entities	509,557	819,973
- Finance leases	9,836	835
- Lease liability for right-of-use asset	60,507	59,085
- Bonds	1,260,922	869,913
- Trade and other accounts payable excluding non-financial liabilities) (iii)	1,178,830	1,207,739
- Accounts payable to related parties	101,716	80,781
	3,121,368	3,038,326
Other financial liabilities:		
- Other provisions (iv)	576,194	541,345

(i) The following non-financial assets are excluded: advances to suppliers for S/53.7 million and tax receivable for S/141.9 million (S/31.4 million and S/133.4 million, respectively, as of December 31, 2021).

(ii) It's included in the trade accounts receivable item.

(iii) The following non-financial liabilities are excluded: advances received from customers for S/365.7 million, taxes payable for S/165.8 million, Salaries and other personnel payable for S/99.2 million and others for S/6.2 million (S/322.7 million, S/124 million, S/126.5 million and S/8.2 million, respectively, as of December 31, 2021).

(iv) Includes civil compensation to Peruvian Government S/488.9 million and administrative process INDECOPI for S/52.4 million (S/486.1 million and S/55 million, respectively, as of December 31, 2021; additionally, shareholder class action lawsuits in the Eastern District Court of New York for S/35.1 million).

B. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed with reference to external risk ratings, if any, or based on historical information on the default rates of their counterparties (Note 4.A.(b)).

As of December 31, the credit quality of financial assets is shown below:

<i>In thousands of soles</i>	2021	2022
Cash and cash equivalents (*)		
Banco de Credito del Peru (A+)	492,076	363,283
Banco Interbank (A)	77,497	231,174
Banco Continental (A+)	109,343	97,422
Banco Scotiabank (A+)	83,192	79,408
Citibank (A+)	110,232	60,858
Banco Santander - Chile (AAA)	32,835	42,823
Banco de la Nacion (A)	22,626	28,566
Banco Bogota (AAA)	13,950	3,555
Banco Santander - Peru (A+)	2,878	2,563
Banco Scotiabank - Chile (A+)	1,566	1,984
Banco Interamericano de Finanzas (A)	2,114	731
Banco Pichincha (A-)	2,045	92
Other	3,666	1,413
	954,020	913,872

(*) The difference between the balances shown and the balances of the consolidated statement of financial position correspond to cash and remittances in transit (Note 9).

For banks in Peru, these risk ratings are obtained from the risk rating agencies authorized by the SBS. For banks in Chile, ratings are obtained from the risk rating agencies authorized by the Comision para el Mercado Financiero – CMF (Financial Market Commission) of Chile (Fitch Chile Clasificadora de Riesgo Ltda. And ICR International Credit Rating Cia Clasificadora de Riesgo Ltda.). For banks in Colombia, ratings are obtained from the following financial institutions: Fitch Ratings, Value and Risk Rating S.A., BRC Standard and Poor's Rating, and Technical I of BRC Investor Services S.A. SCV.

The credit quality of customers is assessed in three categories (internal classification):

- A: new customers/related parties (less than six months);
- B: existing customers/related parties (with more than six months of trade relationship) with no previous default history; and
- C: existing customers/related parties (with more than six months of trade relationship) with previous default history.

<i>In thousands of soles</i>	Note	2021	2022
Trade accounts receivable	10		
Counterparties with no external risk rating			
A		28,156	162,555
B		1,478,789	1,635,926
C		10,993	3,970
		1,517,938	1,802,451
Receivable from related parties and joint operators	11		
B (*)		20,817	18,760
C		-	8,985
		20,817	27,745

(*) The account receivable from related parties does not include the balance receivable from Gasoducto Sur Peruano S.A.

The total balance of trade accounts receivable and accounts receivable from related parties is subject to the terms and conditions of the respective contract. They have not been renegotiated.

9. Cash and Cash Equivalents

As of December 31, this caption comprises:

<i>In thousands of soles</i>	2021	2022
Cash on hand	936	727
Remittances in-transit	2,222	2,955
Bank accounts		
Current accounts	142,029	363,130
Banco de la Nacion	19,847	19,280
Time deposits (a)	205,302	114,994
Savings deposits and mutual funds	62	4
	367,240	497,408
Trust account - Specific use funds		
Operational funds	261,001	229,165
Consortium funds	78,589	114,050
Reserve funds (b)	163,939	71,966
Guarantee funds	83,251	1,283
	586,780	416,464
Total Cash and Cash equivalents	957,178	917,554

Current accounts are denominated in local and foreign currency, deposited in local and foreign banks with a high credit rating (Note 8.B) and are freely available. These accounts earn interest at market rates.

The Corporation maintains unrestricted trust accounts in local and foreign banks for the management of funds for specific uses that are classified as: i) operating funds and consortium funds for the exclusive management of project cash flows; and ii) reserve and guarantee funds for the payment of bonds issued and other obligations of the Corporation.

a. Time deposits have maturities lower than ninety (90) days and may be renewed upon maturity. These deposits bear interest that fluctuates between 0.26% and 7.40%.

<i>In thousands of soles</i>	Financial entities	Interest rate	2021	2022
Tren Urbano de Lima S.A.	Banco de Credito del Peru S.A.	7.40%	55,000	73,200
Vial y Vives - DSD S.A.	Banco Santander - Chile	0.93%	-	22,317
Unna Energia S.A.	Banco Internacional del Peru S.A.A.	0.35%	32,197	15,471
Unna Energia S.A.	Banco de Credito del Peru S.A.	0.30%	11,130	4,006
AENZA S.A.A.	Banco de Credito del Peru S.A.	0.26%	100,583	-
Concesionaria La Chira S.A.	BBVA Banco Continental S.A.	1.65%	4,000	-
Cumbra Ingenieria S.A.	Banco de Credito del Peru S.A.	1.75%	2,392	-
			205,302	114,994

b. The trust accounts with reserve funds for the payment of bonds issued and other obligations of the Corporation are as follows:

<i>In thousands of soles</i>	2021	2022
Tren Urbano de Lima S.A.	103,269	49,397
Red Vial S S.A.	22,531	22,569
AENZA S.A.A.	7,386	-
Cumbra Ingenieria S.A.	12,760	-
Unna Energia S.A.	17,993	-
	163,939	71,966

Cash and cash equivalents do not represent a significant credit or interest rate risk; therefore, their carrying amounts approximate their fair value.

10. Trade Accounts Receivable, net

As of December 31, this account comprises:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Receivables - net (a)	773,575	894,571	269,427	366,007	504,148	528,564
Contract assets – Subsidiaries (b)	453,610	584,217	453,610	584,217	-	-
Contract assets – Concessions (c)	290,753	323,663	111,595	128,358	179,158	195,305
	1,517,938	1,802,451	834,632	1,078,582	683,306	723,869

As of December 31, 2021 and 2022, trade accounts receivable are denominated in local and foreign currency, have current maturities, do not accrue interest and do not have specific guarantees. The fair value of current accounts receivable is similar to carrying amount since its average collection period is less than sixty (60) days.

As of December 31, the balance of accounts receivable corresponds to:

<i>In thousands of soles</i>	2021	2022
Tren Urbano de Lima S.A.	773,657	818,354
Cumbra Peru S.A.	567,807	647,113
Viva Negocio Inmobiliario S.A.C. (i)	9,958	150,285
Unna Energia S.A.	67,662	80,245
Cumbra Ingenieria S.A.	43,695	53,205
Red Vial 5 S.A.	22,458	24,072
Carretera Andina del Sur S.A.C.	12,686	13,035
Unna Transporte S.A.C.	14,439	9,852
Carretera Sierra Piura S.A.C.	4,489	3,439
Concesionaria La Chira S.A.	1,003	2,290
Others	84	561
	1,517,938	1,802,451

The balances of trade accounts receivable described above are mainly related to the economic activity detailed in Note 6.

- (i) As of December 31, 2022, invoices receivable mainly correspond to the sale of a land to SEDAPAL by Inmobiliaria Almonte 2 S.A.C. (located in the district of Lurin, province of Lima, with an area of 209.59 hectares) for S/ 140 million, which will be paid in seven (7) installments, being the last one in August 2023. As of December 31, 2021, invoices receivable correspond mainly to the sale of land of Inmobiliaria Almonte S.A. for S/ 1.7 million, sale of apartments mainly in the projects Los Parques de Comas for S/ 1.9 million, in the project Los Parques de Huancayo for S/ 1.2 million and in the project Los Parques de Carabayllo 3 for S/ 3.9 million, rents in the projects Tiendas Linea 1 and Centro Comercial Agustino Plaza for S/ 1 million and S/ 0.8 million corresponding to the sale of other apartments.
- (a) Invoices receivables are recognized net of impairment for S/44.7 million and discounted at current value for S/ 0.7 millions. (S/44.4 million for impairment and S/ 0.9 million at current value as of December 31, 2021).

As of December 31, 2021 and 2022 the Management performed the assessment of credit risk exposure on trade receivables.

Maturity as of 31 of December, 2021 and 2022 is detailed below:

<i>In thousands of soles</i>	2021	2022
Current	683,921	853,531
Past due up to 30 days	41,222	29,078
Past due from 31 days up to 90 days	11,668	2,049
Past due from 91 days up to 120 days	15,814	1,437
Past due from 121 days up to 360 days	7,070	4,100
Past due over 360 days	13,880	4,376
	773,575	894,571

As of December 31, 2022, the amount of due debts over three hundred and sixty (360) days mainly includes invoices receivable from subsidiaries: Cumbra Peru S.A. for S/ 3.4 million and Cumbra Ingenieria S.A. for S/ 0.9 million (Cumbra Peru S.A. for S/ 9.5 million, Unna Transporte S.A.C. for S/ 2.7 million, and Cumbra Ingenieria S.A. for S/ 1.6 million as of December 31, 2021).

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2020, 2021 and 2022

- (b) The Contract Assets by the subsidiaries correspond to documents related to the estimates for services provided that were not invoiced, valuations under preparation or approval pending. These rights are recognized net of impairment for S/3.8 million and discounted at current value for S/ 2.8 million (S/ 5.2 million for impairment and S/ 5.9 million at current value as of December 31, 2021). The following is a breakdown by subsidiary:

<i>In thousands of soles</i>	2021	2022
Cumbra Peru S.A.	414,415	533,389
Cumbra Ingeniería S.A.	24,177	38,922
Unna Transporte S.A.C.	10,291	6,192
Unna Energia S.A.	4,718	5,617
Others	9	97
	453,610	584,217

Find below the Contract Assets corresponding to subsidiaries grouped by main projects:

<i>In thousands of soles</i>	2021	2022
Infrastructure		
Operation and maintenance of roads	9,192	5,440
Others	1,099	752
	10,291	6,192
Energy	4,718	5,617
Engineering and Construction		
Cumbra Peru S.A. - Jorge Chavez Airport (*)	25,401	167,360
Vial y Vives - DSD S.A. - Engineering and Construction Works	207,406	151,690
Cumbra Peru S.A. - Talara Refinery	62,617	77,448
Morelco S.A.S. - Engineering and Construction Works	6,430	58,075
Cumbra Peru S.A. - Concentrator Plant and tunnel of Quellaveco	96,972	54,996
Cumbra Ingeniería S.A. - Mina Gold Fields La Cima S.A. Project	3,872	22,455
Cumbra Peru S.A. - Toquepala Concentrator Maintenance Project	-	11,213
Cumbra Peru S.A. - Rio Urubamba Consortium	-	7,417
Cumbra Peru S.A. - Quebrada Honda Test Plant Project	412	5,417
Cumbra Peru S.A. - Gasoducto Piura Project	13,347	2,320
Others	22,135	13,920
	438,592	572,311
Others	9	97
	453,610	584,217

(*) The variation at the end of 2022 corresponds to the EPC LAP3 project, related to the increase of activities in the construction of the Jorge Chavez airport terminal (Consortio Inti Punku).

(c) The contract assets for concessions correspond to future collections to the Grantor according to the terms of the concession agreement as detailed below:

<i>In thousands of soles</i>	2021	2022
Tren Urbano de Lima S.A.	256,526	281,487
Red Vial 5 S.A.	16,451	24,072
Carretera Andina del Sur S.A.C.	12,667	12,796
Carretera Sierra Piura S.A.C.	4,489	3,018
Concesionaria La Chira S.A.	620	2,290
	290,753	323,663

(c.1) The contract assets from Tren Urbano de Lima S.A. include: i) the quarterly remuneration to be received by the Concessionaire for the kilometers traveled (PKT) pending settlement by the Grantor; ii) account receivable from the Peruvian State in the long term, plus accrued interest according to the amortized cost method (Note 2.E).

(c.2) The contract assets of Red Vial 5 S.A. corresponds to (i) a claim to the Ministry of Transportation and Communications ("MTC") related to the application of Clause 9.9 Fare Guarantee of the Concession Agreement, by means of which the Grantor shall recognize and pay to Red Vial 5 S.A. the corresponding fair difference if a public entity does not let the Concessionaire collect the respective fare according to the agreement. The amount recorded amounting to S/ 13.3 million corresponds to current compensation value. On January 10, 2023, the arbitral request against the Peruvian Government was made before the Centro Internacional de Arreglo de Diferencia Relativas a Inversiones - CIADI (International Center to Deal with Investment Controversies) related to the payment of Fare Guarantee and others related to conservation and maintenance costs, (ii) provisions for supplementary works for S/ 8.7 million, and (iii) provisions receivable for engineering studies amounting to S/ 2.1 million.

The fair value of the financial assets related to concession agreements for disclosure purposes is estimated discounting future contractual cash flows with the long-term sovereign interest risk rate. This measurement is classified under level 2 hierarchy according with prior description:

<i>In thousands of soles</i>	Carrying amount		Fair value	
	2021	2022	2021	2022
Tren Urbano de Lima S.A.	773,657	818,354	863,497	810,539

(d) The movement of impairment of trade accounts receivable is as follows:

<i>In thousands of soles</i>	Note	2020	2021	2022
Balance at January, 1		(8,422)	(56,630)	(49,604)
Impairment, net	25 (iii)	(19,772)	(1,061)	(54,766)
Reversal of impairment		(33,874)	84	56
Write-off (*)		5,653	8,340	55,744
Exchange difference		(212)	(336)	32
Translation adjustments		(3)	(1)	54
Balance at December, 31		(56,630)	(49,604)	(48,484)

(*) In 2022 corresponds mainly to write-offs generated in Cumbra Peru for S/ 55.7 million for the agreement with Tecnicas Reunidas in Talara S.A. (in 2021 Cumbra Peru for S/ 4.2 million, Tren Urbano de Lima S.A. for S/ 3.5 million, and others for S/ 0.6 million, in 2020 Cumbra Peru for S/ 5.7 million).

Management, after evaluating the balances receivable at the date of the consolidated financial statements, considers that, except for the accounts receivable provisioned, there are no accounts at risk of uncollectibility.

In the opinion of Corporate management, the expected credit loss allowance and allowance for trade receivables adequately cover the risk of uncollectibility as of December 31, 2021 and 2022.

11. Transactions with Related Parties and Joint Operators

A. Transactions with related parties

The main transactions among Company and its related parties are summarized as follows:

<i>In thousands of soles</i>	2020	2021	2022
Revenue from sales of goods and services:			
- Joint operations	15,903	22,374	48,042
- Associates	5	-	-
	<u>15,908</u>	<u>22,374</u>	<u>48,042</u>
Purchase of goods and services:			
- Associates	1,225	4,478	1,842
	<u>1,225</u>	<u>4,478</u>	<u>1,842</u>

B. Related parties transactions

Transactions among related parties are made based on current price lists and according to the terms and conditions similar to those agreed with third parties.

As of December 31, 2021 and 2022 the balances at the end of the year were the following:

<i>In thousands of soles</i>	As of December 31, 2021		As of December 31, 2022	
	Receivable	Payable	Receivable	Payable
Current portion:				
Joint operations				
Consorcio Rio Urubamba	9,792	-	9,606	-
Consorcio Inti Punku	1,865	1,733	4,030	3,104
Consorcio GyM Conciviles	1,479	1,074	-	1,426
Consorcio Italo Peruano	1,394	106	1,524	-
Consorcio Manperan	1,389	4,968	603	4,064
Consorcio Ermitaño	1,028	515	547	-
Consorcio Peruano de Conservacion	654	2,392	752	2,629
Consorcio Norte Pachacutec	125	282	57	246
Terminales del Peru	92	399	88	600
Consorcio Constructor Chavimochic	-	9,301	-	9,421
Consorcio Rio Mantaro	-	7,043	-	12,247
Consorcio Vial Quinua	-	1,947	-	1,945
Consorcio CDEM	-	1,545	-	-
Consorcio GyM-Stracon	-	143	-	160
Consorcio TNT Vial y Vives – DSD Chile Ltda	-	633	8,664	3,153
Other minors	288	1,803	1,874	1,139
	<u>18,106</u>	<u>33,884</u>	<u>27,745</u>	<u>40,134</u>
Other related parties				
Ferrovias S.A.	-	15,513	-	13,354
Peru Piping Spools S.A.C.	2,711	1,607	-	-
	<u>2,711</u>	<u>17,120</u>	<u>-</u>	<u>13,354</u>
Current portion	<u>20,817</u>	<u>51,004</u>	<u>27,745</u>	<u>53,488</u>
Non-current portion				
Gasoducto Sur Peruano S.A. (Note 14.A.i)	643,897	-	542,392	-
Ferrovias S.A.	-	14,690	-	15,054
Ferrovias Participaciones S.A.	-	36,022	-	12,239
Non-current	<u>643,897</u>	<u>50,712</u>	<u>542,392</u>	<u>27,293</u>

As of December 31, 2021 and 2022, accounts receivable and accounts payable are mainly of current maturity and have no specific guarantees. These balances do not bear interest considering their maturity in the short term.

The corporation carries out its operations with related companies under the same conditions as those carried out with third parties; consequently, there are no differences in pricing policies or in the basis for tax settlement; with respect to payment methods, these do not differ from policies granted to third parties. Transactions with non-controlling interests are disclosed in Note 34.

C. Key Management remuneration

Key Management includes executive and non-executive directors, members of the Executive Committee and Internal Audit Management. In 2022 remuneration paid or payable to key Management amounted to S/33 million and only included short-term benefits (in 2021 a balance of S/ 33.5 million and S/22.7 million in 2020).

12. Other accounts receivable, net

As of December 31, this caption comprises:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Guarantee deposits (a)	139,019	194,885	135,650	110,507	3,369	84,378
Petroleos del Peru S.A.- Petroperu S.A. (b)	106,077	105,073	19,262	15,291	86,815	89,782
Claims to third parties (c)	113,685	88,919	56,069	17,130	57,616	71,789
Advances to suppliers (d)	31,365	53,658	31,365	53,658	-	-
Restricted funds (e)	7,346	52,014	-	44,668	7,346	7,346
VAT credit (f)	41,077	50,172	32,706	39,959	8,371	10,213
Income tax on-account payments (g)	44,072	48,729	44,072	48,729	-	-
Cumbra Peru S.A. - Refineria Talara (h)	125,864	36,266	115,435	36,266	10,429	-
Consorcio Panorama (i)	27,193	21,081	-	-	27,193	21,081
ITAN and other tax receivable	17,285	15,022	17,203	14,001	82	1,021
Accounts receivable from personnel	16,864	2,359	16,864	2,359	-	-
Other minors	18,571	10,747	18,432	10,627	139	120
	688,418	678,925	487,058	393,195	201,360	285,730

The fair value of the other short-term accounts receivable is similar to their carrying amount due to their short-term maturity. The other non-current accounts receivable correspond mainly to claims to third parties and maturities range from two (2) to five (5) years.

Maximum exposure to credit risk at the reporting date is the carrying amount of every class of other accounts receivable.

Find below a description and composition of the main items of the balance of other accounts receivable:

- (a) It corresponds to funds held by customers for work contracts mainly of the subsidiary Cumbra Peru S.A. These deposits are retained by customers to ensure the subsidiary's compliance with its obligations under contracts. The amounts retained will be recovered once the work is completed.

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Cumbra Peru S.A. - Projects and Consortiums	27,821	113,473	27,821	33,505	-	79,968
Vial y Vives - DSD S.A. - Engineering works and construction	79,126	54,236	79,126	54,236	-	-
Cumbra Peru S.A. - Quellaveco Concentrator Plant	12,133	11,436	12,133	11,436	-	-
Cumbra Peru S.A. - Piura Gas Pipeline Project	8,914	7,187	8,914	2,782	-	4,405
Cumbra Peru S.A. - Toquepala Electromechanics	-	5,817	-	5,817	-	-
Morelco S.A.S. - Engineering works and construction	6,617	2,403	6,617	2,403	-	-
Others	4,408	333	1,039	328	3,369	5
	139,019	194,885	135,650	110,507	3,369	84,378

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

- (b) Corresponds to additional investments directly related to modernization, expansion, adaptation to current regulations and other operating or commercial requirements established in the operating contracts signed between Terminales del Peru and Petroleos del Peru – Petroperu S.A.

The additional investments are accredited based on the inspection report of the contractor, both of the capital invested by the operator and of the compliance with the operational aspects, technical, safety, environmental and social standards and requirements of the project that is the subject of the additional investment. In accordance with the contracts for the operation of the North and Central hydrocarbon supply terminals, these accounts receivable from Petroperu do not generate interest.

- (c) As of December 31, 2021 and 2022, corresponds to the following claims to third parties:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Superintendencia Nacional de Aduanas y de Administracion Tributaria (SUNAT) (c.1)	30,994	27,968	-	-	30,994	27,968
Ministry of Housing and Fondo Mi Vivienda (c.2)	23,953	26,084	-	-	23,953	26,084
Accounts receivable from joint venture (c.3)	46,360	21,100	46,360	7,915	-	13,185
Others	12,378	13,767	9,709	9,215	2,669	4,552
	113,685	88,919	56,069	17,130	57,616	71,789

- (c.1) Superintendencia Nacional de Aduanas y de Administracion Tributaria (SUNAT)

Corresponds to the company's claim before the Specialized Administrative Court of the Court of Justice of Lima against the Tax Administration for deductions of investment losses. The balance as of December 31, 2022 is S/27.9 million (S/30.9 million as of December 31, 2021). In Management's opinion and that of legal advisors, this account will be collected in a five-year period, estimated date for the end of the judicial process.

- (c.2) Ministry of Housing and Mi Vivienda Fund

Corresponds to a claim in favor of the Corporation, resulting from the termination of the contract called "Ciudad Alameda de Ancon", signed by VIVA, the Ministry of Housing and Construction and Sanitation and Fondo Mi Vivienda S.A. As of December 31, 2022 the net amount of the claim corresponds to its fair value, which amounts to S/ 26 million (S/23 million as of December 31, 2021) and results from the discount of the gross amount of the claim, to be collected over 11 years, at a rate of 7.99%. The gross amount of the claim amounting to S/ 46.7 million (including the full amount of the services provided by VIVA in the Ancon Project) is part of the amount of the claim filed by VIVA against the Ministry of Housing, Construction and Sanitation for the amount of S/ 116.3 million, which also includes an indemnity for damages (consequential damages and loss of profits). According to Management and legal advisors, it is expected that the amount of the claim will be collected within a maximum period of 11 years.

- (c.3) Joint Venture

As of December 31, 2022 the balance corresponds to the attributions of proceeds to Cotinavec Montaje Peru S.A.C. for S/13 million, the balance is in the process of arbitration with an estimated date to be resolution, June 2025 as well as to other accounts receivables for S/7.9 million (S/29 million and S/17.3 million as of December 31, 2021).

- (d) As of December 31, 2021 and 2022, corresponds to advance payments to suppliers as following:

<i>In thousands of soles</i>	2021	2022
Cumbra Peru S.A. - Aeropuerto Jorge Chavez	7,992	18,353
Cumbra Peru S.A. - Projects and Consortiums	10,646	15,220
Tren Urbano de Lima S.A. - Alstom Transporte	3,691	3,691
Others	9,036	16,394
	31,365	53,658

- (e) As of December 31, 2022, restricted funds correspond to bank certificates under guarantee composed as follows: Cumbra Peru S.A. for S/ 29.9 million – EPC Talara, Cumbra Ingenieria S.A. for S/ 14.7 million, and a restricted fund of Concesionaria La Chira S.A. for S/ 7.3 million. (As of December 31, 2021 a restricted fund of Concesionaria La Chira S.A. for S/ 7.3 million).

(f) As of December 31, 2021 and 2022, correspond to tax credit related to sales tax of the following subsidiaries:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Cumbra Peru S.A.	12,737	14,492	12,737	14,492	-	-
Tren Urbano de Lima S.A.	4,266	8,501	4,266	8,501	-	-
Viva Negocio Inmobiliario S.A.C.	6,110	8,077	514	639	5,596	7,438
Unna Transporte S.A.C.	5,333	5,033	5,333	5,033	-	-
Carretera Andina del Sur S.A.C.	1,475	4,313	1,475	4,313	-	-
Unna Energia S.A.	1,911	3,511	1,911	3,511	-	-
Cumbra Ingenieria S.A.	1,947	2,023	1,947	2,023	-	-
AENZA S.A.A.	3,715	879	3,715	879	-	-
Others	3,583	3,343	808	568	2,775	2,775
	41,077	50,172	32,706	39,959	8,371	10,213

(g) As of December 31, 2021 and 2022, corresponds to income tax payment on account and balance in favor of the following subsidiaries:

<i>In thousands of soles</i>	2021	2022
Cumbra Peru S.A.	25,539	23,079
Unna Energia S.A.	932	15,739
Unna Transporte S.A.C.	844	5,119
Cumbra Ingenieria S.A.	4,331	2,754
AENZA S.A.A.	1,129	1,055
Carretera Andina del Sur S.A.C.	370	482
Qualys S.A.	502	156
Tren Urbano de Lima S.A.	9,990	-
Others	435	345
	44,072	48,729

(h) Cumbra Peru S.A. - Talara Refinery

As of December 2022, Cumbra Peru S.A. had a lawsuit pending against Tecnicas Reunidas de Talara S.A.C. (TRT) for approximately US\$ 78 million as compensation for damages suffered as a result of various contractual breaches. In turn, Tecnicas Reunidas de Talara S.A.C. filed a counterclaim for approximately US\$ 81 million alleging that Cumbra Peru S.A. had breached the subcontract entered into between the two companies. On the other hand, on December 28, 2020, Tecnicas Reunidas de Talara S.A.C. executed two letters of guarantee issued by Banco Santander, the first for US\$ 16 million for Fidelity Performance and the second letter of guarantee for US\$ 7.7 million for advance payment of work, despite the fact that the obligations guaranteed by the letter of guarantee were being litigated in the process described in this paragraph. At December 31, 2021, the balance of accounts receivable from TRT including executed bond letters amounted to US\$ 31.6 million, equivalent to S/ 125.8 million.

In December 2022, the Company signed an agreement with Tecnicas Reunidas de Talara S.A.C., in order to solve claims of both parties. As a result of this agreement, the Company impaired account receivables rights for US\$ 29.6 million equivalent to S/113 million (Note 12-j.1). Also, the Company would receive payments for outstanding invoices for an amount of US\$10.3 million (equivalent to S/36.2 million) before January 31, 2023. As of the closing date of this report, the Company has collected the full amount agreed.

(i) As of December 31, 2021 and 2022, corresponds to the settlement agreement of the Consorcio Panorama signed by Viva Negocio Inmobiliario S.A.C. and Inversiones Maje S.A.C. on December 14, 2018. This balance includes the return of contributions and profit totaling US\$ 6.8 million (equivalent to S/ 26 million), obtained based on future sales of the properties held in the Project, which has an estimated collection date of August 2025.

The movement of impairment of other accounts receivable in 2020, 2021 and 2022 was as follows:

<i>In thousands of soles</i>	Tax credit	Guaranties Retention	Claims to third parties	Total
At January 1, 2020	-	165	(30,863)	(30,698)
Impairment of Unna Transporte S.A.C.	(6,222)	(12,511)	(62,456)	(81,189)
Write-off	-	12,530	(325)	12,205
Exchange difference	-	-	(2,188)	(2,188)
Translations adjustments	-	(184)	4	(180)
At December 31, 2020	(6,222)	-	(95,828)	(102,050)
At January 1, 2021	(6,222)	-	(95,828)	(102,050)
Additions	-	-	(21,178)	(21,178)
Write-off	-	-	986	986
Exchange difference	-	-	(2,400)	(2,400)
Translations adjustments	-	-	(4,927)	(4,927)
At December 31, 2021	(6,222)	-	(123,347)	(129,569)
At January 1, 2022	(6,222)	-	(123,347)	(129,569)
Additions	-	-	(127,348)	(127,348)
Write-off	-	-	113,037	113,037
Exchange difference	-	-	2,646	2,646
Translations adjustments	-	-	603	603
At December 31, 2022	(6,222)	-	(134,409)	(140,631)

As of December 31, 2022 the additions correspond to: a) Cumbra Peru S.A. for S/ 115.6 million (Tecnicas Reunidas Talara S.A. S/113 million, Consorcio Chavimochic for S/1.9 million and Morelco S. A.S. for S/0.7 million); b) AENZA S.A.A. for S/3.1 million from Mota Engil; and c) Cumbra Ingenieria S.A. for S/ 0.6 million from Consorcio Supervisor Red Vial 4 (Note 25.iii); and d) additions in the subsidiary Viva Negocio Inmobiliario S.A.C. recorded in Other Expenses for S/8.1 million from Consorcio Panorama (Note 27.C).

As of December 31, 2021 the additions correspond to: a) Cumbra Peru S.A. for S/ 1 million (Morelco S.A.S. for S/0.6 million, Construyendo Pais S.A. for S/0.5 million); b) Unna Transportes S.A.C. for S/0.2 million from Obras de Ingenieria S.A. (Note 25.iii). Also, additions in Aenza S.A.A. recorded in other expenses for S/ 19.9 million coming from Adexus S.A. (Note 27.C).

As of December 31, 2020, the additions correspond to estimates affecting Cost of sales for S/12.3 million corresponding to: a) Unna Transporte S.A.C. for S/11.4 million from Obras de Ingenieria S.A. b) Cumbra Peru S/0.9 million (Note 25.iii). Also, estimates recorded in other expenses for S/68.8 million corresponding to a) Concesionaria Via Expresa Sur S.A. for S/ 55.8 million from the Metropolitan Municipality of Lima for S/49.6 and unused tax credit for S/6.2 million. b) Cam Holding S.P.A. for S/12.5 million for the guarantee of the sale of Cam Chile S.P.A. c) Other minors for S/0.5 million (Note 27.C).

13. Inventories, net

As of December 31, this caption comprises:

<i>In thousands of soles</i>	2021	2022
Land	175,087	114,111
Work in progress - Real estate	117,341	131,090
Finished properties	75,085	47,643
Construction materials	49,403	42,475
Merchandise and supplies	80,051	83,512
	496,967	418,831
Allowance for inventory write-downs	(8,641)	(6,495)
	488,326	412,336
Current	488,326	346,783
Non-current	-	65,553

As of December 31, 2022, the long-term balance includes S/ 65.6 million corresponding to lands for long-term real estate projects (S/ 52 million in San Isidro in Lima and S/ 13.5 million in Barranco in Lima).

Lands

This caption includes properties for the development of the following projects of the subsidiary Viva Negocio Inmobiliario S.A.C.

<i>In thousands of soles</i>	2021	2022
Lurin (a)	84,648	47,365
San Isidro (b)	51,850	52,007
Barranco (c)	14,640	14,739
Piura	5,325	-
Nuevo Chimbote (d)	18,624	-
	175,087	114,111

As of December 31, 2021 and 2022, the provision for impairment of lands was S/ 1.2 million.

- (a) Land of 71.4 hectares corresponding to Inmobiliaria Almonte S.A.C., located in the district of Lurin, province of Lima, used for industrial development.
- (b) Land located at Calle David Samanez Ocampo N° 140, San Isidro, for the development of a real state housing project; with an area of 0.125 hectares, which corresponds to the subsidiary Inmobiliaria Pezet S.A.C.
- (c) Land located at Calle Paul Harris N° 332 and N° 336, Barranco for the development of a traditional housing project, with an area of 0.062 hectares, which corresponds to the Paul Harris project.
- (d) In April 2022, the purchase and sale agreement for the Chimbote land was terminated through the termination of the 2013 agreement, transferring the land to Urbi Propiedades S.A.C. This resolution resulted in a net loss of S/1.8 million recognized as an expense for the period in the consolidated statement of profit or loss under the caption "other income and expenses".

Real estate work in progress

As of December 31, this caption comprises the following projects:

<i>In thousands of soles</i>	2021	2022
Los Parques de Comas	63,213	82,518
Los Parques del Mar	20,044	20,295
Los Parques del Callao	27,235	16,040
Los Parques de Piura	-	5,515
Others	6,849	6,722
	117,341	131,090

The Corporation capitalized in these works (Note 2.Q), indebtedness costs for S/ 0.5 million at interest rates ranging from 7% to 7.9% in 2022 (S/ 1 million at interest rates ranging from 7% to 11% in 2021).

Finished properties

As of December 31, finished properties comprises the following real estate projects:

<i>In thousands of soles</i>	2021	2022
Los Parques de Comas	27,185	18,737
Los Parques de Carabayllo III	14,757	7,857
Strip Callao	6,286	6,285
Los Parques del Mar	13,885	4,542
Huancayo	7,918	4,580
Los Parques de Callao	2,441	3,793
Los Parques de Piura	430	19
Others	2,183	1,830
	75,085	47,643

As of December 31, 2022, the balance is recognized net of provision for impairment for S/ 3.2 million (S/ 3.7 million as of December 31, 2021).

Construction materials

As of December 31, 2022, construction materials correspond mainly to projects of the subsidiary Cumbra Peru S.A. for S/ 39.9 million (Cumbra Peru S.A. for S/ 47 million as of December 31, 2021).

Goods and supplies

As of December 31, 2021 and 2022, corresponds mainly to batteries, coils, aluminum foil, labels and caps used for the operation, maintenance and repair of the subsidiary Tren Urbano de Lima S.A.

14. Investments in Associates and Joint Ventures

As of December 31, this caption comprises:

<i>In thousands of soles</i>	2020	2021	2022
Associates	27,246	22,047	2,753
Joint ventures	8,270	9,126	12,163
	35,516	31,173	14,916

The amounts recognized in the statement of profit or loss as value of equity interest are as follows:

<i>In thousands of soles</i>	2020	2021	2022
Associates	(1,635)	(3,693)	(1,144)
Joint ventures	2,405	2,832	3,051
	770	(861)	1,907

A. Investments in associates

Set out in the table below are the associates of the Corporation as of December 31, 2021 and 2022. The associates listed below have share capital solely consisting of common shares, which are held directly by the Corporation. None of the associates are listed companies; therefore, there is no quoted market price available for their shares.

<i>In thousands of soles</i>	Class of share	Interest in capital		Carrying amount	
		2021	2022	2021	2022
Entity		%	%		
Inversiones Maje S.A.C.	Common	9.59	9.59	2,043	2,103
Obratres S.A.C.	Common	37.50	37.50	3,400	649
Gasoducto Sur Peruano S.A. (i)	Common	20.00	20.00	-	-
Concesionaria Chavimochic S.A.C. (ii)	Common	26.50	26.50	16,295	-
Others	Common			309	1
				22,047	2,753

The movement of investments in associates is as follows:

<i>In thousands of soles</i>	2020	2021	2022
Balance at January, 1	28,875	27,246	22,047
Impairment of investment (ii)	(38)	-	(14,804)
Decrease in capital	-	-	(2,937)
Equity interest in results	(1,635)	(3,693)	(1,144)
Dividends received	-	(1,483)	(380)
Conversion adjustment	44	(23)	(29)
Balance at December, 31	27,246	22,047	2,753

The most significant associates are described as follows:

i. Gasoducto Sur Peruano S.A.

In November 2015, the Corporation acquired a 20% interest in Gasoducto Sur Peruano S.A. and obtained a 29% interest in Consorcio Constructor Ductos del Sur (hereinafter "CCDS") through its subsidiary Cumbra Peru S.A.

On July 22, 2014, GSP signed a concession agreement with the Peruvian Government to build, operate, and maintain a pipeline transportation system of natural gas to meet the demand of cities in the south of Peru (hereinafter the "Concession Agreement"). Additionally, GSP signed an engineering, procurement and construction agreement with CCDS.

The Corporation made an investment of US\$ 242.5 million (equivalent to S/811 million) and had to assume 20% of the performance bond established in the concession agreement for US\$ 262.5 million and 21.49% of the guarantee for a bridge loan of US\$ 600 million.

Early termination of the Concession Agreement

On January 24, 2017 the Peruvian Ministry of Energy and Mines (hereinafter "MEM") notified the early termination of the Concession Agreement under Clause 6.7 for the failure of the concessionaire to accredit the financial closure within the contractual term, proceeding with the immediate execution of the entirety of the faithful performance guarantee.

The situation described in the previous paragraph caused Management to recognize the impairment between 2016 and 2019 of its total investment (US\$242.5 million), and required the register of the account receivable resulting from the execution of the counter-guarantees granted by AENZA S.A.A. in favor of the entity issuing the guarantees: for US\$ 52.5 million corresponding to the performance bond and US\$ 129 million corresponding to the corporate guarantee on the bridge loan granted to GSP. According to the Concession Agreement, the guarantees were paid on behalf of GSP, therefore, AENZA S.A.A. recognized the right to collect from GSP for US\$181.5 million, which were recorded in 2016 as accounts receivable from related parties. Likewise, Cumbra Peru recognized the value of accounts receivable from CCDS for US\$73.5 million and lost profits for US\$10 million, which correspond to receivables from GSP (Note 11) for the balance of the account receivable from GSP.

On October 11, 2017, the agreement deed for the delivery of the assets of the south Peruvian gas pipeline concession between GSP and MEM was signed. The assets include the works, equipment, facilities and engineering studies provided for the execution of the project.

Upon termination of the Concession Agreement, and in accordance with the provisions of clause 20 thereof, the Peruvian Government had the obligation to hire an internationally recognized auditing firm to calculate the Net Book Value (hereinafter "NBV") of the concession assets, and to call up to three auctions on GSP's assets. However, to date, the Peruvian State continues to fail to comply with these contractual obligations. The amount of the VCN was calculated at US\$2,602 million by an independent auditing firm hired by GSP as of December 31, 2016, this figure was subsequently adjusted to US\$2,110 million as a result of variations in the balances related to the works carried out by the consortium, which in turn is reported in its audited financial statements as of December 31, 2017.

Collection Actions of AENZA S.A.A.

On December 21, 2018, the Company asked the Peruvian Government for direct treatment and requested the payment of NBV in favor of GSP. On October 18, 2019, the Company filed with CIADI an arbitration request. On December 27, 2019 the Company withdrew the arbitration in compliance with a preliminary plea agreement signed with the Attorney General's Office and Ad-hoc Peruvian Public Prosecutor's Office on the same date (Note 1). Withdrawing the arbitration before CIADI does not involve the loss of collection rights of the Company against GSP and does not restrict, limit, or impede GSP from asserting its rights against the Peruvian Government.

The Company and its internal and external legal advisors consider that the payment owed by the Government to GSP for the NBV are not within the withholding scope under Law 30737 that ensures the immediate payment of civil compensation in favor of the Peruvian Government in cases of corruption and related crimes, since this payment does not include any profit margin and/or not correspond to the sale of assets related to the project, but to a reimbursement for the investment made by the Concessionaire.

Bankruptcy of GSP

On December 4, 2017, GSP started a bankruptcy proceeding before the INDECOPI. The Company maintains receivable recognized by INDECOPI of US\$0.4 million and US\$169.3 million, the latter held under trust in favor of the creditors of the Company. In addition, it has indirectly recognized claims of US\$11.8 million. On the other hand, the debt of Cumbra Peru S.A. is recognized in INDECOPI indirectly through the Constructor Ductos del Sur of US\$88.7 million. As of the date of this report, GSP is under liquidation and AENZA S.A.A. chairs the Board of Creditors.

On April 11, 2023, the Liquidation Agreement was approved, which defines the framework for the liquidator's actions. The Liquidation Agreement includes the granting of powers to the liquidator with respect to representation, administrative, contractual and other relevant powers that allow him to comply with the obligations for which he was appointed, as well as the actions he is allowed to take in order to recover GSP's assets and in accordance with the mechanisms set forth in the General Law of the Insolvency System.

On April 13, 2023, and under the powers granted to him by the Liquidation Agreement, the Liquidator requested the MEM to initiate the Direct Treatment procedure stipulated in the Concession Agreement.

Amounts recognized in the consolidated financial statements (note 11).

As of December 31, 2022, the net value of the account receivable from GSP is approximately US\$142.4 million equivalent to S/542.4 million (US\$161.9 million equivalent to S/643.9 million at December 31, 2021), which comprises the recognition in the following entities of the Corporation: i) AENZA S.A.A. holds US\$63.9 million (equivalent to S/243.2 million) discounted to present value net of impairment and the effect of the exchange difference (US\$81.1 million equivalent to S/322.6 million at December 31, 2021) and; ii) Cumbra Peru S.A. holds US\$78.5 million (equivalent to S/299.2 million) discounted to present value net of the effect of the exchange difference (US\$80.8 million equivalent to S/321.3 million at December 31, 2021).

The Company's management maintains the recovery estimate in 8 years, applying a discount rate of 5.85% (recovery term of 8 years with a discount rate of 2.73% as of December 31, 2021). These estimates generated during 2022 a present value effect of approximately S/72.2 million (S/32.8 million in 2021) which has been recognized in the consolidated statement of profit or loss under the caption "Financial income and expenses loss from present value" (Note 26.B).

Based on management's assessment and in conjunction with the opinion of the internal legal department and external legal counsel, the estimate of recoverability, impairment allowances and the net recognized value of the account receivable from GSP as of December 31, 2021 and 2022 is reasonable and sufficient as of the reporting date of the Corporation's consolidated financial statements, see also Notes 5.A.iv and 11.

ii. Concesionaria Chavimochic S.A.C.

In May 2014, Concesionaria Chavimochic S.A.C. (hereinafter the “Concessionaire”), in which AENZA has 26.5% of interest, signed an agreement with the Peruvian Government (hereinafter the “Concession Agreement”) for the design, construction, operation, and maintenance of major hydraulic works of Chavimochic Project (hereinafter the “Project”). The construction of the work started in 2015 with a concession term of twenty-five (25) years and a total investment of about US\$ 647 million.

According to the Concession Agreement, the works of the third stage of the Project were structured in two phases. To date, the works of the first phase (Palo Redondo Dam) are 70% in progress. However, at the beginning of 2017, the procedure for early termination of the Concession Agreement was initiated due to the breach of contract by the Grantor, and all activities were suspended in December 2017. Due to the fact that no agreement was made, the Concessionaire initiated an arbitration process before the United Nations Commission On International Trade Law (UNCITRAL).

On October 4, 2022, the Arbitration Court notified the parties with the award, which provided for the early termination of the Concession Agreement and ordered, among other things, that the Grantor pay the Concessionaire the amount of US\$ 25.3 million as a consequence of its failure to provide the Project Control Delivery, and the execution of 70% of the Performance Bond or the payment of US\$ 25 million for the Concessionaire’s failure to obtain evidence of financial closing.

Despite the requests for exclusion and integration of the award filed by the Concessionaire, the Court did not issue a decision within the deadline, and the award was consented to. As of December 31, 2022, an impairment of its total investment amounting to S/ 14.5 million was recorded.

In February 2023, the Grantor partially executed the Concessionaire’s performance bond, where AENZA S.A.A. was required to assume a total of US\$7.5 million. Likewise, prior to the closing of this report, the Grantor requested the execution of the balance of the Concessionaire’s performance bond, where AENZA S.A.A. is responsible for US\$ 2 million. The Concessionaire is currently coordinating the necessary legal actions for the full execution of the award so that the Grantor complies with the obligations arising therefrom. Likewise, the Concessionaire will initiate legal actions against the Grantor for what it considers an arbitrary execution of the balance of the performance bond without the arbitration court having granted the possibility of executing the bond for a higher amount.

B. Investment in Joint Ventures

Set out below are the joint ventures of the Corporation as of December 31:

<i>In thousands of soles</i>	Class of share	Interest in capital		Carrying amount As of December 31	
		2021	2022	2021	2022
Entity					
Logistica Quimicos del Sur S.A.C.	Common	50.00%	50.00%	8,951	12,049
Others				175	114
				9,126	12,163

The movement of investments in joint ventures was as follows:

<i>In thousands of soles</i>	2020	2021	2022
Balance at January, 1	8,160	8,270	9,126
Equity interest in results	2,405	2,832	3,051
Dividends received	(2,318)	(1,962)	-
Conversion adjustment	23	(14)	(14)
Balance at December, 31	8,270	9,126	12,163

The following table shows the financial information of the main joint ventures:

<i>In thousands of soles</i>	Logistica Quimicos del Sur S.A.C.	
	As of December 31	
	2021	2022
Current		
Cash and cash equivalents	3,096	8,283
Other current assets	2,068	1,879
Total current assets	5,164	10,162
Other current liabilities	(3,899)	(1,444)
Total current liabilities	(3,899)	(1,444)
Non-current		
Total non-current assets	34,027	32,546
Total non-current liabilities	(17,392)	(17,168)
Net assets	17,900	24,096
Revenues	14,847	14,937
Depreciation and amortization	(2,400)	(2,262)
Interest expenses	(366)	(169)
Profit from operations	8,140	8,923
Income tax expense	(2,473)	(2,727)
Profit or loss from operations after income tax	5,667	6,196
Total comprehensive income	5,667	6,196

The Corporation did not receive dividends from Logistica Quimicos del Sur S.A. in 2022 (S/ 2 million in 2021).

15. Investment Property, Property, Plant and Equipment, and Right-of-Use Assets

A. Investment property, net

(i) Investment properties are stated at cost, net of accumulated depreciation and have the following composition:

<i>In thousands of soles</i>	2021	2022	Year of Acquisition or construction	Level of Hierarchy	Methodology of Valuation 2021 / 2022
Investment properties built					
Centro Comercial "Agustino Plaza" (a)	21,605	19,823	2011	Level 3	Appraisal
Lease office - Surquillo (b)	40,595	40,594	2009	Level 3	Appraisal
Others	811	1,507			
	63,011	61,924			

(a) The subsidiary Viva Negocio Inmobiliario S.A.C. is owner of "Agustino Plaza" Shopping Center located in the District of El Agustino. The fair value was calculated by an independent appraiser amounted to S/70.8 million equivalent to US\$18.4 million as of December 31, 2022 (S/59.9 million equivalent to US\$15 million as of December 31, 2021 and US\$14.1 million, equivalent to S/51.3 million and, as of December 31, 2020). This investment property has been leased under an operating lease with third parties. The net carrying amount amounts to S/19.8 million (S/ 22.4 million and S/24.6 million at December 31, 2021 and 2020, respectively).

As of December 31, 2021 and 2022 there are liens on the Inter-American Development Bank and Banco de Credito del Peru, respectively.

(b) The Company is owner of the property located at Av. Paseo de la Republica 4675, Surquillo. The fair value was calculated by an independent appraiser and amounted to S/73.7 million, equivalent to US\$19 million. As of December 31, 2022, the carrying amounts to S/40.6 million (in December 2021, the Management decided to lease the property transferring it from 'property, plant, and equipment' to 'investment property'. The net carrying amount at the closing of the year was S/42.6 million).

As of December 31, 2020, 2021 and 2022 the assets present liens related to the trust with the syndicated line (Note 17.v).

(ii) The net gain from investment properties as of December 31, 2020, 2021 and 2022 consists of the following:

<i>In thousands of soles</i>	2020	2021	2022
Lease income from investment properties	6,682	6,806	6,537

(iii) The movement of investment properties and their related accumulated depreciation for the years ended December 31, 2020, 2021 and 2022 are as follows:

<i>In thousands of soles</i>	Land	Buildings	Work in progress	Total
Cost, net				
Balance at January 1, 2020	2,494	43,302	12	45,808
Additions	-	58	40	98
Reclassifications	-	32	(32)	-
Translations adjustments	11	51	-	62
At December 31, 2020	2,505	43,443	20	45,968
Balance at January 1, 2021	2,505	43,443	20	45,968
Additions	-	28	124	152
Transfers	10,692	30,458	-	41,150
Reclassifications	-	123	(123)	-
Translations adjustments	(9)	(39)	-	(48)
At December 31, 2021	13,188	74,013	21	87,222
Balance at January 1, 2022	13,188	74,013	21	87,222
Additions	-	53	-	53
Disposals	-	(1,409)	-	(1,409)
Reclassifications	-	13,691	-	13,691
At December 31, 2022	13,188	86,348	21	99,557
Accumulated depreciation				
Balance at January 1, 2020	-	(17,482)	-	(17,482)
Depreciation charge	-	(2,413)	-	(2,413)
At December 31, 2020	-	(19,895)	-	(19,895)
Balance at January 1, 2021	-	(19,895)	-	(19,895)
Depreciation charge	-	(4,316)	-	(4,316)
At December 31, 2021	-	(24,211)	-	(24,211)
Balance at January 1, 2022	-	(24,211)	-	(24,211)
Depreciation charge	-	(3,971)	-	(3,971)
Disposals	-	4,240	-	4,240
Reclassifications	-	(13,691)	-	(13,691)
At December 31, 2022	-	(37,633)	-	(37,633)
Carrying amounts				
At January 1, 2020	2,494	25,820	12	28,326
At December 31, 2020	2,505	23,548	20	26,073
At December 31, 2021	13,188	49,802	21	63,011
At December 31, 2022	13,188	48,715	21	61,924

Depreciation of investment properties is distributed in the consolidated statement profit or loss as follows:

<i>In thousands of soles</i>	Note	2020	2021	2022
Cost of services and goods	25(iv)	2,413	4,316	3,971

Below are the minimum ranges, maximum ranges and the average of the price per square meter:

	Minimum range US\$ per M2	Maximum range US\$ per M2	Average US\$ per M2
"Agustino Plaza" Shopping Center	900	1,125	1,008
Lease office - Surquillo	2,500	3,700	3,118

Sensitivity analysis

The following is a sensitivity analysis of the evaluation of the investment property in relation to changes in the following factors considered relevant to management:

<i>In thousands of soles</i>	2021	2022
3%	117	130
(3%)	(117)	(130)

(iv) The nominal amounts of future fixed minimum rental income are as follows (operating leases) of the Corporation's investment properties:

<i>In thousands of soles</i>	2021	2022
Within 1 year	4,250	3,728
After 1 year but no more than 5 years	37,731	28,241
More than 5 years	42,301	33,438

The fair value of the assets is determined based on the value assigned by an external appraiser. The external appraiser uses the comparable market method, according to which the fair value of a property is estimated on the basis of comparable transactions. The unit of comparison applied by the Corporation is the price per square meter.

B. Property, plant, and equipment, net

The movement of property, plant, and equipment and related accumulated depreciation for the years ended December 31, 2020, 2021 and 2022 are as follows:

<i>In thousands of soles</i>	Land	Buildings	Machinery	Vehicles	Furniture and Fixtures	Other equipment	Replacement and in-transit units	Work in progress	Total
Cost									
Balance at January 1, 2020	19,974	129,911	726,173	75,146	58,236	179,179	10,624	32,269	1,231,512
Additions (i)	-	412	17,941	-	844	1,781	3,549	11,538	36,065
Sale of assets (ii)	-	(192)	(26,046)	(11,762)	(523)	(448)	-	-	(38,971)
Disposals	(9,895)	757	(6,361)	(599)	(5,783)	(26,664)	-	-	(48,545)
Subsidiary desconsolidation	-	-	-	-	-	1,289	-	-	1,289
Reclassifications	-	1,565	28,870	17	(33)	373	(2,216)	(23,346)	5,230
Transfers	-	-	-	-	-	89	-	-	89
Translations adjustments	800	648	15,261	1,881	69	512	-	20	19,191
At December 31, 2020	10,879	133,101	755,838	64,683	52,810	156,111	11,957	20,481	1,205,860
Balance at January 1, 2021	10,879	133,101	755,838	64,683	52,810	156,111	11,957	20,481	1,205,860
Additions (i)	85	131	15,786	519	661	5,175	2,572	13,262	38,191
Sale of assets (ii)	-	(714)	(126,417)	(2,775)	(392)	(2,266)	-	-	(132,564)
Disposals	-	(2,638)	(15,632)	(925)	(1,078)	(2,781)	-	-	(23,054)
Subsidiary desconsolidation	-	(18,926)	-	(712)	(2,556)	(67,930)	-	-	(90,124)
Reclassifications	9,925	6,317	235,219	159,546	(15,801)	(30,238)	(2,679)	(32,020)	330,269
Transfers	(10,692)	(44,149)	(219)	62	-	-	-	(218)	(55,216)
Translations adjustments	(479)	(556)	(9,526)	(1,276)	(63)	(364)	-	-	(12,264)
At December 31, 2021	9,718	72,566	855,049	219,122	33,581	57,707	11,850	1,505	1,261,098
Balance at January 1, 2022	9,718	72,566	855,049	219,122	33,581	57,707	11,850	1,505	1,261,098
Additions (i)	-	2,442	29,465	370	783	6,933	-	23,162	63,155
Sale of assets (ii)	-	(75)	(32,314)	(7,179)	(513)	(1,249)	(474)	-	(41,804)
Disposals	-	(5,055)	(12,358)	(3,299)	(289)	(2,084)	-	-	(23,085)
Reclassifications	-	-	(845)	-	-	-	-	-	(845)
Transfers	-	(2,875)	(25)	1,147	3,253	(1,188)	-	(84)	228
Translations adjustments	(641)	(8,288)	(9,770)	(2,989)	(2,473)	(782)	404	-	(24,539)
At December 31, 2022	9,077	58,715	829,202	207,172	34,342	59,337	11,780	24,583	1,234,208

<i>In thousands of soles</i>	Land	Buildings	Machinery	Vehicles	Furniture and Fixtures	Other equipment	Replacement and in- transit units	Work in progress	Total
Accumulated depreciation and impairment									
Balance at January 1, 2020	(273)	(42,001)	(454,817)	(48,823)	(49,652)	(155,808)	(11)	(16,137)	(767,522)
Depreciation charge	-	(7,636)	(53,221)	(4,461)	(1,344)	(11,898)	-	-	(78,560)
Sale of assets (ii)	-	58	25,293	5,836	495	428	-	-	32,110
Disposals	-	(2,771)	6,124	505	5,643	26,473	-	-	35,974
Subsidiary deconsolidation	-	-	-	-	-	(1,092)	-	-	(1,092)
Reclassifications	-	(161)	(5,125)	18	33	6	-	(1)	(5,230)
Impairment loss (iii)	-	(161)	(5,069)	(17)	33	-	-	-	(5,214)
Translations adjustments	-	771	(11,786)	(1,017)	(81)	1,256	-	-	(10,857)
At December 31, 2020	(273)	(51,901)	(498,601)	(47,959)	(44,873)	(140,635)	(11)	(16,138)	(800,391)
Balance at January 1, 2021	(273)	(51,901)	(498,601)	(47,959)	(44,873)	(140,635)	(11)	(16,138)	(800,391)
Depreciation charge	-	(5,455)	(49,753)	(4,561)	(1,335)	(9,676)	-	-	(70,780)
Sale of assets (ii)	-	704	122,056	1,632	361	2,127	-	-	126,880
Disposals	-	1,991	15,022	814	951	2,759	-	-	21,537
Subsidiary deconsolidation	-	15,508	-	698	2,357	63,626	-	-	82,189
Reclassifications	273	(12,832)	(221,775)	(158,628)	15,799	30,722	34	16,138	(330,269)
Transfers	-	13,691	339	(48)	-	-	-	-	13,982
Impairment loss (iii)	-	-	(8,055)	-	-	-	(33)	-	(8,088)
Translations adjustments	-	(99)	6,468	748	10	(115)	-	-	7,012
At December 31, 2021	-	(38,393)	(634,299)	(207,304)	(26,730)	(51,192)	(10)	-	(957,928)
Balance at January 1, 2022	-	(38,393)	(634,299)	(207,304)	(26,730)	(51,192)	(10)	-	(957,928)
Depreciation charge	-	(4,294)	(39,837)	(2,417)	(1,067)	(4,693)	-	-	(52,308)
Sale of assets (ii)	-	75	26,241	6,013	484	1,222	384	-	34,419
Disposals	-	2,756	12,219	3,268	276	1,780	89	-	20,388
Reclassifications	-	(438)	845	-	217	221	-	-	845
Transfers	-	(691)	(1,103)	(36)	(1,255)	633	-	-	(2,452)
Impairment loss (iii)	-	(6,515)	(1,916)	-	(2,357)	-	(69)	-	(10,857)
Translations adjustments	-	6,922	6,521	1,977	2,465	669	(404)	-	18,150
At December 31, 2022	-	(40,578)	(631,329)	(198,499)	(27,967)	(51,360)	(10)	-	(949,743)
Carrying amounts									
At January 1, 2020	19,701	87,910	271,356	26,323	8,584	23,371	10,613	16,132	463,990
At December 31, 2020	10,606	81,200	257,237	16,724	7,937	15,476	11,946	4,343	405,469
At December 31, 2021	9,718	34,173	220,750	11,818	6,851	6,515	11,840	1,505	303,170
At December 31, 2022	9,077	18,137	197,873	8,673	6,375	7,977	11,770	24,583	284,465

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2020, 2021 and 2022

- (i) As of December 31, 2022, additions to property, plant, and equipment correspond mainly to additions to equipment and work in progress related to well operations for S/ 49.9 million, in the Energy sector; additions to various machinery and equipment for S/ 8 million, in the Engineer and Construction sector; and additions to various equipment and machinery for S/ 3.4 million, in the real estate segment (as of December 31, 2021, it mainly corresponds to additions to machinery, equipment, vehicles, furniture and fixtures and buildings totaling S/ 20.2 million, in the Engineering and Construction segment; as well as additions in work in progress, replacement units, machinery, furniture and fixtures, land and buildings in S/ 16.8 million, in the Energy segment).
- (ii) During 2022, asset sales were recorded with a disposal cost mainly in machinery, vehicles, furniture and fixtures and various equipment for S/ 6.6 million in the Engineering and Construction segment, and sales of machinery and vehicles for S/ 0.6 million in the Infrastructure segment (in 2021, S/ 4.7 million in machinery and vehicle sales in the Engineering and Construction segment and S/ 0.8 million in machinery in the Energy segment).
- (iii) In 2022, it mainly corresponds to assets of projects belonging to the Engineering and Construction segment, which reached their end and were recognized as impairment; these include improvements and installations for S/6.5 million, furniture and fixtures for S/2.4 million and machinery for S/1.9 million, (in 2021, it corresponds to the impairment in machinery for S/7.7 million and S/0.4 million, in the Engineering and Construction and Energy segments, respectively). This was recorded in the consolidated statement of income under "Other Income and Expenses" and "Cost of Sales and Services".

Depreciation of fixed assets is distributed in the consolidated statement of profit or loss as follows:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Cost of services and goods	25(iv)	66,479	60,230	50,981
Administrative expenses	25(iv)	5,432	4,610	1,327
Depreciation discontinued operations		6,649	5,940	-
		78,560	70,780	52,308

The net carrying amount of machinery and equipment, vehicles, and furniture and fixtures acquired under finance lease agreements is broken down as follows:

<i>In thousands of soles</i>	2020	2021	2022
Cost	64,623	64,640	64,710
Accumulated depreciation	(52,165)	(53,321)	(54,097)
Net carrying amount	12,458	11,319	10,613

In 2022 payments for amortization and interest on finance lease amounting to S/ 9.1 million were made (S/ 8.8 million in 2021 and S/ 15.9 million in 2020).

The Corporation maintains insurance in force on its major assets in accordance with policies established by the Corporation's management. In the opinion of Corporate Management, the Corporation's insurance policies are consistent with industry practice.

As of December 31, 2020, 2021 and 2022, the Corporation's management evaluated its long-lived assets for impairment and found no indications of impairment except for the effect of S/10.8 million recognized in 2022 (see paragraph iii). Therefore, it is not necessary to establish a provision for impairment in addition to that recognized at those dates.

C. Right-of-use assets, net

As of December 31, 2020, 2021 and 2022, the Corporation recognized right-of-use assets and liabilities as shown in the following table:

<i>In thousands of soles</i>	Buildings	Machinery and equipments	Vehicles	Total
Cost				
Balance at January 1, 2020	80,550	18,597	20,830	119,977
Additions	6,681	876	4,518	12,075
Disposals	(12,441)	(129)	(11,078)	(23,648)
Translations adjustments	1,059	-	54	1,113
At December 31, 2020	75,849	19,344	14,324	109,517
Balance at January 1, 2021	75,849	19,344	14,324	109,517
Additions	8,260	317	5,354	13,931
Deconsolidation	(21,117)	-	(3,050)	(24,167)
Disposals	(364)	-	-	(364)
Reclassifications	(589)	10	546	(33)
Translations adjustments	(443)	-	(50)	(493)
At December 31, 2021	61,596	19,671	17,124	98,391
Balance at January 1, 2022	61,596	19,671	17,124	98,391
Additions	6,295	6,344	8,928	21,567
Reclassifications	-	443	(443)	-
Translations adjustments	(240)	-	-	(240)
Others adjustments	(188)	-	(35)	(223)
At December 31, 2022	67,463	26,458	25,574	119,495
Accumulated depreciation and impairment				
Balance at January 1, 2020	(13,568)	(6,899)	(8,929)	(29,396)
Depreciation charge	(13,211)	(5,834)	1,514	(17,531)
Disposals	1,978	129	-	2,107
Translations adjustments	(179)	-	-	(179)
At December 31, 2020	(24,980)	(12,604)	(7,415)	(44,999)
Balance at January 1, 2021	(24,980)	(12,604)	(7,415)	(44,999)
Depreciation charge	(12,589)	(5,355)	(5,755)	(23,699)
Deconsolidation	14,701	-	2,834	17,535
Disposals	364	-	-	364
Reclassifications	588	1,346	(1,901)	33
Translations adjustments	92	-	-	92
At December 31, 2021	(21,824)	(16,613)	(12,237)	(50,674)
Balance at January 1, 2022	(21,824)	(16,613)	(12,237)	(50,674)
Depreciation charge	(9,672)	(4,169)	(4,868)	(18,709)
Reclassifications	-	(59)	59	-
Translations adjustments	128	-	-	128
Others adjustments	(68)	-	35	(33)
At December 31, 2022	(31,436)	(20,841)	(17,011)	(69,288)
Carrying amounts				
At January 1, 2020	66,982	11,698	11,901	90,581
At December 31, 2020	50,869	6,740	6,909	64,518
At December 31, 2021	39,772	3,058	4,887	47,717
At December 31, 2022	36,027	5,617	8,563	50,207

Depreciation expenses for right-of-use assets have been distributed in the following items of the consolidated statement of profit or loss:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Cost of sales and services	25(iv)	10,840	17,517	17,469
Administrative expenses	25(iv)	961	815	1,240
Depreciation discontinued operations		5,730	5,367	-
		17,531	23,699	18,709

Costs related to the machinery and equipment lease for which the Corporation applied the exceptions described in IFRS 16 are the following:

Leases under twelve (12) months: S/ 187.3 million (S/ 252.4 million in 2021 and S/ 351.7 million in 2020). Low value asset leases: S/ 1.5 million (S/ 44.4 million in 2021 and S/ 5.1 million in 2020).

In addition, leases, whose payments are entirely variable and depend on their future performance or use, were excluded, in 2022. Expenses amounted to S/45.9 million (S/ 85.8 million in 2021 and S/ 48.7 million in 2020).

For the years ended December 31, total depreciation is composed as follows:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Depreciation of property, plant and equipment	15.B	78,560	70,780	52,308
Depreciation related to right-of-use assets	15.C	17,531	23,699	18,709
Depreciation related to investment property	15.A	2,413	4,316	3,971
Sub total Continuous operations		98,504	98,795	74,988
(-) Depreciation discontinued operations		(12,379)	(11,307)	-
	25	86,125	87,488	74,988

16. Intangible Assets and Goodwill, net

The movement of intangible assets and related accumulated amortization as of December 31, 2020, 2021 and 2022 is as follows:

<i>In thousands of soles</i>	Goodwill	Trade-marks	Concession rights	Contractual relations with clients	Software	Costs of development of wells	Land use rights	Other assets	Total
Cost									
Balance at January 1, 2020	93,887	92,786	710,290	72,810	63,278	558,530	13,288	113,057	1,717,926
Additions	-	-	4,412	-	1,526	37,994	-	6,473	50,405
Capitalization of interest expenses	-	-	-	-	-	-	-	1,105	1,105
Transfers from assets under construction	-	-	-	-	(64)	(25)	-	-	(89)
Disposal	-	-	-	-	(1,413)	-	-	-	(1,413)
Reclassifications	-	(84)	(24,157)	-	74	-	-	10	(24,157)
Translations adjustments	1,579	7,810	-	4,732	470	-	-	-	14,591
At December 31, 2020	95,466	100,512	690,545	77,542	63,871	596,499	13,288	120,645	1,758,368
Balance at January 1, 2021	95,466	100,512	690,545	77,542	63,871	596,499	13,288	120,645	1,758,368
Additions	-	-	6,185	-	10,312	45,518	-	5,726	67,741
Capitalization of interest expenses	-	-	-	-	-	-	-	609	609
Disposal	-	-	(1,921)	-	(11,014)	(313,110)	-	-	(326,045)
Subsidiary deconsolidation	-	-	-	-	(17,646)	-	-	-	(17,646)
Translations adjustments	(1,866)	(4,984)	-	(3,387)	(284)	-	-	-	(10,521)
At December 31, 2021	93,600	95,528	694,809	74,155	45,239	328,907	13,288	126,980	1,472,506
Balance at January 1, 2022	93,600	95,528	694,809	74,155	45,239	328,907	13,288	126,980	1,472,506
Additions	-	-	6,973	-	10,207	144,887	-	3,090	165,157
Disposal	-	-	-	(111)	(3,554)	-	-	-	(3,665)
Reclassifications	-	-	(15,596)	-	-	-	-	(13,504)	(29,100)
Transfers	-	-	367	-	76	-	-	7	450
Translations adjustments	(7,603)	(8,279)	-	(2,525)	(479)	-	-	-	(18,886)
At December 31, 2022	85,997	87,249	686,553	71,519	51,489	473,794	13,288	116,573	1,586,462

<i>In thousands of soles</i>	Goodwill	Trade-marks	Concession rights	Contractual relations with clients	Software	Costs of development of wells	Land use rights	Other assets	Total
Accumulated amortization and impairment									
Balance at January 1, 2020	(36,520)	(22,091)	(266,340)	(72,309)	(41,891)	(364,556)	(2,468)	(57,524)	(863,699)
Amortization	-	-	(52,408)	-	(6,037)	(36,942)	-	(3,234)	(98,621)
Disposal	-	-	-	-	921	-	-	-	921
Translations adjustments	-	-	-	(4,710)	(269)	-	-	-	(4,979)
At December 31, 2020	(36,520)	(22,091)	(318,748)	(77,019)	(47,276)	(401,498)	(2,468)	(60,758)	(966,378)
Balance at January 1, 2021	(36,520)	(22,091)	(318,748)	(77,019)	(47,276)	(401,498)	(2,468)	(60,758)	(966,378)
Amortization	-	-	(54,304)	-	(7,269)	(40,501)	-	(4,438)	(106,512)
Disposal	-	-	1,059	-	9,189	313,108	-	-	323,356
Subsidiary deconsolidation	-	-	-	-	16,895	-	-	-	16,895
Translations adjustments	-	-	-	3,361	163	-	-	-	3,524
At December 31, 2021	(36,520)	(22,091)	(371,993)	(73,658)	(28,298)	(128,891)	(2,468)	(65,196)	(729,115)
Balance at January 1, 2022	(36,520)	(22,091)	(371,993)	(73,658)	(28,298)	(128,891)	(2,468)	(65,196)	(729,115)
Amortization	-	-	(55,096)	-	(3,619)	(37,672)	-	(5,648)	(102,035)
Disposal	-	-	-	-	2,852	-	-	-	2,852
Reclassifications	-	-	15,596	-	-	-	-	13,504	29,100
Transfers	-	-	(272)	-	-	-	-	-	(272)
Impairment loss	-	(2,530)	-	-	-	-	-	-	(2,530)
Translations adjustments	-	-	-	2,422	452	-	-	-	2,874
At December 31, 2022	(36,520)	(24,621)	(411,765)	(71,236)	(28,613)	(166,563)	(2,468)	(57,340)	(799,126)
Carrying amounts									
At January 1, 2020	57,367	70,695	443,950	501	21,387	193,974	10,820	55,533	854,227
At December 31, 2020	58,946	78,421	371,797	523	16,595	195,001	10,820	59,887	791,990
At December 31, 2021	57,080	73,437	322,816	497	16,941	200,016	10,820	61,784	743,391
At December 31, 2022	49,477	62,628	274,788	283	22,876	307,231	10,820	59,233	787,336

A. Goodwill

Corporation's Management reviews the performance of its businesses based on the economic activity performed. As of December 31, the goodwill of cash generating units (CGUs) is distributed as follows:

<i>In thousands of soles</i>	2020	2021	2022
Engineering and construction	38,211	36,344	28,741
Electromechanical	20,735	20,736	20,736
	58,946	57,080	49,477

As of December 31, 2022, goodwill consists of an accumulated cost of S/123.8 million, accumulated impairment of S/53.2 million and a decrease due to translation effect of S/13.5 million.

As a result of Management's annual impairment tests on goodwill, the recoverable value of cash-generating units was determined based on the greater their value in use and fair value less disposal costs. The value in use was determined based on the expected future cash flows generated by the evaluation of CGUs.

As a result of these evaluations in 2020, 2021 and 2022, no impairment was identified.

The main assumptions used by the Corporation to determine the recoverable value are the following:

<i>In percentage</i>	Engineering and construction	Electro-mechanical
2020		
Gross margin	12.50%	9.36%
Terminal growth rate	3.00%	2.00%
Discount rate	11.06%	11.77%
2021		
Gross margin	11.10%	9.04%
Terminal growth rate	3.30%	0.00%
Discount rate	11.97%	13.28%
2022		
Gross margin	9.23%	8.13%
Terminal growth rate	3.80%	0.00%
Discount rate	17.66%	14.89%

Discount rate

The discount rate is the cost of capital applied to determine the present value of a future payment.

Growth rate

Market-based and generally in line with projected long-term inflation for the countries in which each CGU operates.

Perpetual growth rate

The rate used to calculate the terminal or residual value in the valuation of the business.

These assumptions have been used for the analysis of each CGUs for a five-year period considering a recovery residual value without any growth.

Management determines budgeted gross margins based on past profit loss and market development expectations. Average growth rates are consistent with those prevailing in the industry. The discount rates used are pre-tax, as applicable, and reflect the specific risks associated with the CGUs evaluated.

B. Trademarks

As of December 31, 2022, this item includes the trademarks acquired in the business combination processes with Vial y Vives S.A.C. for S/ 42 million (S/ 47.4 million as of December 31, 2021) and Morelco S.A.S. for S/ 20.6 million (S/ 26.1 million as of December 31, 2021). Management determined that the Vial y Vives and Morelco trademarks have indefinite useful lives, consequently, these intangible assets are tested annually for impairment using the methodology of saving in the payment of license fees or royalties.

As of December 31, 2021, Vial y Vives – DSD trademark had an accumulated impairment of S/ 22.1 million and during the year 2022 it was impaired by an additional amount of S/ 2.5 million. At the end of 2022, the accumulated impairment amounts to S/ 24.6 million.

The main assumptions used by the Corporation to determine fair value less costs of sales are the following:

<i>In percentage</i>	Engineering and construction	
	Morelco S.A.S.	Vial y Vives - DSD
2020		
Average revenue growth rate	7.60%	5.00%
Terminal growth rate	3.00%	2.10%
Discount rate	11.06%	13.16%
2021		
Average revenue growth rate	23.16%	5.00%
Terminal growth rate	3.30%	3.00%
Discount rate	11.97%	17.60%
2022		
Average revenue growth rate	43.19%	9.03%
Terminal growth rate	3.80%	3.00%
Discount rate	17.66%	15.82%

Discount rate

The discount rate is the cost of capital applied to determine the present value of a future payment.

Growth rate

Market-based and generally in line with projected long-term inflation for the countries in which each CGU operates.

Perpetual growth rate

The rate used to calculate the terminal or residual value in the valuation of the business.

C. Concessions

As of December 31, it mainly comprises the intangible assets of the subsidiary Red Vial 5 S.A. and is made up of:

<i>In thousands of soles</i>	2021	2022
Capitalization of second roadway	240,279	200,233
EPC Contract	46,719	38,933
Implementation for road safety	10,179	11,526
Road improvement	11,795	10,997
Disbursements for land acquisition	4,883	4,836
Construction of the second tranche of the “Ancon- Huacho-Pativilca” highway	2,919	2,394
Other intangible assets contracted for the delivery process	5,118	4,823
Total Red Vial 5 S.A.	321,892	273,742
Other concessions	924	1,046
	322,816	274,788

D. Well development cost

The Company, through its subsidiary Unna Energia S.A., has been operating and extracting oil from two fields (Lot I and Lot V). Lot V is operated under a long-term service agreement, under which the Company provides hydrocarbon extraction services to the Government. Lot I agreement ended in 2021 and Lot V is expiring in October 2023.

On December 10, 2014, the Peruvian Government granted to the Company the right to exploit oil Lots III and IV for thirty (30) years. The investment committed is estimated in US\$ 435 million corresponding to the drilling of 230 wells in Lot III and 330 wells in Lot IV. The drilling work started in November 2016 in Lot IV and the first drilling campaign in Lot III started in June 2022.

The lots are amortized based on the useful lives of the wells (determined in the remaining terms for Lot V and the units produced for Lots III and IV), until the termination of the agreements with Perupetro S.A.

E. Other assets

Mainly corresponds to investments committed in the subsidiary Unna Energia S.A. through Consorcio TP in the execution of the investment commitment arising from the Central and North Terminals Operation contracts. At the end of the contract term, Unna Energia S.A. will transfer in favor of the contractor at zero value, the facilities and goods resulting from the execution of the investment commitment.

F. Amortization of intangible assets

Amortization of intangibles is broken down in the consolidated statements of profit or loss as follows:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Cost of sales		93,135	101,578	99,210
Administrative expenses		4,138	3,642	2,825
Sub total	25	97,273	105,220	102,035
(+) Amortization discontinued operations		1,348	1,292	-
		98,621	106,512	102,035

17. Borrowings

As of December 31, this caption includes:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Bank loans	320,689	651,825	199,471	548,372	121,218	103,453
Other financial entities	188,868	168,148	22,210	12,176	166,658	155,972
Lease liability for right-of-use asset	60,507	59,085	14,541	12,879	45,966	46,206
Finance leases	9,836	835	5,118	835	4,718	-
	579,900	879,893	241,340	574,262	338,560	305,631

A. Bank Loans

As of December 31, 2021 and 2022, this item comprises bank loans in local and foreign currencies for working capital purposes. These obligations accrue fixed interest rates ranging from 0.5% to 13.5% in 2022 (from 0.9% to 11% in 2021).

<i>In thousands of soles</i>	Interest rate	Date of maturity	2021	2022
AENZA S.A.A. (i)	Term SOFR 3M + de 6.26% a 8.51%	2023	-	463,773
Unna Energia S.A.(ii)	6.04% / 7.68%	2027	143,986	126,064
Viva Negocio Inmobiliario S.A.C. (iii)	7.00% / 11.35%	2024	65,262	51,314
Morelco S.A.S. (iv)	9.95% / 10.93%	2023	-	10,674
Cumbra Peru S.A. (v - vi)	8.00%	2023	111,441	-
			320,689	651,825

i. Bridge loan – AENZA S.A.A.

On March 17, 2022, the Company entered into a bridge loan agreement for up to US\$ 120 million, with a group of financial institutions comprised by Banco BTG Pactual S.A. - Cayman Branch, Banco Santander Peru S.A., HSBC Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero HSBC, and Natixis, New York Branch. The financing will be repaid over a period of 18 months, in quarterly interest installments and is secured, subject to the fulfillment of certain precedent conditions, by a flow trust (first lien), a pledge over the shares in Unna Energia S.A. (first lien), and a trust on the shares of Viva Negocio Inmobiliario S.A.C. (second lien). On April 5, 2022, the Company received a bridge loan for up to US\$120 million. The loan bears interest at the following interest rates: (i) for the first and second installments, Term SOFR + 6.26%; (ii) for the third and fourth installments, Term SOFR + 6.76%; (iii) for the fifth installment, Term SOFR + 7.51%; and (iv) for the sixth installment, Term SOFR + 7.51%. As of December 31, 2022, the total amount payable is US\$ 120 million, equivalent to S/463.8 million, which includes principal of S/ 458.4 million, plus interest and net deferred charges of S/ 5.4 million. The Corporation is currently evaluating financing alternatives that allow it to cover its short-term obligations.

As of December 31, 2022, the Company has complied with the covenants established in the loan agreement.

ii. Unna Energia S.A. Loan

Terminales del Peru (hereinafter “TP”), a joint operation of the subsidiary Unna Energia S.A., has a medium-term loan agreement with Banco de Credito del Peru S.A. (hereinafter BCP) to finance investments arising from the operation agreement of North and Center terminals for 2015 to 2019 period, available up to December 31, 2022 with a maximum exposure limit of US\$ 80 million. This funding is repaid within eight (8) years. In 2022 additional disbursements amounting to US\$ 8.5 million (equivalent to S/ 32.7 million) were requested for additional investments.

In addition, in November 2019, TP signed a loan agreement to finance the additional investments from 2019 to 2023 for a credit line of US\$ 46 million with BCP. This agreement includes an assignee as interest holder, so BD Capital (BDC) acquired 50% of the BCP contractual position through the signature of an accession agreement.

As of December 31, 2022, the amount recorded for loans equivalent to 50% of interest owned by the subsidiary Unna Energia S.A. amounts to S/126.1 million, principal net of interest and deferred charges (S/ 143.9 million, principal net of interest and deferred charges as of December 31, 2021).

As of December 31, 2021 and 2022, TP is in compliance with the covenants established in the loan agreement.

iii. Viva Negocio Inmobiliario S.A.C. Loan

The balance comprises the following:

<i>In thousands of soles</i>	Interest rate	Date of maturity	2021	2022
Banco de Credito del Peru S.A.	7.00% / 7.94%	2023	35,679	36,562
Banco Interamericano de Finanzas S.A.	11.35%	2024	18,456	12,636
Banco BBVA Peru S.A.	7.94%	2024	9,742	2,116
Others	11.00%	2022	1,385	-
			65,262	51,314

As of December 31, 2022 and 2021, the Corporation has no guarantees or covenants for these loans.

iv. Morelco S.A.S. Bank Loans

The balance comprises the following:

<i>In thousands of soles</i>	Interest rate	Date of maturity	2022
Bancolumbia S.A.	9.95% / 10.93%	2023	6,344
Banco de Bogota	10.39%	2023	4,330
			10,674

As of December 31, 2021 and 2022, the Corporation has no guarantees or covenants for these loans.

v. Financial Stability Framework Agreement

In July 2017, the Company and its subsidiaries (Cumbra Peru S.A., Construyendo Pais S.A., Vial y Vives – DSD S.A., and Concesionaria Via Expresa Sur S.A.) signed a Financial Stability Framework Agreement with the following financial entities: Scotiabank Peru S.A.A., Banco Internacional del Peru S.A.A., Banco BBVA Peru S.A., Banco de Credito del Peru S.A., Citibank del Peru S.A., and Citibank N.A. The objectives of the Financial Stability Framework Agreement were to guarantee Cumbra Peru S.A. a syndicated revolving line for working capital, a non-revolving line of credit to finance repayment commitments subject to performance bonds; guarantee lines of credit for the issuance of the performance bond, and undertake to maintain the existing letters of credit issued at the request of Cumbra Peru S.A.

As of December 31, 2021, the Company complied with the obligations and covenants set forth in the Financial Stability Framework Agreement.

On March 29, 2022, S/ 28.2 million and US\$ 0.3 million corresponding to the total balance of the Financial Stability Framework Agreement were settled (US\$ 7.4 million equivalent to S/ 29.5 million as of December 31, 2021).

vi. Banco Santander Loan

On December 28, 2020, Tecnicas Reunidas enforced two letters of credit for a total amount of US\$ 23.7 million, which had been issued by Banco Santander Peru S.A. on behalf of our subsidiary Cumbra Peru S.A. as guarantee pursuant to a construction agreement. As a result, Cumbra Peru S.A. was granted a short-term loan by Banco Santander for principal amount of US\$ 23.7 million, equivalent to S/ 85.9 million. The loan accrued interest at an annual rate of Libor + 8%. As of December 31, 2021, the debt balance was US\$ 20.2 million, equivalent to S/ 80.8 million. Cumbra Peru complied with the respective covenant subject to the Loan Agreement with Banco Santander S.A.

In April 2022, Cumbra Peru S.A. settled the entire debt amounting to US\$ 20.2 million (equivalent to S/70.1 million).

B. Other financial entities

On May 29, 2018, the Company and Inversiones Concesiones Vial S.A.C. (“BCI Peru”) came into an investment agreement with the intervention of Fondo de Inversiones BCI NV (“BCI Fund”) and BCI Management Administradora General de Fondos S.A. (“BCI” Asset Management”) to monetize future dividends from Red Vial 5 S.A. to the Company. Upon the signature of this agreement, the Company had to indirectly transfer its economic rights over 48.8% of the share capital of Red Vial 5 S.A. by transferring its B class shares (equivalent to 48.8% of the capital of Red Vial S.A.) to a vehicle specially incorporated for such purposes called Inversiones en Autopistas S.A. The amount of the transaction was US\$ 42.3 million (equivalent to S/ 138 million) and was completed on June 11, 2018.

In addition, it has been agreed that the Company would have purchase options on 48.8% of Red Vial 5’s economic rights that BCI Peru will maintain through its interest in Inversiones en Autopistas S.A. These options would be subject to certain conditions such as the expiration of different terms, recovery of the investment made with the proceeds of BCI Fund (according to different economic calculations) and/or to control changes.

As of December 31, 2022, the balance of loan payable amounted to US\$ 42.6 million, equivalent to S/ 162.8 million which accrued interest at an annual rate of 9.97% (as of December 31, 2021, the balance was US\$ 41.5 million, equivalent to S/ 165.8 million which accrued interest at an annual rate of 8.39%). It includes the effect of the present value for S/ 16.6 million (as of December 31, 2021, S/ 12.4 millions) (Note 26.B.ii). The accrued interest amount to S/ 9.3 million (in 2021 S/ 10 million).

C. Right-of-use-liabilities

<i>In thousands of soles</i>	Interest rate	Date of maturity	Total	
			2021	2022
AENZA S.A.A.	9.08%	2027	51,187	41,456
Unna Energia S.A.	7.10% / 19.6%	2026	3,889	11,640
Unna Transporte S.A.C.	6.25% / 11.72%	2025	4,503	4,960
Morelco S.A.S.	14.97% / 17.64%	2026	423	804
Cumbra Ingenieria S.A.	7.40%	2023	427	64
Tren Urbano de Lima S.A.	10.00%	2023	60	17
Other minors	4.50%	2037	18	144
			60,507	59,085

The minimum payments to be made according to their maturity and current value of obligations for right-of-use liabilities are the following:

<i>In thousands of soles</i>	2021	2022
Up to 1 year	18,817	19,075
From 1 to 5 years	46,288	55,092
Over 5 years	8,086	112
	73,191	74,279
Future financial charges	(12,684)	(15,194)
Current value of right-of-use liabilities	60,507	59,085

The current value of obligations for right-of-use liabilities is detailed as follows:

<i>In thousands of soles</i>	2021	2022
Up to 1 year	14,541	12,879
From 1 year to 5 years	38,136	46,094
Over 5 years	7,830	112
	60,507	59,085

D. Finance leases

<i>In thousands of soles</i>	Interest rate	Date of maturity	2021	2022
Viva Negocio Inmobiliario S.A.C.	9.04%	2023	6,678	76
Cumbra Peru S.A.	5.32% / 7.67%	2023	3,112	759
Unna Energia S.A.	6.28%	2022	46	-
			9,836	835

The minimum payments to be made according to their maturity and current value of obligations for finance lease agreements are the following:

<i>In thousands of soles</i>	2021	2022
Up to 1 year	5,624	873
From 1 to 5 years	4,909	-
	10,533	873
Future financial charges	(697)	(38)
Current value of the obligations for finance lease agreements	9,836	835

The current value of obligations for finance lease agreements is detailed as follows:

<i>In thousands of soles</i>	2021	2022
Up to 1 year	5,118	835
From 1 to 5 years	4,718	-
	9,836	835

E. Fair value

As of December 31, the carrying amount and fair value of indebtedness are as follows:

<i>In thousands of soles</i>	Carrying amount		Fair value	
	2021	2022	2021	2022
Bank loans	320,689	651,825	349,280	638,620
Other financial entities	188,868	168,148	188,868	168,148
Lease liability for right-of-use asset	60,507	59,085	66,943	58,719
Finance leases	9,836	835	9,097	776
	579,900	879,893	614,188	866,263

As of December 31, 2022, fair values are based on discounted cash flows using borrowing rates between 4.7% and 17.6% (between 3.9% and 10% as of December 31, 2021) and are within Level 2 of the fair value accounting hierarchy.

F. Debt movement

The movement in debt for the years ended December 31, 2021 and 2022 are as follows:

<i>In thousands of soles</i>	2021			
	Bank loans	Other financial entities	Lease liability for right-of-use asset	Finance leases
Balance at January, 1	528,564	244,639	72,726	52,391
Additions	281,079	-	7,988	104
Amortization	(473,693)	(42,605)	(26,520)	(5,542)
Accrued interest	47,246	11,439	4,549	3,260
Interest paid	(48,034)	(9,732)	(4,335)	(3,224)
Subsidiary deconsolidation	(22,919)	(59,190)	(6,881)	(36,757)
Fair value	-	12,402	-	-
Others	8,446	31,915	12,980	(396)
Balance at December, 31	320,689	188,868	60,507	9,836

<i>In thousands of soles</i>	2022			
	Bank loans	Other financial entities	Lease liability for right-of-use asset	Finance leases
Balance at January, 1	320,689	188,868	60,507	9,836
Additions	492,961	-	21,567	70
Amortization	(171,239)	(28,758)	(16,198)	(8,536)
Accrued interest	49,099	9,273	4,845	474
Interest paid	(39,748)	(10,525)	(4,732)	(514)
Fair value	-	16,629	-	-
Others	63	(7,339)	(6,904)	(495)
Balance at December, 31	651,825	168,148	59,085	835

18. Bonds

As of December 31, this item includes:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Tren Urbano de Lima S.A. (a)	626,697	629,956	24,496	31,203	602,201	598,753
Red Vial 5 S.A. (b)	251,933	218,684	36,637	41,343	215,296	177,341
Cumbra Peru S.A. (c)	26,282	21,273	4,896	4,554	21,386	16,719
AENZA S.A.A. (d)	356,010	-	3,809	-	352,201	-
	1,260,922	869,913	69,838	77,100	1,191,084	792,813

(a) Tren Urbano de Lima S.A.

In February 2015, the subsidiary Tren Urbano de Lima S.A. issued international corporate bonds under Regulation S of the United States of America. The issuance was made in VAC soles (adjusted at Constant Update Value) for an amount of S/629 million. The bonds expire in November 2039 and accrue interest at a rate of 4.75% (plus the VAC adjustment), present a risk rating AA + (local scale) granted by the risk rating company Apoyo & Asociados Internacionales.

These bonds include the following collateral: (i) mortgage on the concession of which Tren Urbano de Lima S.A. is the concessionaire, (ii) security interest on the shares of the Concessionaire, (iii) assignment of the Collection Rights of the Administration Trust, and (iv) a Flow Trust and Reserve Accounts for Debt Service, Operation and Maintenance and ongoing Capex. Issuance costs amounted to S/ 22 million. During 2022, a principal repayment of S/ 19.8 million (S/ 16.4 million in 2021) has been made.

As of December 31, 2022, an accumulated amortization amounting to S/126.8 million (S/106.9 million as of December 31, 2021) was made.

As of December 31, 2022, the balance includes VAC adjustments and interest payable for S/143.3 million (S/121.1 million as of December 31, 2021).

For the periods ended December 31, 2020, 2021 and 2022, the movement of this account is as follows:

<i>In thousands of soles</i>	2020	2021	2022
Balance at January, 1	618,497	624,454	626,697
Amortization	(11,582)	(16,376)	(19,848)
Accrued interest	47,615	49,013	54,918
Interest paid	(30,076)	(30,394)	(31,811)
Balance at December, 31	624,454	626,697	629,956

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

As of December 31, 2021 and 2022, Tren Urbano de Lima S.A. complied with the corresponding covenants.

As of December 31, 2022, the fair value amounts to S/630.7 million (S/626.8 million, as of December 31, 2021), is based on discounted cash flows using a rate of 5.9% (4.9% as of December 31, 2021) and corresponds to level 2 of the fair value hierarchy.

(b) Red Vial 5 S.A.

From 2015 to 2016, the subsidiary Red Vial 5 S.A. issued Corporate Bonds on the Lima Stock Exchange for a total S/365 million. The bonds mature in January 2027 and bear interest at a rate of 8.38%. As of December 31, 2022, risk rating agencies Moody's Local and Apoyo & Asociados Internacionales graded this debt instrument with AA- class.

According to the terms of the bond issuance agreement, this financing is secured by: (i) a trust of flows from the collection rights and flows derived from the Concession, except for flows corresponding to the Remuneration and the Regulation Fee; (ii) a mortgage on the concession of which Red Vial 5 S.A. is the concessionaire; (iii) movable guarantees on shares; (iv) assignment of rights on the bank letter of guarantee and any other guarantee granted in the Construction Agreement; and (v) in general, all those additional guarantees granted in favor of the secured creditors if applicable.

The purpose of the granted funds was to finance the construction works of the second phase of Red Vial 5 and sales tax related to the execution of project expenses.

For the periods ended December 31, 2020, 2021 and 2022, the movement of this account is the following:

<i>In thousands of soles</i>	2020	2021	2022
Balance at January, 1	305,545	280,848	251,933
Amortization	(24,820)	(28,836)	(33,085)
Accrued interest	24,619	22,315	19,744
Interest paid	(24,496)	(22,394)	(19,908)
Balance at December, 31	280,848	251,933	218,684

As of December 31, 2021 and 2022, Red Vial 5 S.A. complied with the respective covenants.

As of December 31, 2022, the fair value of bonds amounts to S/ 224.8 million (S/ 260 million as of December 31, 2021), is based on discounted cash flows using rate 8.1% as of December 31, 2021 and 2022, and is within level 2 of the fair value hierarchy.

(c) Cumbra Peru S.A.

At the beginning of 2020, the subsidiary Cumbra Peru S.A. prepared the First Private Bond Program up to a maximum amount of US\$8 million.

In the first quarter of the year 2020, bonds amounting to US\$ 7.8 million (equivalent to S/ 25.9 million) were issued with the modality for exchange debt, with respect to its outstanding business obligations.

The bonds mature in December 2027 and bear interest at a rate of 8.5%, payment is semi-annual and have a B- risk rating, granted by the rating company Moody's Peru. As of December 31, 2022, the balance includes accrued interest payable for US\$ 0.2 million, equivalent to S/ 0.8 million (US\$ 0.3 million, equivalent to S/ 1 million, as of December 31, 2021).

For the periods ended December 31, 2020, 2021 and 2022, the movement of this account is the following:

<i>In thousands of soles</i>	2020	2021	2022
Balance at January, 1	-	27,457	26,282
Additions	25,871	-	-
Amortization	(1,579)	(3,687)	(3,812)
Exchange difference	2,153	2,561	(1,030)
Accrued interest	2,152	2,219	1,858
Interest paid	(1,140)	(2,268)	(2,025)
Balance at December, 31	27,457	26,282	21,273

As of December 31, 2022, the fair value amounts to S/19.7 million (S/27.1 million as of December 31, 2021), is based on discounted cash flows using a rate of 11.4% (7.4% as of December 31, 2021), and is within level 2 of the fair value hierarchy.

(d) AENZA S.A.A.

On August 13, 2021, AENZA S.A.A. issued bonds convertible into voting common shares (hereinafter the "Bonds"). The total amount of issuance was US\$89.9 million, considering 89,970 bonds at a face value of US\$1,000 each.

Bonds were placed at local level and were available for investors in Peru according to Peruvian legislation. The Bonds mature on February 2024 and bear interest at an annual interest rate of 8% subject to quarterly installments.

Pursuant to the terms and conditions of the Bond, they may be converted into shares from the sixth month of the issuance date, according to the following procedure: 1) the conversion day is the last business day of each month; 2) the conversion may be total or partial; 3) the conversion notice had to be sent to the Bondholders' Representative no later than five (5) business days prior to the conversion date, and 4) the conversion price will be the minimum of (i) US\$ 0.33 (zero and 33/100 US dollars) per share and (ii) 80% of the average price of transactions occurred thirty (30) days prior to the Conversion Date, weighted by the volume of each transaction. The conversion will be made by dividing the current face value of each bond by the conversion price.

The Company converted all bonds in common shares in two tranches, the first one on February 28, 2022 for 11,000 Bonds and second on May 31, 2022 for 78,970 bonds (Note 22). Due to conversion, the debt was fully capitalized.

19. Trade Accounts Payable

As of December 31, this caption comprises:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Invoices payable (a)	506,798	523,175	506,798	513,418	-	9,757
Received services to be invoiced (b)	400,418	508,448	400,418	508,448	-	-
Notes payable	5,610	5,390	5,610	5,390	-	-
	912,826	1,037,013	912,826	1,027,256	-	9,757

(a) Invoices payable are obligations supported by formal documents. Find below the invoices payable according to the main projects:

<i>In thousands of soles</i>	2021	2022
Infrastructure		
Linea-1 - Metro de Lima	15,616	43,768
Operation and maintenance - Roads	17,372	23,849
	32,988	67,617
Energy	43,501	87,282
Engineering and Construction		
Cumbra Peru S.A. - Refineria Talara	109,930	84,891
Cumbra Peru S.A. - Aeropuerto Jorge Chavez	55,596	79,424
Vial y Vives - DSD S.A. - Obras de Ingenieria y Construccion	73,188	46,411
Cumbra Peru S.A. - Planta Concentradora y tunel Quellaveco	71,324	45,143
Cumbra Peru S.A. - Concentradora Toquepala	-	17,980
Cumbra Ingenieria S.A. - Proyecto Mina Gold Fields La Cima S.A.	3,810	12,546
Morelco S.A.S. - Obras de Ingenieria y Construccion	22,629	11,566
Cumbra Peru S.A. - Filtro de Relaves Quebrada Honda	1,055	10,930
Cumbra Peru S.A. - Planta de Flotacion de Particulas Gruesas	-	6,027
Cumbra Peru S.A. - Proyecto Gasoducto Piura	11,167	3,983
Cumbra Peru S.A. - Planta Generadora Machu Picchu	3,832	3,255
Cumbra Peru S.A. - Descolmatacion del Rio Chicama	2,974	2,380
Cumbra Peru S.A. - Centro Hidroelectrica Cerro del Aguila	2,199	1,120
Others	39,942	23,458
	397,646	349,114
Real Estate	9,769	15,035
Parent Company Operation	22,894	4,127
	506,798	523,175

(b) Find below the balances corresponding to the main projects:

<i>In thousands of soles</i>	2021	2022
Infrastructure		
Linea-1 - Metro de Lima	15,021	18,281
Operation and maintenance - Roads	27,303	29,292
	42,324	47,573
Energy	24,185	36,977
Engineering and Construction		
Cumbra Peru S.A. - Aeropuerto Jorge Chavez (i)	18,430	152,492
Vial y Vives - DSD S.A. - Obras de Ingenieria y construccion	56,927	54,007
Cumbra Peru S.A. - Planta Concentradora y tunel Quellaveco	80,597	45,890
Morelco S.A.S. - Obras de Ingenieria y Construccion	22,718	31,690
Cumbra Peru S.A. - Refineria Talara	34,267	18,947
Cumbra Peru S.A. - Planta de Flotacion de Particulas Gruesas	-	14,966
Cumbra Ingenieria S.A. - Proyecto Mina Gold Fields La Cima S.A.	9,135	9,459
Cumbra Peru S.A. - Proyecto Gasoducto Piura	30,025	9,457
Cumbra Peru S.A. - Concentradora Toquepala	-	7,295
Cumbra Peru S.A. - Proyecto de Infraestructura Via Expresa Linea Amarilla	6,545	6,057
Cumbra Peru S.A. - Planta Oxidos Marcobre	1,819	3,737
Cumbra Peru S.A. - Filtro de Relaves Quebrada Honda	2,493	2,746
Cumbra Peru S.A. - Planta Generadora Machu Picchu	2,348	1,637
Others	31,974	31,792
	297,278	390,172
Real Estate	20,632	20,904
Parent Company Operation	15,999	12,822
	400,418	508,448

(i) The variation at the end of 2022 corresponds to services received and not billed for the increase in activities of the EPC LAP3 project, related to the construction of the Jorge Chavez airport terminal.

20. Other Accounts Payable

As of December 31, this caption includes:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Advances received from customers (a)	322,680	365,730	315,644	350,194	7,036	15,536
Taxes payable	124,004	165,831	112,737	137,819	11,267	28,012
Salaries and other personnel payables (b)	126,466	99,225	126,466	99,225	-	-
Arbitration payable (c)	58,502	73,348	58,502	34,560	-	38,788
Accounts payable Consorcio Ductos del Sur (d)	77,665	25,652	29,242	12,921	48,423	12,731
Guarantee deposits (e)	26,017	18,552	26,017	18,552	-	-
Share purchase agreement - Inversiones Sur (f)	15,992	15,280	-	15,280	15,992	-
Acquisition of additional non-controlling interest - Vial y Vives DSD (g)	25,253	9,344	25,253	9,344	-	-
Royalties payable (h)	5,668	9,303	5,668	9,303	-	-
Put option liability on Morelco S.A.S. acquisition (i)	27,986	-	27,986	-	-	-
Other accounts payable	37,117	25,496	27,466	18,244	9,651	7,252
	847,350	807,761	754,981	705,442	92,369	102,319

(a) Advances received from customers mainly correspond to the engineering and construction and real estate segments; and are deducted from invoicing in accordance with the terms of the agreements.

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Vial y Vives - DSD S.A. - Quebrada Blanca Project (i)	120,642	91,107	120,642	91,107	-	-
Cumbra Peru S.A. - Jorge Chavez Airport (ii)	22,820	88,114	22,820	88,114	-	-
Viva Inmobiliaria S.A.C. - Real estate projects (iii)	80,188	85,741	80,188	85,741	-	-
Proyecto Especial de Infraestructura de Transporte Nacional	19,582	33,879	12,765	32,995	6,817	884
Cumbra Peru S.A. - San Gabriel - Buenaventura Project (iv)	-	33,206	-	18,743	-	14,463
Vial y Vives - DSD S.A. - Minera Spence (v)	-	12,536	-	12,536	-	-
Vial y Vives - DSD S.A. - Refineria ENAP (vi)	3,443	9,472	3,443	9,472	-	-
Cumbra Peru S.A. - Concentrator Plant and Quellaveco Tunnel	10,841	5,984	10,841	5,984	-	-
Cumbra Ingenieria S.A. - Mina Gold Fields La Cima S.A. Project	-	1,986	-	1,986	-	-
Vial y Vives - DSD S.A. - Modernization and expansion - Arauco Plant	52,063	-	52,063	-	-	-
Cumbra Peru S.A. - Piura Gas Pipeline Project	5,745	-	5,745	-	-	-
Cumbra Peru S.A. - Machu Picchu	4,748	-	4,748	-	-	-
Others	2,608	3,705	2,389	3,516	219	189
	322,680	365,730	315,644	350,194	7,036	15,536

(i) Corresponds to advances received from Minera Teck for the construction and assembly of the Pebble crushing mill project, the advances are applied against reimbursable invoices through the approved PDEs. The balance at December 31, 2022 is S/91.1 million (S/120.6 million at December 31, 2021).

(ii) The movement is due to the advance received in 2022 in Consorcio Inti Punku, for the LAP3 EPC project, corresponding to the construction of the Jorge Chavez airport terminal, for S/88 million and the amortization of the entire balance of 2021 S/22.8 million.

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

- (iii) As of December 31, 2022, advances from customers for the sale of real estate correspond to the following real estate projects: a) Parques de Comas S/74.8 million, b) Parques de Huancayo S/3.6 million, c) Parques de Carabaylo S/5.2 million, d) Parques del Callao S/1.5 million, e) other minor S/0.6 million (S/58.9 million, S/6.2 million, S/9 million, S/3.9 million, S/2.1 million, as of December 31, 2021, respectively).
- (iv) The balance is due to advances received during the fourth quarter of 2022 corresponding to an earthmoving project in the mining sector valued at US\$ 87.3 million (approximately S/333.1 million), which started operations at the end of 2022. The balance as of December 31, 2022 is US\$ 8.7 million (equivalent to S/33.2 million).
- (v) Design and construction project for improvements to the Rípios plant of Minera Spence, lump sum EPC contract. The balance at December 31, 2022 is S/12.5 million.
- (vi) Corresponds to the contract for the construction and assembly of two tanks to increase crude oil storage capacity at the BIOBIO refinery. The balance at December 31, 2022 is S/9.4 million (S/3.4 million at December 31, 2021).
- (b) Salaries and profit sharing payable are classified as follows:

<i>In thousands of soles</i>	2021	2022
Vacation	42,762	30,854
Compensation for time of service	46,103	27,964
Bonus salaries	15,910	23,393
Wages and salaries	9,105	8,915
Workers' profit sharing	10,384	4,996
Other remuneration	2,202	3,103
	126,466	99,225

- (c) Obligations arising from arbitration awards at December 31, 2022 correspond to Empresa de Generacion Electrica Machupichu S.A. for S/38.1 million; Andritz Hydro S.A. for S/31.7 million; SEDAPAL S.A. for S/2.8 million; Programa Subsectorial de Irrigaciones - PSI for S/0.7 million (Andritz Hydro S.A. for S/58.5 million at December 31, 2021). During the years 2021 and 2022, as a result of those Arbitration Awards, the Corporation recorded expenses for an amount of S/38.1 million and S/41.6 million, respectively, which is presented in the caption "Cost of sales and services" of the consolidated statement of income (Note 25.ii).
- (d) The other accounts payable of Consorcio Constructor Ductos del Sur corresponds to payment obligations to suppliers and main subcontractors for S/ 25.6 million (S/ 77.6 million as of December 31, 2021), assumed by the subsidiary Cumbra Peru S.A. as a result of the termination of operations of Gasoducto Sur Peruano S.A. (Note 14)
- (e) Correspond to withholdings from subcontractors to guarantee compliance with service contracts until completion of the work. As of December 31, 2022, the detail is composed of S/6.6 million in Cumbra Peru S.A.; S/2.5 million in Consorcio Inti Punku; S/2.5 million in Vial y Vives DSD; S/ 1.6 million in Unna Energia S.A.; S/ 4.1 million in Viva Negocio Inmobiliario S.A.C. and S/1.2 million in other minor. (for S/14.9 million in Cumbra Peru S.A.; S/1 million in Consorcio Inti Punku; S/4.7 million in Vial y Vives - DSD S.A.; S/ 1.8 million in Unna Energia S.A.; S/ 3.1 million in Viva Negocio Inmobiliario S.A.C. and S/0.5 million in other minor as of December 31, 2021).
- (f) Agreement signed between the Subsidiary Viva Inmobiliaria S.A. and Inversiones Sur S.A. regarding the purchase agreement of shares in the amount of US\$4 million, maturing in 2023.
- (g) During 2016, GyM Chile S.P.A. acquired an additional 13.69% of shares in Vial y Vives - DSD S.A. at a total purchase price of S/ 51.1 million. As of December 31, 2022, the outstanding balance of this transaction amounts to S/ 9.3 million (S/ 25.3 million in 2021).

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

- (h) In compliance with the license agreement between Unna Energia S.A. and Perupetro S.A. for Lot III and Lot IV, payables corresponding to royalties were recorded as of December 31, 2022 totaling S/9.3 million (S/5.7 million as of December 31, 2021).
- (i) In 2021 Cumbra Peru S.A. renegotiated the terms of the put option agreement and in December 2021 acquired all non-controlling interest of Morelco, for US\$ 15.4 million keeping an outstanding balance for US\$7 million (equivalent to S/28 million). As a consequence of the liabilities renegotiation, Cumbra Peru S.A. recognized an income of S/70.3 million in 'Other income and expenses' (Note 27). As of December 31, 2022, Cumbra Peru S.A. settled all liabilities.

21. Other Provisions

As of December 31, this item includes:

<i>In thousands of soles</i>	Total		Current		Non-current	
	2021	2022	2021	2022	2021	2022
Legal contingencies (a)	364,385	580,216	117,520	87,948	246,865	492,268
Tax contingencies (b)	38,182	53,577	17,492	33,127	20,690	20,450
Provision for closure (c)	82,475	68,160	20,533	11,851	61,942	56,309
	485,042	701,953	155,545	132,926	329,497	569,027

- (a) Legal contingencies mainly correspond to:

Provision for civil compensation

It corresponds to a legal contingency estimated by Management for exposure of the Corporation to a potential indemnity in relation to their participation as minority partners in developed infrastructure projects in Peru with companies belonging to the Odebrecht Group and the projects related to the Construction Club. As stated in Note 1.C on September 15, 2022, the Agreement was signed, whereby AENZA S.A.A. acknowledges that it was utilized by certain former executives to commit illicit acts in periods until 2016, and committed to pay a civil compensation to the Peruvian Government of approximately S/488.9 million. According to the Agreement, payment shall be made within twelve years at a legal interest rate in soles and US dollars (3% and 1% annual interest as of December 31, 2022, respectively). The Company also undertakes to establish a series of guarantees after the approval of the Agreement, composed of (i) a trust agreement that includes shares issued by a subsidiary of the Company, ii) mortgage on a property owned by the Company, and iii) a guarantee account with funds equivalent to the annual installment for the following year. Among other conditions, the Agreement includes a restriction for AENZA S.A.A. and subsidiaries Cumbra Peru S.A. and Unna Transporte S.A.C. to participate in public construction and road maintenance contracts with the Peruvian Government for two years from the approval of the Agreement.

As of December 31, 2022, the Company recognized in its financial statements the full amount of the liabilities associated with the Agreement for S/ 488.9 million (S/ 333.3 million and US\$ 40.7 million) in this caption, making a charge to profit or loss of the period, equivalent to the remaining portion of the total imputed value of approximately S/ 258.3 million to 'other expenses' in the consolidated statement of profit or loss (as of December 31, 2021, S/ 164.6 million and US\$ 18.9 million, equivalent to a total of S/ 240.1 million) (Note 27).

Administrative process INDECOPI

- (i) On March 9, 2021, Cumbra Peru S.A. was notified of a “Final Instruction Report” prepared by INDECOPI’s Technical Secretariat in relation with the administrative sanction process imposed on thirty three (33) construction companies and twenty six (26) executives for arranging a coordination system by means of which they illegally distributed the tenders called by Provias Nacional and other Peruvian governmental entities. On November 15, 2021, INDECOPI’s Commission, by virtue of Resolution 080-021-CLC-INDECOPI, decided to sanction – at first administrative instance – to such companies and executives, including Cumbra Peru S.A. On December 9, 2021, Cumbra Peru S.A. filed an appeal against such a resolution, impeding its execution, including the payment of the fine imposed and the fulfilment of the correction measures ordered. As of December 31, 2022, the Company and its legal advisors estimated a recognized provision of S/52.4 million (S/52.6 million as of December 31, 2021).
- (ii) On February 7, 2022, Resolution No. 038-2021/CLC-INDECOPI was notified to Cumbra Peru S.A. and Unna Transporte S.A.C., by virtue of which INDECOPI’s National Directorate of Investigation and Promotion of Free Competition started an administrative sanctioning process for horizontal alleged collusive practice as agreed distribution of suppliers in market to hire suppliers belonging to the construction sector nationwide from 2011 to 2017.

On April 7, 2022, Cumbra Peru S.A. and Unna Transporte S.A.C. proposed a cease-and-desist letter for the early termination of the sanctioning administrative procedure, where they (i) accepted the alleged conduct, (ii) committed to complying with a free competition rules compliance program during years 2022, 2023, and 2024, and (iii) committed to paying a compensation amounting to S/ 2.7 million in two installments (the first one within sixty (60) days after notification of the Resolution approving the commitment and the second one within twelve (12) months). By means of Resolution 054-2022/CLC-INDECOPI dated August 19, 2022, the Commission for the Defense of Free Competition of INDECOPI approved the proposed cease-and-desist agreement and concluded the sanctioning procedure.

Shareholder class action lawsuits in the Federal Court of the Eastern District of New York

During the first quarter of 2017, two class action lawsuits were filed against the Company and some former officers by virtue of the Securities Act before the Federal Court of the East District of New York. On July 2, 2020, the Company signed a final transaction agreement with the plaintiffs through which the parties committed to settling the class action lawsuits and the Company commits to paying US\$ 20 million.

In relation to the agreement, as of December 31, 2021, the Company had paid US\$ 6.4 million and US\$ 5 million, which was covered by the professional liability policy in accordance with the agreement signed with the insurer. It also maintained a provision of US\$ 8.6 million, equivalent to S/ 34.4 million, plus interest. This debt was repaid in full on April 8, 2022.

Other legal provisions

As of December 31, 2022, they correspond to legal contingencies (civil, labor, administrative proceedings and contentious-administrative proceedings) for an estimated provision of S/ 37.5 million (S/ 34.2 million as of December 31, 2021).

(b) Tax contingencies

- (i) Claim processes before SUNAT for S/17.1 million corresponding to:

AENZA S.A.A. for year 2016 income tax amounting to S/12.6 million; Cumbra Ingenieria S.A. for years 2014 and 2015 income tax amounting to S/3.2 million; Consorcio Vial la Quinua for year 2015 income tax amounting to S/0.8 million; and Unna Energia S.A. for year 2019 income tax amounting to S/0.5 million.

(ii) Claims before the Peruvian Court of Law for S/16.8 million:

AENZA S.A.A. for income tax and general sales tax for the years 1998 through 2012 amounting to S/12.2 million; and Cumbra Peru S.A. for EsSalud claims for the year 2012 amounting to S/4.6 million.

(iii) Appeal process before the Tax Court for S/14.3 million:

Cumbra Ingenieria S.A. for years 2013 and 2016 income tax amounting to S/5.7 million; AENZA S.A.A. for years 2014 and 2015 income tax amounting to S/5.4 million; Cumbra Peru S.A. for year 2012 income tax amounting to S/2.1 million; and Consorcio Constructor Chavimochic for year 2016 income tax amounting to S/1.1 million.

(iv) Non-contentious proceedings for S/5.4 million related to:

Cumbra Ingenieria S.A. for S/5.3 million; and Carretera Andina del Sur S.A. for S/0.1 million.

(c) Provision for closure - corresponds mainly to:

(i) Provisions for closure of wells of subsidiary Unna Energia S.A. for S/56.5 million and contractual compliance with Petroperu for S/3.3 million (as of December 31, 2021, S/71.1 million and S/3.4 million, respectively);

(ii) Provision for costs associated with subsidiary Red Vial 5 S.A., corresponding to the closing of the concession agreement and costs related to the process of claiming the tariff guarantee for toll suspension for S/5.6 million (as of December 31, 2021, S/5.1 million).

For the periods ended December 31, 2020, 2021 and 2022, the movement of this caption is as follows:

<i>In thousands of soles</i>	Legal claims	Tax claims	Provision for well closure	Total
As of January 1, 2020	221,592	10,787	50,116	282,495
Additions	121,404	3,161	2,450	127,015
Present value	3,604	-	2,182	5,786
Reversals of provisions	(30,806)	(2,458)	-	(33,264)
Transfers	1,540	-	-	1,540
Compensation	4,106	-	-	4,106
Payments	(3,938)	(3,314)	(1,799)	(9,051)
Translation adjustments / Exchange difference	9,366	-	-	9,366
As of December 31, 2020	326,868	8,176	52,949	387,993
As of January 1, 2021	326,868	8,176	52,949	387,993
Additions	59,109	31,221	10,815	101,145
Present value	19,627	-	9,780	29,407
Reversals of provisions	(13,027)	-	(2,957)	(15,984)
Transfers	466	(299)	716	883
Reclasification	(3,335)	-	3,335	-
Compensation	(8,541)	-	-	(8,541)
Desconsolidation of subsidiary	(1,657)	-	-	(1,657)
Payments	(26,863)	(916)	(185)	(27,964)
Translation adjustments / Exchange difference	11,738	-	8,022	19,760
As of December 31, 2021	364,385	38,182	82,475	485,042
As of January 1, 2022	364,385	38,182	82,475	485,042
Additions	278,446	15,891	-	294,337
Present value	1,042	-	(2,496)	(1,454)
Reversals of provisions	(1,802)	(434)	(9,694)	(11,930)
Transfers (*)	(5,587)	(62)	-	(5,649)
Payments	(40,253)	-	(747)	(41,000)
Translation adjustments / Exchange difference	(16,015)	-	(1,378)	(17,393)
As of December 31, 2022	580,216	53,577	68,160	701,953

(*) In 2022, corresponds mainly to reclassification to other accounts payable for payment obligations, derived from the subscription of the share purchase agreement between Cumbra Peru S.A. and Stracon S.A., which amount is S/. 4.9 million and the fine corresponding to the fractionation of the penalty imposed by SUNAFIL, which amount is S/. 0.2 million.

As of December 31, 2021, the Corporation and its external legal advisors concluded the lawsuit proceedings against Tecnicas Reunidas de Talara S.A.C. (TRT) will be favorable for the Company with no need of a provision as of that date. Subsequently, in November 2022, the Corporation reached a settlement increasing cost by S/113 million with its corresponding settlement in the same period, having a no actual accrual related for this settlement as of December 31, 2022.

22. Equity

A. Capital

On February 28, 2022, in accordance with the terms and conditions of the convertible bond, the holders of 11,000 convertible bonds, with a par value of US\$1,000 each and for a principal amount equivalent to US\$11 million, exercised their conversion right. The Company issued provisional certificates for 37,801,073 new voting common shares, with a par value of S/1.00 each, fully subscribed and paid-in. Therefore, the Company increased its capital stock from S/ 871,917,855 to S/ 909,718,928.

Additionally, on March 31, 2022, holders of 78,970 convertible bonds each for a face value of US\$ 1,000 and for a principal amount equivalent to US\$78.9 million, exercised their conversion right. The Company converted the bonds and paid the accrued interest to the bondholders. As a result, the Company issued provisional certificates for 287,261,051 new common shares. Therefore, the Company's capital stock increased from S/909,718,928 to S/1,196,979,979. After this last operation, the convertible bonds were paid in full (Note 18.(d)).

On December 1, 2022, the capital increases were registered and the bylaws were amended, confirming that the Company's capital amounts to S/ 1,196,979,979, the par value of the shares is S/ 1.00 each, fully subscribed and paid-off and with voting rights.

As of December 31, 2022, a total of 130,025,625 shares is represented in ADSs, equivalent to 8,668,375 ADS at a ratio of 15 shares per ADS.

As of December 31, 2021, a total of 136,637,740 shares were represented in ADSs, equivalent to 27,327,548 ADS at a ratio of 5 shares per ADS.

As of December 31, 2022, the Company's shares registered a stock price quotation at the end of the year of S/ 0.83 per share and a trading frequency of 75% (S/ 1.37 per share and a trading frequency of 77.27% as of December 31, 2021).

B. Legal Reserve

According to the Business Companies Act, any company is required to allocate at least 10% of its free withdrawal profits to a legal reserve. This allocation is required until the reserve equals 20% of paid-in capital. In the absence profits or free withdrawal reserves, the legal reserve may be applied to offset losses and shall be replaced with profits from subsequent fiscal years. This reserve may be capitalized and its replacement is also mandatory.

The movement of deferred tax assets and liabilities in the year, without considering the offsetting of balances, is as follows:

Deferred tax liabilities	At January 1, 2020	(Debit) credit to P&L	Discontinued operations	Reclassification	At January 1, 2021	(Debit) credit to P&L	Sale of a subsidiary	At December 31, 2021	(Debit) credit to P&L	Reclassification	Others	At December 31, 2022
Difference in depreciation rates	91,490	(1,831)	(2,734)	1,063	87,988	(10,668)	(3,836)	73,484	35,685	-	-	109,169
Deferred income	24,145	(8,239)	-	-	15,906	(15,906)	-	-	-	-	-	-
Work in process	51,280	(26,072)	-	(4,916)	20,292	27,865	-	48,157	(47,649)	4,559	-	5,067
Tax receivable	36,190	2,836	-	-	39,026	3,028	-	42,054	2,923	-	-	44,977
Borrowing costs capitalized	14,936	172	-	-	15,108	(2,780)	-	12,328	6,302	3,908	-	22,538
Price purchase allocation	9,823	357	-	(1,263)	8,917	12,476	-	21,393	(2,833)	-	-	18,560
Others	39,566	(18,381)	(510)	2,721	23,396	(21,417)	(883)	1,096	5,081	(8,467)	2,816	526
Total	267,430	(51,158)	(3,244)	(2,395)	210,633	(7,402)	(4,719)	198,512	(491)	-	2,816	200,837

Deferred tax assets	At January 1, 2020	(Debit) credit to P&L	Discontinued operations	Reclassification	Others	At January 1, 2021	(Debit) credit to P&L	Sale of a subsidiary	Others	At December 31, 2021	(Debit) credit to P&L	Reclassification	At December 31, 2022
Provisions	43,376	(36,338)	(1,792)	24,340	-	29,586	13,673	(2,413)	-	40,846	6,060	(4,399)	42,507
Difference in depreciation rates	8,433	2,041	(1,667)	(1,154)	-	7,653	8,640	-	-	16,293	7,179	-	23,472
Tax losses	191,646	(8,767)	-	3,616	-	186,495	36,258	(40,312)	-	182,441	(6,609)	-	175,832
Work in process	45,720	(12,298)	-	(28,630)	-	4,792	(4,792)	-	-	-	-	-	-
Accrual for unpaid vacations	11,624	1,301	115	-	-	13,040	7,288	(887)	-	19,441	(5,844)	-	13,597
Impairment	48,502	3,257	-	(507)	-	51,252	(21,834)	-	-	29,418	2,672	-	32,090
Fair value	46,804	(10,874)	-	10,067	-	45,997	5,596	-	-	51,593	1,547	-	53,140
Tax Goodwill	13,522	(4,518)	-	4,989	-	13,993	(2,407)	-	-	11,586	(2,078)	-	9,508
Earning stripping rules	-	-	-	-	-	-	8,372	-	-	8,372	(1,177)	-	7,195
Unpaid non domiciled expenses	-	-	-	-	-	-	4,064	-	-	4,064	(3,863)	-	201
Right-of-use assets	-	-	-	-	-	-	4,571	-	-	4,571	(1,345)	-	3,226
Higher value paid	-	-	-	-	-	-	-	-	-	-	7,399	-	7,399
Others	4,367	14,718	9,986	(15,116)	2,006	15,961	(236)	(1,793)	(6,106)	7,826	(7,826)	-	-
Total	413,994	(51,478)	6,642	(2,395)	2,006	368,769	59,193	(45,405)	(6,106)	376,451	(3,885)	(4,399)	368,167

24. Revenue from contracts with customers

For the years ended December 31, the Corporation's income is derived principally from:

<i>In thousands of soles</i>	2020	2021	2022
Construction activities	1,854,819	2,467,477	2,451,067
Services rendered	936,485	1,094,439	1,104,900
Sale of real estate and goods	394,249	579,482	849,157
Revenue from contracts with customers	3,185,553	4,141,398	4,405,124

A. Revenues from contracts with customers are mainly broken down by:

<i>For the year ended December 31,</i>	Engineering and construction			Energy			Infrastructure			Real estate			Parent Company operations			Total		
<i>In thousands of soles</i>	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Primary geographical markets																		
Peru	1,355,589	1,862,176	1,794,735	369,798	541,859	633,792	594,723	638,358	745,750	182,439	239,391	367,276	7,865	2,889	2,912	2,510,414	3,284,673	3,544,465
Chile	521,076	750,565	708,996	-	-	-	-	-	-	-	-	-	-	-	-	521,076	750,565	708,996
Colombia	151,876	106,160	151,663	-	-	-	-	-	-	-	-	-	-	-	-	151,876	106,160	151,663
Mexico	2,187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,187	-	-
	<u>2,030,728</u>	<u>2,718,901</u>	<u>2,655,394</u>	<u>369,798</u>	<u>541,859</u>	<u>633,792</u>	<u>594,723</u>	<u>638,358</u>	<u>745,750</u>	<u>182,439</u>	<u>239,391</u>	<u>367,276</u>	<u>7,865</u>	<u>2,889</u>	<u>2,912</u>	<u>3,185,553</u>	<u>4,141,398</u>	<u>4,405,124</u>
Major products/ service lines																		
Construction activities	1,854,819	2,467,477	2,451,067	-	-	-	-	-	-	-	-	-	-	-	-	1,854,819	2,467,477	2,451,067
Engineering services	175,909	251,424	204,327	-	-	-	-	-	-	-	-	-	-	-	-	175,909	251,424	204,327
Oil and gas extraction, storage and dispatching services	-	-	-	149,095	192,103	145,874	-	-	-	-	-	-	-	-	-	149,095	192,103	145,874
Transportation services	-	-	-	-	-	-	343,870	347,377	387,049	-	-	-	-	-	-	343,870	347,377	387,049
Road concession services	-	-	-	-	-	-	247,494	287,331	354,289	-	-	-	-	-	-	247,494	287,331	354,289
Water treatment service	-	-	-	-	-	-	3,359	3,650	4,412	-	-	-	-	-	-	3,359	3,650	4,412
Property rental	-	-	-	-	-	-	-	-	-	8,893	9,665	6,037	-	-	-	8,893	9,665	6,037
Parent company services and others	-	-	-	-	-	-	-	-	-	-	-	-	7,865	2,889	2,912	7,865	2,889	2,912
Sale of real estate and lots	-	-	-	-	-	-	-	-	-	173,546	229,726	361,239	-	-	-	173,546	229,726	361,239
Sale of oil and gas	-	-	-	220,703	349,756	487,918	-	-	-	-	-	-	-	-	-	220,703	349,756	487,918
	<u>2,030,728</u>	<u>2,718,901</u>	<u>2,655,394</u>	<u>369,798</u>	<u>541,859</u>	<u>633,792</u>	<u>594,723</u>	<u>638,358</u>	<u>745,750</u>	<u>182,439</u>	<u>239,391</u>	<u>367,276</u>	<u>7,865</u>	<u>2,889</u>	<u>2,912</u>	<u>3,185,553</u>	<u>4,141,398</u>	<u>4,405,124</u>
Timing of revenue recognition																		
Transferred at a point in time	-	-	-	369,798	541,859	633,792	-	-	-	182,439	239,391	367,276	7,865	2,889	2,912	560,102	784,139	1,003,980
transferred over time	2,030,728	2,718,901	2,655,394	-	-	-	594,723	638,358	745,750	-	-	-	-	-	-	2,625,451	3,357,259	3,401,144
	<u>2,030,728</u>	<u>2,718,901</u>	<u>2,655,394</u>	<u>369,798</u>	<u>541,859</u>	<u>633,792</u>	<u>594,723</u>	<u>638,358</u>	<u>745,750</u>	<u>182,439</u>	<u>239,391</u>	<u>367,276</u>	<u>7,865</u>	<u>2,889</u>	<u>2,912</u>	<u>3,185,553</u>	<u>4,141,398</u>	<u>4,405,124</u>
Revenue from contracts with customers	<u>2,030,728</u>	<u>2,718,901</u>	<u>2,655,394</u>	<u>369,798</u>	<u>541,859</u>	<u>633,792</u>	<u>594,723</u>	<u>638,358</u>	<u>745,750</u>	<u>182,439</u>	<u>239,391</u>	<u>367,276</u>	<u>7,865</u>	<u>2,889</u>	<u>2,912</u>	<u>3,185,553</u>	<u>4,141,398</u>	<u>4,405,124</u>

B. The balances of contract assets and liabilities are mainly comprised for:

<i>In thousands of soles</i>	Note	2021	2022
Receivables	10.a	773,575	894,571
Unbilled receivables	10.b and c	744,363	907,880
Guarantee deposits	12.a	139,019	194,885
Advances received from customers	20.a	(322,680)	(365,730)

Contract assets refer primarily to rights to consideration for work performed but not billed at the reporting date.

Contract liabilities refer mainly to advance consideration received from customers whose income is recognized over time.

The movement in contract liabilities as of December 31, 2021 and 2022 is detailed below:

<i>In thousands of soles</i>	2020	2021	2022
Initial balance	307,839	280,970	322,680
Advances received from customers	743,431	707,009	769,504
Compensation of customer advances	(770,300)	(665,299)	(726,454)
Final balance	280,970	322,680	365,730

Revenue from contract liabilities recognized as of December 31, 2022 is S/726.4 million (S/665.2 million as of December 31, 2021).

The composition of the portfolio of projects pending to be executed ("backlog") refers to the expected future income from signed contracts. The detail by operating segments as of December 31, 2022, and the dates on which they are estimated to be carried out, is shown in the following table:

<i>In thousands of soles</i>	Annual Backlog			Total
	2023	2024	2025+	
Engineering and Construction	2,463,484	1,197,101	-	3,660,585
Infrastructure	730,702	646,764	631,645	2,009,111
Real estate	149,295	18,611	-	167,906
Intercompany eliminations	(172,416)	(172,418)	(165,131)	(509,965)
	3,171,065	1,690,058	466,514	5,327,637

25. Costs and Expenses by Nature

For the years ended December 31, the detail of this item is as follows:

<i>In thousands of soles</i>	Note	Cost of goods and services	Administrative expenses	Total
2020				
Salaries, wages and fringe benefits (i)		946,631	75,677	1,022,308
Services provided by third-parties		949,545	33,411	982,956
Purchase of goods		565,052	-	565,052
Other management charges (ii)		230,947	14,322	245,269
Amortization	16	93,135	4,138	97,273
Depreciation (iv)	15	79,732	6,393	86,125
Impairment of accounts receivable (iii)		32,215	4	32,219
Taxes		5,956	68	6,024
Recovery of property, plant and equipment		4,950	-	4,950
Impairment of investments		38	-	38
Inventory recovery		(30)	-	(30)
		2,908,171	134,013	3,042,184

<i>In thousands of soles</i>	Note	Cost of goods and services	Administrative expenses	Total
2021				
Salaries, wages and fringe benefits (i)		1,297,352	97,682	1,395,034
Services provided by third-parties		1,313,763	56,462	1,370,225
Purchase of goods		687,105	43	687,148
Other management charges (ii)		222,648	16,203	238,851
Amortization	16	101,578	3,642	105,220
Depreciation (iv)	15	82,063	5,425	87,488
Impairment of accounts receivable (iii)		9,420	2	9,422
Taxes		5,691	154	5,845
Impairment of property, plant and equipment		5,679	-	5,679
Impairment of inventory		2,984	-	2,984
		3,728,283	179,613	3,907,896

<i>In thousands of soles</i>	<i>Note</i>	Cost of goods and services	Administrative expenses	Total
2022				
Salaries, wages and fringe benefits (i)		1,254,006	97,914	1,351,920
Services provided by third-parties		1,340,718	42,158	1,382,876
Purchase of goods		631,953	-	631,953
Other management charges (ii)		365,140	9,580	374,720
Impairment of accounts receivable (iii)		174,083	24	174,107
Amortization	16	99,210	2,825	102,035
Depreciation (iv)	15	72,421	2,567	74,988
Taxes		16,479	261	16,740
Impairment of property, plant and equipment		3,483	7,269	10,752
		3,957,493	162,598	4,120,091

(i) For the years ended December 31, salaries, wages and fringe benefits comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Salaries		756,873	1,068,013	1,056,969
Legal bonuses		85,010	96,612	87,357
Social contributions		57,225	75,395	73,371
Employee's severance indemnities		55,523	66,827	58,072
Vacations		39,499	49,409	47,331
Workers' profit sharing (*)		2,170	8,888	6,700
Indemnities Payable		5,430	9,322	6,436
Per diem		7,498	6,096	3,334
Others		13,080	14,472	12,350
		1,022,308	1,395,034	1,351,920

(*) The average number of employees of the Corporation during 2021 and 2022 was 18,028 and 16,211, respectively.

The distribution of workers' profit sharing in the consolidated statements of profit or loss for the years ended December 31 is shown below:

<i>In thousands of soles</i>	2020	2021	2022
Cost of sales of goods and services	2,147	7,650	6,382
Administrative expenses	23	1,238	318
	2,170	8,888	6,700

(ii) The increase in 2022 is of S/138 millions mainly due to: a) results of arbitration processes in the subsidiary Cumbra Peru S.A. for S/41.6 million (S/38.1 million with Empresa de Generacion Electrica Machupichu S.A, S/2.8 million with SEDAPAL S.A., and S/0.7 million with the Irrigation Subsectoral Program - PSI, as indicated in (Note 20.c) b) in the subsidiary Unna Energia S.A. for S/85.2 million as a consequence of the increase in the royalty rate in accordance with the license contracts of lots III and IV, resulting from the 17% increase in oil production and the 36% increase in the price. In 2022 production was 225.6 thousand barrels at an average price per barrel of US\$93.24 (In 2021 production was 192.4 thousand barrels at an average price per barrel of US\$68.73).

(iii) For the years ended December 31, impairment of accounts receivable and other accounts receivables include the following:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Trade accounts receivables	10(d)	19,772	1,061	54,766
Other accounts receivable	12	12,318	1,177	119,299
Accounts receivable from related parties and joint operators		129	7,184	42
		32,219	9,422	174,107

(iv) For the years ended December 31, depreciation comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Cost of goods and services	Administrative expenses	Total
2020				
Property, plant and equipment	15.B	66,479	5,432	71,911
Right-of-use assets	15.C	10,840	961	11,801
Investment property	15.A	2,413	-	2,413
		79,732	6,393	86,125
2021				
Property, plant and equipment	15.B	60,230	4,610	64,840
Right-of-use assets	15.C	17,517	815	18,332
Investment property	15.A	4,316	-	4,316
		82,063	5,425	87,488
2022				
Property, plant and equipment	15.B	50,981	1,327	52,308
Right-of-use assets	15.C	17,469	1,240	18,709
Investment property	15.A	3,971	-	3,971
		72,421	2,567	74,988

26. Finance Income and Expenses – Interest for Present Value of Financial Assets or Liabilities

A. Finance Income and Expenses

For the years ended December 31, these items include the following:

<i>In thousands of soles</i>	2020	2021	2022
Financial income:			
Interest on short-term bank deposits	2,353	959	12,894
Business interests	191	438	856
Interest on loans to third parties	863	442	127
Others	3,175	807	1,577
	6,582	2,646	15,454

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Financial expenses:			
Interest expense on:			
- Bank loans	58,548	55,290	64,010
- Bonds	26,771	36,830	34,844
- Loans from third parties	12,612	12,642	6,345
- Financial lease right-of-use	4,259	3,982	4,505
- Financial lease	1,187	862	474
Commissions and collaterals	28,083	23,034	22,389
Interest from Tax Administration	4,827	14,236	16,326
Exchange difference loss, net	3,766	47,211	269
Factoring expenses	722	93	1,973
Other financial expenses	1,028	2,235	5,339
	141,803	196,415	156,474

B. Interests for present value of financial assets or liabilities

<i>In thousands of soles</i>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Interest income for present value of financial asset or liability (a)	32,734	3,127	13,299
Interest expenses for present value of financial asset or liability (b)	(4,552)	(66,159)	(99,313)
	28,182	(63,032)	(86,014)

a. In 2022, corresponds mainly to the adjustment of the account receivable of the subsidiary Viva Negocio Inmobiliario S.A. for the present value of the receivable from the Ministry of Housing, Construction and Sanitation of the Ancon Project for S/8 million at a discount rate of 7.99%. (S/ 1.7 million at a discount rate of 8% as of December 31, 2021). In 2020 corresponds to the present value adjustment of the account receivable from Gasoducto Sur Peruano S.A. for S/22.9 million, due to the variation in the discount rate applied, which decreased from 2.48% to 1.65% in 2020.

b. Mainly correspond to:

(i) Adjustment to the present value of the account receivable from Gasoducto Sur Peruano S.A. for S/72.2 million, due to the variation in the discount rate applied, which increased from 2.73% to 5.86% (S/32.8 million due to an increase in the rate from 1.65% to 2.73% as of December 31, 2021).

(ii) Adjustment to the fair value of the BCI loan in Inversiones en Autopistas S.A. for S/16.6 million due to the variation of the discount rate applied, which increased from 8.39% to 9.97% (S/12.4 million for rate increase from 6.45% to 8.39% as of December 31, 2021).

(iii) Present value of the account receivable from Inversiones Majes S.A. in Viva Negocio Inmobiliario S.A. for S/5 million at an applied discount rate of 8%.

27. Other Income and Expenses

For the years ended December 31, these items include the following:

<i>In thousands of soles</i>	2020	2021	2022
Other income:			
Sale of assets	9,118	9,618	11,274
Supplier debt forgiveness	14,545	-	5,244
Penalty income	1,168	1,883	4,715
Change in contract of the call option (a)	-	70,322	3,706
Recovery of provisions and impairments	6,501	6,070	2,067
Insurance compensation	156	3,728	209
Others	4,072	5,593	8,024
	35,560	97,214	35,239
Other expenses:			
Civil compensation recognized from the Agreement (Note 21.a)	64,571	-	258,267
Administrative sanctions and legal processes (b)	34,242	61,252	18,265
Net cost of fixed assets disposal	6,478	7,794	8,137
Asset impairment (c)	103,074	20,371	26,211
Disposal of property, plant and equipment	501	3,764	4,137
Renegotiation of contract with suppliers	4,889	176	6,356
Valuation of well abandonment	2,438	7,211	-
Others	549	1,123	4,480
	216,742	101,691	325,853
Other income and expenses	(181,182)	(4,477)	(290,614)

(a) As of December 31, 2021, the subsidiary Cumbra Peru S.A. renegotiated the terms of the put option arrangement signed with the minor shareholder Morelco S.A.S. at the acquisition of asset. This renegotiation ended with the signature of a new acquisition agreement for US\$15.4 million, superseding the original put option arrangement. Therefore, the Company recognized S/70.3 million in "Other income – Change in contract of the call option" in 2021. Also, there was a prepayment discount of S/3.7 million in 2022. (Note 20.i).

(b) As of December 31, 2022, it corresponds to: i) Penalty imposed by INDECOPI's Technical Secretariat for S/0.3 million. ii) Income tax penalties for S/13.1 million, AENZA S.A.A. for S/1 million, Cumbra Peru S.A. for S/7.4 million and Cumbra Ingenieria S.A. for S/4.7 million. iii) Penalty imposed by OSITRAN on Tren Urbano de Lima S.A. for S/3.2 million, iv). Provision of labor proceedings of subsidiary Red Vial 5 S.A. amounting to S/ 1.6 million. As of December 31, 2021, it mainly corresponds to the penalty imposed by INDECOPI's Technical Secretariat to Cumbra Peru S.A. for S/28.1 million and Unna Transporte S.A.C. for S/2.4 million (Note 21.a); additionally, income tax penalties in AENZA S.A.A. for S/18.2 million, Cumbra Peru S.A. for S/9.5 million and Cumbra Ingenieria S.A. for S/0.9 million. In 2020, exposure of the fine by the Technical Secretariat of INDECOPI of the subsidiary Cumbra Peru for S/24.5 million and other minor proceedings for S/9.7 million.

(c) As of December 31, 2022, it corresponds to the impairment of investments of AENZA S.A.A. for S/14.8 million (Note 14.i), impairment of other accounts receivable of Viva Negocio Inmobiliario S.A.C. for S/8.1 million, related to Consorcio Panorama (Note 12), impairment of intangible assets for S/3.1 million corresponds to the subsidiary Cumbra Peru S.A. for S/2.6 million (Vial y Vives - DSD S.A. trademark) and AENZA S.A.A. for S/0.5 million, others minor for S/ 0.2 million. As of December 31, 2021, it corresponds to the impairment of other accounts receivable for S/19.9 million, as a consequence of the financial obligation assumed by AENZA S.A.A. in favor of Adexus S.A.

In 2020, corresponds to: i) impairment of other accounts receivable generated by the subsidiary Concesionaria Via Expresa Sur S.A. for S/55.8 million, as a consequence of the new estimates of the Company on the recovery of the investment it maintains in the project; ii) impairment of other accounts receivable of CAM Holding S.p.A. for S/12.5 million for claims accepted against the guarantee account; iii) impairment of trade receivables generated by the subsidiary Unna Transporte S.A.C. for S/33.7 million to the Regional Government of Cusco iv) other minor for S/0.5 million of other receivables and S/0.5 million of trade receivables.

28. Tax Situation

A. According to current provisions legally in force for Peru, Chile, and Colombia, each company of the Corporation is individually subject to the applicable taxes. The Management considers that it has calculated the income tax base according to the current tax provisions legally in force for every country.

The Company and subsidiaries are subject to Peruvian tax regime. As of December 31, 2021 and 2022, the Corporate Income Tax rate in Peru is calculated on the basis of the net taxable income determined by the Company at a rate of 29.5% and the Income tax rate applicable to the distribution of dividends and any other form of profit distribution is 5%.

B. In accordance with current Peruvian tax legislation, non-domiciled individuals only pay taxes for its Peruvian source income. Thus, in general terms, revenues obtained by non-domiciled individuals from the services rendered in the country shall be subject to a 30% Income Tax on gross income; provided that no double tax treaties are applicable. Currently, Peru has entered into double tax treaties with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico, and South Korea.

Concerning the technical assistance or digital services rendered by non-domiciled individuals to domiciled individuals, regardless of the place where the service is rendered, they shall be subject to a 15% and 30% income tax rate on gross income, respectively. Technical assistance will be subject to a 15% rate, provided that Income Tax Law requirements are met. As stated in the foregoing paragraph, the withholding rate may vary in these cases or withholding may not be applicable based on the provisions set forth in a double tax treaty.

C. Changes in the Income Tax Law in Colombia

Since 2021, several regulations have been published regarding income tax applicable to subsidiaries domiciled in Colombia:

a) Law 2155 of Social Investment, whose amendments are effective as of 2022.

- Increase of the income tax rate for legal entities to 35% as from 2022.
- Discount of the Industry and Trade Tax (ICA) of 50% plus the tax for notices and boards paid during the taxable year. Effective only until fiscal year 2022.
- Tax standardization: this tax is created as an additional tax on income, being the generating fact the omission of assets or declaring nonexistent liabilities. The rate of this new tax will be 17% and the taxable base will be the one established in section 2 of the social investment law. The standardization tax is not a deductible expense for the calculation of income tax.
- Audit benefit: the term for the DIAN (Colombian tax authorities) to examine the years 2022 and 2023 income tax returns is extended, being the definitive terms 6 and 12 months. This benefit does not apply to companies with a tax of less than 71 UVT (tax value unit) or that have tax benefits due to their location in a specific geographical area.

b) Law 2277 of Tax Reform for Equality and Social Justice, whose changes are in force since 2023.

- New Minimum Tax The taxpayer and/or the business group to which it belongs must calculate an effective rate (adjusted income tax/debugged profit) which may not be less than 15%.
- Limit of 3% of the taxable income for the addition of some non-taxable income, special deductions, exempt income and tax discounts.
- For foreign companies and entities and non-domiciled individuals, the withholding rate increases for dividends from profits that have been considered as revenue not constituting income or occasional gain. In this case, the withholding rate would be 20% (10% in force until 2022).
- The occasional income tax rate is set at 15% (10% effective until 2022)

D. Tax Loss carryforward

In Peru the tax loss regime regulated by Section 50° of the Income Tax Law establishes two systems for offsetting tax losses:

Offsetting the loss with the net corporate income obtained during the four years following the period of its generation, year after year, until the amount disappears (A System). The uncompensated balance after such term may not be offset in the following periods.

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

Offsetting the loss with 50% of net corporate income obtained during the immediately following periods, year after year, until the amount disappears (B System).

By means of Legislative Decree 1481, published on May 8, 2020, exceptionally, the loss carryforward period under System A of loss offsetting, only for the total net corporate loss of Peruvian source obtained in the taxable year 2020, will be five (5) years.

In Chile, tax losses are set off against future taxable income with no expiration limit.

As of December 31, 2022, the total tax loss amounts to S/616 million (as of December 31, 2021, a total of S/639 million) and is composed as follows:

	Tax loss	Tax loss application method	2023	2024	Application Forward	Statute of limitations
Cumbra Peru S.A.	316,986	B	28,139	26,467	262,380	-
Vial y Vives - DSD S.A.	212,369	No aplica	-	22,047	190,322	-
Unna Energia S.A.	38,242	A	30,255	7,987	-	2,026
AENZA S.A.A.	22,237	B	22,237	-	-	-
Transportadora de Gas Natural Comprimido Andino S.A.C.	15,532	B	350	375	14,807	-
Carretera Andina del Sur S.A.C.	9,025	B	239	471	8,315	-
Consorcio Constructor Chavimochic	1,518	B	1,518	-	-	-
	<u>615,909</u>		<u>82,738</u>	<u>57,347</u>	<u>475,824</u>	

E. The income tax shown in the consolidated statement of profit or loss comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2020	2021	2022
Current income tax		53,852	113,000	127,952
Deferred income tax	23	320	(66,595)	3,394
Income tax		<u>54,172</u>	<u>46,405</u>	<u>131,346</u>

F. The Corporation's income tax differs from the theoretical amount that would result from applying the Corporation entities' weighted average income tax rate applicable to consolidated pretax income as follows:

<i>In thousands of soles</i>	2020	2021	2022
Loss before income tax	(144,082)	(28,637)	(230,708)
Income tax by applying local applicable tax rates on profit generated in the respective countries	(43,830)	(7,879)	(68,537)
Tax effect on:			
- Non-deductible expenses	47,761	33,489	143,627
- Change in prior years estimations	2,213	8,492	26,486
- Unrecognized deferred income tax asset	24,930	1,459	26,518
- Provision of tax contingencies	(3,421)	14,240	3,631
- Equity method (profit) loss	(227)	254	350
- Non-taxable income	(22)	(57)	(914)
- Others	(736)	(3,593)	185
Income tax	<u>54,172</u>	<u>46,405</u>	<u>131,346</u>

AENZA S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2020, 2021 and 2022

- G. The theoretical tax disclosed results from applying the income tax rate in accordance with the tax legislation of the country where each company that is part of the Corporation is domiciled. In this regard, companies domiciled in Peru, Chile, and Colombia applied in 2022 income tax rates of 29.5%, 27%, and 35% respectively (29.5%, 27%, and 31% in 2021). Red Vial 5 S.A., Tren Urbano de Lima S.A., Concesionaria Via Expresa Sur S.A., and Unna Energia S.A. (Lots III and IV) have legal stability agreements signed with the Peruvian Government in force during the term of the associated concessions. Therefore, the consolidated theoretical amount is obtained from weighting the profit or loss before income tax and the applicable income tax rate.

<i>In thousands of soles</i>	Applicable Tax Rates (A)	Profit/Loss before Income Tax (B)	Income Tax (A)*(B)
Country			
2020			
Peru	29.50%	(130,909)	(38,612)
Peru - Red Vial 5 S.A.	27.00%	(2,029)	(548)
Peru - Tren Urbano de Lima S.A.	30.00%	87,521	26,256
Peru - Via Expresa Sur S.A.	30.00%	(53,697)	(16,109)
Peru - Unna Energia S.A.	29.00%	(1,930)	(540)
Chile	27.00%	5,401	1,458
Colombia	32.00%	(11,178)	(3,577)
Bolivia	25.00%	(13)	(3)
México	30.00%	(1,283)	(385)
Unrealized gains		(3,095)	(2,073)
		<u>(111,212)</u>	<u>(34,133)</u>

<i>In thousands of soles</i>	Applicable Tax Rates (A)	Profit/Loss before Income Tax (B)	Income Tax (A)*(B)
Country			
2021			
Peru	29.50%	(58,347)	(17,213)
Peru - Red Vial 5 S.A.	27.00%	40,473	10,928
Peru - Tren Urbano de Lima S.A.	30.00%	61,484	18,445
Peru - Via Expresa Sur S.A.	30.00%	(3,804)	(1,141)
Peru - Unna Energia S.A.	29.00%	24,699	6,916
Chile	27.00%	(71,692)	(19,357)
Colombia	31.00%	1,040	322
Bolivia	25.00%	59	15
México	30.00%	(288)	(86)
Unrealized gains		(22,261)	(6,708)
		<u>(28,637)</u>	<u>(7,879)</u>

<i>In thousands of soles</i>	Applicable Tax Rates (A)	Profit/Loss before Income Tax (B)	Income Tax (A)*(B)
Country			
2022			
Peru	29.50%	(353,545)	(104,295)
Peru - Red Vial 5 S.A.	27.00%	58,381	15,763
Peru - Tren Urbano de Lima S.A.	30.00%	101,086	30,326
Peru - Via Expresa Sur S.A.	30.00%	(118)	(35)
Peru - Unna Energia S.A.	29.00%	51,884	14,528
Chile	27.00%	(43,924)	(11,859)
Colombia	35.00%	2,685	940
Bolivia	25.00%	(158)	(40)
México	30.00%	53	16
Unrealized gains		(47,052)	(13,881)
		<u>(230,708)</u>	<u>(68,537)</u>

H. *Income Tax Assessment*

Peruvian Tax Authorities are entitled to examine and, if applicable, to correct the income tax calculated by the Company within the four years following the year of tax return filing, counted as from January 1 of the year after the filling of the corresponding tax return (years open to audit). Tax returns for years 2018 through 2022 are open for examination. Management considers that no significant liabilities will arise as a result of these income tax assessments. In addition, tax returns for years 2019 through 2022 are pending examination by the Chilean tax authorities, who are entitled to conduct examinations within a period of three years from the date of presentation of the respective tax returns. Likewise, in Colombia, tax returns for years 2020, 2021, and 2022 are pending examination by the Colombian tax authorities, who are entitled to conduct examinations within a period of two years from the date of presentation of the respective tax return.

In addition, the declaration of National Emergency issued by government by means of Executive Order 044-2020-PCM and its amendments, suspended the term for limitations of the Tax Administration's auditing from March 16, 2020 to June 10, 2020, i.e., for a period of eighty seven (87) calendar days.

Due to possible varied interpretations of the current legal regulations by the Tax Authorities, it is not possible to determine, to date, whether a future tax audit will result or not in liabilities for the Company; therefore, any difference that might arise from eventual tax audits would be applied to profit or loss for the period in which it is determined.

I. *Uncertainty over income tax treatments*

The Corporation has performed an assessment of uncertain tax treatment positions in accordance with IFRIC 23 and determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the tax authorities. The Interpretation had no impact on the Corporation's consolidated financial statements as of December 31, 2021 and 2022.

J. *Temporary Tax on Net Assets (ITAN)*

It is applicable to the Corporate Income, whose taxable base is constituted by the adjusted net assets at the end of the fiscal year prior to payment, after deducting depreciation, amortization, legal reserve, and specific provisions for credit risk. The tax rate is 0.4% for year 2021 and 2022 and is applied to the amount of net assets exceeding S/1 million. It may be paid in cash or in nine consecutive monthly installments. The paid amount may be used as a credit against payments on account of General Regime of Income Tax for taxable periods from March to December of the fiscal period for which the tax was paid until maturity date of each of the payments on account, and against the payment for regularization of income tax of the corresponding taxable period. In the event a remaining balance is not applied, its refund could be requested. The Corporation has determined that its Temporary Tax on Net Assets in 2022 amounts to S/21.5 million (S/21.8 million in 2021).

K. *Tax on financial transactions*

Tax on Financial Transactions (ITF) for the periods 2021 and 2022 was fixed at the rate of 0.005%. This tax is applied on debits and credits in bank accounts or movements of funds made through the financial system, unless the account is tax-exempt.

L. *Transfer pricing*

For Income Tax determination purposes, transfer pricing for transactions carried out with related parties and with companies domiciled in territories with low or null taxation, shall be supported with documentation and information about the valuation methods used, and the criteria considered for pricing. Until fiscal year 2016, it was mandatory to submit a Transfer Pricing Sworn Statement and a Technical Study.

By means of Legislative Decree 1312, published on December 31, 2016 and effective January 1, 2017, the following formal obligations were established to replace the former ones: (i) presentation of a Local File (subject to materialization limits); (ii) presentation of a Master File (subject to materialization limits), and (iii) presentation of a Country-by-Country Reporting. The presentation of the Master File and the Country-by-country reporting will become obligatory from 2018 onwards.

In addition, the Decree 1312 also established that intra-group services with low added value shall not have a margin greater than 5% of their costs. Concerning the services rendered among related parties, taxpayers shall comply with the benefit test and provide the documentation and information under specific conditions for the deduction of costs or expenses.

Based on the analysis of operations of the Company, the Management and its legal advisors consider that, as a consequence of the application of these provisions, no material contingencies will arise as of December 31, 2021 and 2022.

M. The current income tax payable – after applying the corresponding tax credits – maturing on the first week of April of the following year, mainly include the following:

- Viva Negocio Inmobiliario S.A.C. S/40.5 million in 2022 (S/0.7 million in 2021)
- Tren Urbano de Lima S.A. S/3.3 million in 2022
- Red Vial 5 S.A. S/13.9 million in 2021
- Unna Energia S.A. S/14.1 million in 2021

N. **Major amendments to Peruvian tax laws effective from January 1, 2021**

i. Accrual accounting concept

Legislative Decree 1425 introduced the definition of “legal accrual” for income tax purposes, applicable from 2019, stating that: a) income from transfer of goods occurs when i) control has been transferred (in accordance with IFRS 15); or ii) risk has been transferred to the acquirer (Risk Theory set out in the Civil Code), whichever occurs first; and b) income from service rendering occurs when realization level of the rendered service has been established.

The new legal accrual concept is applicable to lessees for determining the tax treatment of the expense associated with lease agreements regulated by IFRS 16 (e.g. operating leases for tax purposes).

The concept serving as comment will not be applicable for those entities accruing income or expenses for Income Tax in accordance with tax provisions establishing a special (sectorial) regime of accrual.

ii. Deduction of expenses or costs incurred in transactions with non-domiciled parties

Legislative Decree 1369 requires that costs and/or expenses (including outbound interest) incurred with non-domiciled individuals must be paid effectively to be deducted in the year they were incurred. Otherwise, their impact on the determination of net income will be deferred to the year in which they are actually paid and the corresponding withholding will be applied.

This regulation eliminated the obligation to pay the amount equivalent to the withholding on the amount recorded as cost and/or expense.

iii. Indirect loan

As from January 1, 2019, under certain requirements, domiciled entities receiving foreign inbound dividends may deduct as direct loan the income tax that would have been levied on the foreign dividends and the corporate income tax (indirect loan) paid by the tier 1 and tier 2 non-domiciled entity (provided they are in the same jurisdiction) that would have been applied to distribute the dividends from abroad.

iv. Measures to implement the General Anti-avoidance Rule provided in the regulation XVI of Tax Code

Legislative Decree 1422 set up the procedure to implement the General Anti-avoidance Rule, mainly stating that: (i) it is applicable only in final audit procedures in which acts, events or situations that occurred since July 19, 2012, are reviewed; (ii) it is applicable only if there is a favorable opinion from a review committee composed of Tax Authorities' officers (said opinion is not appealable); and (iv) final audit procedures, in which the General Anti-avoidance Rule is applicable, are not subject to the one (1) year term to request information from the audited parties.

On May 6, 2019, Executive Order 145-2019-EF was published in the Official Gazette *El Peruano*. This Decree approves the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Tax Code., thus, complying with the requirement to release the suspension established by Law 30230 for the application of said rule. Likewise, SUNAT Audit Procedure Regulations have been adapted for this purpose.

By means of Resolution 000184-2021/SUNAT, published on December 13, 2021, the members of the Review Committee of SUNAT referred to in Article 62-C of the Sole Ordered Text of the Tax Code were appointed, which states that when applying the Anti-avoidance Rule in an audit procedure, a report must be sent together with the audit file to the Review Committee.

v. Joint and several liability of legal representatives and Directors

Legislative Decree 1422 establishes that from September 14, 2018, when an audited individual is subject to the General Anti-Avoidance Rule, there is joint and several liability of legal representatives due to fraud, gross negligence, or misuse of powers, unless proven otherwise. The aforementioned joint and several liability shall be attributed to said representatives provided that they collaborated in the design, approval or execution of the acts, situations or business relationships with an avoidance purpose.

This regulation also applies to the members of the Board of Directors, indicating that they shall establish a tax strategy for the companies in which they act as directors, having to decide whether or not to approve the acts, situations or business relationships to be carried out within the framework of tax planning; they shall not delegate such responsibility.

Lastly, the members of the domiciled companies' Board of Directors were granted a term, with maturity on March 29, 2019, to verify or modify the acts, situations or business relationships carried out within the tax planning and implemented as of September 14, 2018, that continue having tax effect to date.

Considering the maximum term established for compliance with said formal obligation, the aforementioned joint and several liability attributable to legal representatives and directors, and the absence of a definition of 'tax planning', it will be crucial to review any act, situation or economic relation that has: (i) increased tax allocation; and/or (ii) generated a lower payment of taxes for the aforementioned periods, in order to avoid the attribution of joint and several liability, both administratively and punitively, depending on the supervisory agent criterion. The latter, in case the company to be audited by the Tax Authorities is subject to the General Anti-Avoidance Rule.

vi. Information related to ultimate beneficiaries

In line with the regulations to strengthen the fight against tax evasion and avoidance, as well as against money laundering and terrorism financing, as from August 3, 2018, provisions introduced by Legislative Decree 1372 are currently in force. The aforementioned decree requires the presentation of information related to ultimate beneficiaries to the competent authorities by means of a sworn statement of the ultimate beneficiaries. Said statement shall disclose the names of the natural persons that effectively retain ownership or control. Accordingly, it is mandatory to report the following information: (i) identification of the ultimate beneficiary; (ii) chain of title with its respective supporting documents; and (iii) identification of third parties that have said information, if applicable. It is also noted that the information related to the identification of the ultimate beneficiaries of legal persons and legal entities that will be provided to the competent authorities within the framework of these rules does not constitute a violation of professional secrecy nor is it subject to the restrictions on disclosure of information derived from confidentiality imposed by contract or by any legal or regulatory provision.

Likewise, by means of Superintendence Resolution 041-2022/SUNAT, effective as of March 25, 2022, the new parties obliged to file the sworn statement of the ultimate beneficiaries for fiscal years 2022 and 2023 (provided that they have not filed any in December 2019) were established.

The legal entities were obliged to file the sworn statement of the ultimate beneficiaries in accordance with the maturity schedule for monthly obligations for the period December 2022; however, by means of Superintendence Resolution 000278-2022/SUNAT, such due date was postponed until the period December 2023.

It should be taken into consideration that, if the sworn informative statement containing the information related to the ultimate beneficiaries is not filed, the legal representatives of the entity that failed to file such statement will be jointly and severally liable.

vii. Indirect Transfer of Shares

Since January 1, 2019, an anti-avoidance measure has been applied to prevent the split of operations, which allows indirect transfer of shares of companies domiciled in Peru.

It is indicated that in order to establish whether in a twelve-month period the transfer of 10% or more of the capital of the Peruvian company has been complied with, the transfers made by the subject under analysis are considered, as well as those made to its related parties, whether they are executed through one or several simultaneous or successive operations. The relationship shall be established in accordance with provisions of article 32-A (b) of the Income Tax Law.

In addition, regardless of compliance with the provisions of the Income Tax Law, an indirect taxable transfer shall always be established when, over any period of 12 months, the total amount of transferred shares of the Peruvian legal person is equal to or greater than forty thousand (40,000) UIT.

Likewise, when the transferor is a non-domiciled legal person that has a branch office or any permanent establishment in Peru with allocated equity, the latter is considered a jointly liable party. Thus, the latter is required to provide information, among other, regarding the transferred shares or interest of the non-domiciled legal person.

viii. Thin Capitalization

Beginning January 1, 2021, finance cost will be deductible up to 30% of the tax-EBITDA (Net Income – Loss Offsetting + Net Interest + Depreciation + Amortization) of the prior period. There are some exemptions regarding this 30% limit for banks, taxpayers whose income is lower than 2,500 UIT (tax units), infrastructure, public services, among others.

Executive Order 402-2021, published on December 30, effective as of December 31, 2021, amended the Income Tax Law Regulation that regulates the calculation of the tax EBITDA for purposes of the debt interest limit.

For 2019 and 2020 periods, the finance cost generated by indebtedness of independent and related parties is subject to thin capitalization limit of 3:1 debt-to-equity ratio, which is calculated at the end of the prior period.

ix. Other relevant changes

Within the framework of the delegation of powers to legislate on tax, fiscal, financial and economic reactivation matters, given to the Executive Branch (Law 31380), on December 30, 2021, the first tax regulations were published, among which the tax benefits approved for the Aquaculture and Forestry sector, the standardization of the cost for access to tax stability and the extension of the VAT exemptions stand out.

They extend the validity of some exonerations and tax benefits, specifically the following:

- The exemptions contained in Appendices I and II of the Sales Tax Law were extended until December 31, 2025. Consequently, the sale of staple foods and basic services such as public transportation, among others, will not be levied with sales tax. Link to the regulation of comment: Law 31651
- The issuance of electronic money will not be levied with sales tax until December 31, 2024. Link to the regulation of comment: Legislative Decree 1519
- The refund of taxes levied on acquisitions with donations from abroad and imports from diplomatic missions is allowed until December 31, 2024: Link to the regulation of comment: Legislative Decree 1519

In addition, Executive Order 1516, published on December 30, 2021, and in force as from December 31, 2021, established the standardization of the cost for access to the stability provided for in the Legal Stability Agreements under Legislative Decrees 662 and 757. Accordingly, such decree has modified Article 1 of Law 27342 that regulates such agreements. Therefore, receiving companies signing with the government stabilizes the Income Tax to be applied according to the regulations in force at the time of the subscription of the corresponding agreement, being applicable the current rate referred to in the first paragraph of Article 55 of the Income Tax Law at that time plus 2 (two) percentage points.

Likewise, Legislative Decree 1529, effective beginning on April 1, 2022, amended Law 28194 “Law for the Fight against Evasion and for the Formalization of the Economy”, regarding the cases in which means of payment must be used; the amount from which it is obligatory to use means of payment, and the obligation to report to the Tax Authority about payments made to third parties other than the creditor.

29. Other comprehensive Income

The analysis of this movement is shown below:

	Foreign currency translations adjustment	Increase in fair value of available-for sale assets	Exchange difference from net investment in a foreign operation	Total
As of January 1, 2020	(69,282)	7,461	(9,954)	(71,775)
(Charge) credit for the year	8,158	-	708	8,866
As of December 31, 2020	(61,124)	7,461	(9,246)	(62,909)
As of January 1, 2021	(61,124)	7,461	(9,246)	(62,909)
(Charge) credit for the year	(5,230)	-	(425)	(5,655)
As of December 31, 2021	(66,354)	7,461	(9,671)	(68,564)
(Charge) credit for the year	(20,814)	(7,461)	(287)	(28,562)
As of December 31, 2022	(87,168)	-	(9,958)	(97,126)

The foregoing amounts only represent the amounts attributable to the Company’s controlling interest, net of tax. The table below shows the movement in other comprehensive income per year:

<i>In thousands of soles</i>	2020	2021	2022
Controlling interest	-	(5,655)	(28,562)
Non-controlling interest	218	218	(99)
Total value in OCI	218	(5,437)	(28,661)

30. Contingencies, Commitments, and Warranties

In the opinion of Management and its legal advisors, the provisions registered mainly for lawsuits (civil, tax, labor claims, administrative proceedings, and contentious-administrative proceedings) are sufficient to cover the results of these probable contingencies (Note 21), generating probable contingencies for S/ 390.1 million (S/387.8 million as of December 31, 2021).

A. Tax contingencies

As of December 31, 2022, the Company considers that the maximum exposure for tax contingencies of the Corporate amounts to S/311 million (S/303.1 million as of December 31, 2021), according to the following details:

Appeal process before Tax Court totaling S/256 million (AENZA S.A.A.'s income tax return for years 2013, 2014, and 2015 amounting to S/124.1 million; Cumbra Peru S.A.'s income tax return for years 2012 and 2014 amounting to S/106.4 million; Consorcio Constructor Ductos del Sur's income tax return for year 2014 amounting to S/10.8 million; Consorcio Constructor Chavimochie's income tax return for years 2014, 2015, and 2016 amounting to S/9 million; Cumbra Ingenieria S.A.'s income tax return for years 2013 and 2016 amounting to S/3.3 million; Viva Negocio Inmobiliario S.A.C.'s income tax return for year 2009 amounting to S/1.6 million; and Unna Transporte S.A.C.'s income tax and sales tax returns for year 2015 amounting to S/0.8 million).

Claim process before SUNAT totaling S/55 million (examination of AENZA S.A.A.'s tax returns for year 2016 for S/35.3 million; Cumbra Ingenieria S.A.'s tax returns for years 2014 and 2015 for S/18.4 million; and Cumbra Peru S.A.'s tax return for year 2016 for S/1.3 million).

As of December 31, 2021 and 2022, in the opinion of the Corporation's Management, all of the aforementioned processes will be favorable considering their characteristics and the evaluation of its legal advisors.

B. Other contingencies

As of December 31, 2022, the Company considers that the maximum exposure for other contingencies of the Corporation amounts to S/ 79.1 million (S/ 84.7 million and the closure of 2021), according to the following details:

Civil lawsuits, mainly related to indemnities for damages, contract terminations and obligations to pay a sum of money totaling S/ 26.9 million (Cumbra Peru S.A. for S/ 20.1 million, Cumbra Ingenieria S.A. for S/ 3.8 million, Unna Transporte S.A.C. for S/1.9 million, Red Vial S S.A. for S/ 0.6 million, Viva Negocio Inmobiliario S.A.C. for S/ 0.3 million, and Morelco S.A.S. for S/0.2 million).

Labor proceedings amounting to S/ 22.2 million (Morelco S.A.S. for S/ 19 million, Unna Energia S.A. for S/ 1.6 million, Unna Transporte S.A.C for S/ 1.2 million, and Cumbra Peru S.A, for S/ 0.3 million, and Viva Negocio Inmobiliario S.A.C. for S/ 0.1 million).

Contentious-administrative proceedings for S/ 15.3 million (Unna Energia S.A. for S/ 12.8 million and Morelco S.A.S. for S/ 2.5 million).

Administrative proceedings for S/ 14.7 million (Tren Urbano de Lima S.A. for S/ 4.8 million, AENZA S.A.A. for S/ 3.5 million, Cumbra Peru S.A. for S/ 6 million, and Viva Negocio Inmobiliario S.A.C. for S/0.4 million).

C. Letters of guarantee and Guarantors

As of December 31, 2022, the Corporation has different letters of guarantee and guarantors in force in various financial entities ensuring operations for US\$ 574.6 million (US\$ 471.9 million as of December 31, 2021).

31. Non-controlling Interest

The following table summarizes the information relating to each of the Corporation's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

At December 31, 2021

<i>In thousands of soles</i>	VIVA Negocio Inmobiliario S.A.C. and subsidiaries	Red Vial 5 S.A.	Tren Urbano de Lima S.A.	Cumbra Ingenieria S.A. and subsidiaries	Unna Energia S.A.	Cumbra Peru S.A. and subsidiaries	Promotora Larcomar S.A.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Percentage of non-controlling interest	43.78%	33.00%	25.00%	10.59%	5.00%	0.61%	53.45%			
Current assets	493,385	104,292	344,799	153,193	259,812	1,310,936	301			
Non-current assets	111,528	368,258	669,898	13,061	516,390	910,564	13,369			
Current liabilities	(211,581)	(82,915)	(106,467)	(124,543)	(160,173)	(1,539,191)	(316)			
Non-current liabilities	(29,742)	(221,274)	(741,202)	(62)	(208,159)	(182,756)	(7,777)			
Net assets	363,590	168,361	167,028	41,649	407,870	499,553	5,577			
Net assets attributable to non-controlling interest	223,861	55,559	41,757	4,405	29,217	8,764	2,981	(138)	(113,441)	252,965
Revenues	239,391	197,137	348,915	285,920	541,859	2,468,067	-			
Profit of the year	12,960	33,783	42,103	10,757	57,796	(92,291)	(76)			
Other comprehensive income	-	-	-	(26)	-	(4,246)	-	(1,165)	-	(5,437)
Total comprehensive income for the year	12,960	33,783	42,103	10,731	57,796	(96,537)	(76)			
Profit of the year, allocated to non-controlling interest	12,166	11,148	10,526	1,137	6,502	(511)	(41)	(189)	(784)	39,954
Other comprehensive income, allocated to non-controlling interest	-	-	-	-	-	219	-	(1)	-	218
Cash flows from operating activities	94,017	97,450	92,477	10,008	154,344	(79,809)	-			
Cash flows from investment activities	1,114	(3,924)	162	29	(67,323)	(28,592)	-			
Cash flows from financing activities	(58,834)	(69,914)	(59,212)	(1,921)	(25,313)	22,413	-			
Net increase (decrease) in cash and cash equivalents	36,297	23,612	33,427	8,116	61,708	(85,988)	-			

AENZA S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2020, 2021 and 2022

At December 31, 2022

<i>In thousands of soles</i>	VIVA Negocio Inmobiliario S.A.C and subsidiaries	Red Vial 5 S.A.	Tren Urbano de Lima S.A.	Cumbra Ingenieria S.A. and subsidiaries	Unna Energia S.A.	Cumbra Peru S.A. and subsidiaries	Promotora Larcomar S.A.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Percentage of non-controlling interest	0.46%	33.00%	25.00%	10.59%	5.00%	0.61%	53.45%			
Current assets	491,076	101,467	350,447	139,450	256,777	1,205,607	301			
Non-current assets	181,951	320,589	703,876	10,094	659,686	813,021	13,368			
Current liabilities	(252,577)	(71,293)	(118,709)	(115,556)	(206,111)	(1,530,113)	(86)			
Non-current liabilities	(10,852)	(183,983)	(699,336)	(2,359)	(260,840)	(151,110)	(7,754)			
Net assets	409,598	166,780	236,278	31,629	449,512	337,405	5,829			
Net assets attributable to non-controlling interest	131,097	55,037	59,070	3,346	31,541	2,283	3,116	(128)	(860)	284,502
Revenues	367,276	238,043	388,811	224,216	633,792	2,454,982	-			
Profit of the year	82,887	44,119	69,250	(10,038)	63,890	(137,455)	-			
Other comprehensive income	(7,460)	-	-	(2)	-	(21,626)	-	427	-	(28,661)
Total comprehensive income for the year	75,427	44,119	69,250	(10,040)	63,890	(159,081)	-			
Profit of the year, allocated to non-controlling interest	51,793	14,559	17,313	(1,084)	7,090	(714)	135	(375)	380	89,097
Other comprehensive income, allocated to non-controlling interest	-	-	-	2	-	(101)	-	-	-	(99)
Cash flows from operating activities	61,317	79,113	70,345	(23,183)	167,952	(194,356)	-			
Cash flows from investment activities	(342)	(4,227)	682	(502)	(202,080)	5,358	-			
Cash flows from financing activities	(59,316)	(78,866)	(81,326)	(2,865)	19,515	119,538	-			
Net increase (decrease) in cash and cash equivalents	1,659	(3,980)	(10,299)	(26,550)	(14,613)	(69,460)	-			

32. Dividends

In compliance with certain covenants, the Company will not pay dividends, except for the transactions with non-controlling interests described in Note 34. Certain debt or other contractual obligations may restrict the ability to pay dividends in the future.

Additionally, the Plea Agreement does not permit the distribution of dividends until 40% of the total amount of the committed Civil Compensation described in Note 1.C has been amortized.

For the period ended December 31, 2022, the subsidiaries of the Corporation have declared dividends totaling S/19.8 million to their non-controlling interest parties amount that was fully paid plus S/14.6 million from previous year (during 2021 have declared S/43 million and paid S/26 million).

33. Losses per Share

The basic loss per common share has been calculated by dividing the loss of the year attributable to the Corporate's common shareholders by the weighted average of the number of common shares outstanding during that year.

For the periods ended December 31, 2020, 2021 and 2022, the basic loss per common share is as follows:

<i>In thousands of soles</i>		<u>2020</u>	<u>2021</u>	<u>2022</u>
Loss attributable to owners of the Company during the period		(241,397)	(141,770)	(451,151)
Weighted average number of shares in issue at S/1.00 each, at December 31,	(*)	871,917,855	871,917,855	1,120,038,177
Basic loss per share (in S/)	(**)	(0.277)	(0.163)	(0.403)
Weighted average number of shares (diluted) in issue at S/1.00 each, at December 31,		-	996,599,218	1,196,979,979
Diluted loss per share (in S/)		-	(0.142)	(0.377)

<i>In thousands of soles</i>		<u>2020</u>	<u>2021</u>	<u>2022</u>
Loss from continuing operations attributable to owners of the Company during the period		(224,472)	(114,996)	(451,151)
Weighted average number of shares in issue at S/1.00 each, at December 31,	(*)	871,917,855	871,917,855	1,120,038,177
Basic loss per share (in S/)	(**)	(0.257)	(0.132)	(0.403)
Weighted average number of shares (diluted) in issue at S/1.00 each, at December 31,		-	996,599,218	1,196,979,979
Diluted loss per share (in S/)		-	(0.115)	(0.377)

(*) The weight average of the shares in 2022, considers the bond capitalization effect in common shares issued on August 13th, 2021, performed in two tranches (February 28th and March 31st of 2022), disclosed in note 22.A (weight: 59 days with 140,940,146 shares, 31 days with 77,263,799 shares and 275 days with 901,834,231 shares). In addition, the weight average of the shares (diluted) in 2021 considers weight: 225 days with 537,483,609 shares and 140 days with 459,115,608.

(**) The Corporation does not have common shares with dilutive effects as of December 31, 2021 and 2022.

34. Transactions with Non-controlling Interest

A. Contributions (returns) from non-controlling shareholders

It corresponds to contributions and returns made by the partners of the subsidiary Viva Negocio Inmobiliario S.A.C. for the realization of real estate projects. As of December 31, the balances include:

<i>In thousands of soles</i>		<u>2020</u>	<u>2021</u>	<u>2022</u>
Contributions received		18	182	995
Returns of contributions		(15,743)	(27,286)	(37,874)
Decrease in equity of non controlling parties		(15,725)	(27,104)	(36,879)

35. Reclassification of Operations of the Subsidiary Adexus S.A. as Discontinued Operations

On November 19, 2019, Adexus S.A. filed a petition for bankruptcy reorganization under Chilean Law 20.720 before the Chilean courts. As a result, the Company impaired the total investment in said subsidiary at the end of 2019. On January 9, 2020, the Company reported that the board of creditors of Adexus S.A. approved with the favorable vote of more than 80% of the pledgees and 85% of the secured creditors, respectively, the judicial reorganization agreement proposed by Adexus S.A. under the reorganization proceeding.

On December 27, 2021, the Company entered into a purchase and sale agreement for its entire interest (representing 100%) in Adexus S.A. The sale price was agreed at US\$ 1. On January 5, 2022, the Judicial Court in this case approved the modification of the Judicial Reorganization Agreement filed by Adexus, which allows the transfer of Adexus S.A. shares.

The financial result and cash flow information of the discontinued operation related to Adexus S.A. is shown below:

<i>In thousands of soles</i>	2020	2021
Revenues	167,624	162,967
Operating costs	(157,268)	(157,299)
Gross profit	10,356	5,668
Administrative expenses	(18,896)	(21,698)
Other income and expenses, net	(1,664)	20
Operating loss	(10,204)	(16,010)
Financial expenses	(10,588)	(15,847)
Financial income	104	121
Loss before income tax	(20,688)	(31,736)
Income tax	3,764	4,962
Loss from discontinued operations	(16,924)	(26,774)
Net effect in consolidated	(16,924)	(26,774)
Cash flows relating to the discontinued operations are as follows:		
Operating cash flows	27,894	786
Investing cash flows	(3,301)	(3,573)
Financing cash flows	(21,016)	8,449
Net increase generated in subsidiary	3,577	5,662

36. Events After the Consolidated Statements of Financial Position

Between January 1, 2023 and the date of issuance of this report, the following significant event has occurred:

- On March 3, 2023, The Company has reached an agreement with the Ad Hoc Peruvian Public Prosecutor's Office to comply with the provisions set forth in the Final Plea Agreement of September 15, 2022, as a condition precedent to its homologation. AENZA S.A.A. awaits the approval of the Agreement by Court.

In addition to this event, no additional material facts or events have occurred that would require adjustments or disclosures in the consolidated financial statements as of December 31, 2022.

Subsidiaries of the Registrant

Subsidiary	Jurisdiction of Incorporation	Name Under Which the Subsidiary Does Business	Ownership Interest
Viva Negocio Inmobiliario S.A.	Peru	Viva	Aenza owns 99.54%
Cumbra Peru S.A.	Peru	Cumbra	Aenza owns 99.39%
Concesionaria La Chira S.A.	Peru	La Chira	Aenza owns 50.0%
Carretera Sierra Piura S.A.C. (formerly Concesión Canchaque S.A.C)	Peru	Canchaque	Aenza owns 100%
UNNA Transporte S.A.C. (formerly Concar S.A.C.)	Peru	UNNA Transporte	Aenza owns 100.00%
UNNA Energía S.A.	Peru	UNNA Energía	Aenza owns 95.0%
Tren Urbano de Lima S.A.	Peru	Tren Urbano de Lima	Aenza owns 75.0%
Red Vial 5 S.A.*(formerly Norvial S.A.)	Peru	Norvial	Aenza owns 67.0%
Carretera Andina del Sur S.A.C (formerly Survial S.A.C)	Peru	Survial	Aenza owns 100.00%;
CAM Holding SPA	Peru	CAM Holding	Aenza owns 100%
Cumbra Ingeniería S.A.	Peru	Cumbra Ingeniería	Aenza owns 89.41%
ECOTEC S.A.C.	Peru	ECOTEC	Cumbra Ingeniería owns 99.99%
Construyendo País	Peru	Construyendo País	Cumbra owns 99.99%
Vial y Vives – DSD S.A.	Chile	Vial y Vives	Cumbra owns 94.49%
Inmobiliaria Almonte S.A.C.	Peru	Almonte	Viva owns 50.45%
Morelco S.A.S	Colombia	Morelco	Cumbra owns 100.00%
Concesionaria Vía Expresa Sur S.A.	Peru	VESUR	Aenza owns 99.98%; Cumbra owns the remaining 0.02%
Agenera S.A.C.	Peru	Agenera	Aenza owns 100.00%
Negocios de Gas S.A.	Peru	Negocios de Gas	Aenza owns 100.00%
Qualys S.A.	Peru	Qualys	Aenza owns 100.00%,
Recaudo Lima S.A.	Peru	Recaudo Lima	Aenza owns 100.00%
Promotora Larco Mar S.A.	Peru	Promotora Larco Mar	Aenza owns 46.55%
TGNCA S.A.	Peru	TGNCA	Aenza owns 99.93%
Billetera Electrónica de Transporte Lima S.A.C.	Peru	BETL	Aenza owns 95.5%
GyM Chile SpA	Chile	GyM Chile SPA	Cumbra owns 100%
Promotores Asociados de Inmobiliaria S.A.	Peru	Promotores Asociados de Inmobiliaria	Aenza owns 99.99%
Oiltanking Andina Services S.A.	Peru	OTAS	UNNA Energía owns 50.00%
UNNA Infraestructura S.A.C.	Peru	UNNA	Aenza owns 100.00%

* In June 2018, the company assigned economic rights over 48.8% of the share capital of Norvial to Inversiones en Autopistas S.A. by transferring its Class B shares of Norvial. The company continues to possess 67% of the voting rights of Norvial and an economic interest of 18.2% of Norvial's share capital. JJC Contratistas Generales S.A. owns 16.80% and Inversiones en Infraestructura Peru SAC owns 16.20%.

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549
Commissioners:

We have read the statements made by Aenza S.A.A. under Item 16F – “Change in Registrant’s Certifying Accountant” of the annual report on Form 20-F for the year ended December 31, 2021. We agree with the statements contained in the third paragraph therein concerning our Firm. We have no basis to agree or disagree with other statements of Aenza S.A.A. contained therein.

Very truly yours,

/s/ **Moore Assurance S.A.S.**

May 16, 2022

U.S.\$ 120,000,000

LOAN AGREEMENT

dated as of March 17, 2022

by and among

AENZA S.A.A.
as Borrower,

BANCO BTG PACTUAL S.A. – CAYMAN BRANCH, BANCO SANTANDER PERÚ S.A., HSBC MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO
HSBC, and
NATIXIS, NEW YORK BRANCH,
as Joint Lead Arrangers,

THE LENDERS PARTY HERETO,

BANCO DE CRÉDITO DEL PERÚ S.A.,
as Administrative Agent

and

Collateral Agent

MILBANK LLP

TABLE OF CONTENTS

		Page
ARTICLE I		
DEFINITIONS AND ACCOUNTING MATTERS		
Section 1.01	Certain Defined Terms	1
Section 1.02	Interpretation	31
Section 1.03	Accounting Principles	31
ARTICLE II		
LOANS; COMMISSIONS; PROMISSORY NOTES; ETC.		
Section 2.01	Loans	32
Section 2.02	Borrowing	32
Section 2.03	Fees	32
Section 2.04	Lending Offices	32
Section 2.05	Several Obligations; Remedies Independent	33
Section 2.06	Use of Proceeds	33
Section 2.07	Notes	33
ARTICLE III		
PAYMENTS OF PRINCIPAL AND INTEREST		
Section 3.01	Repayment of Loans	35
Section 3.02	Interest	35
Section 3.03	Voluntary Prepayment of Loans	35
Section 3.04	[Reserved]	36
Section 3.05	Mandatory Prepayment of Loans	36
ARTICLE IV		
PAYMENTS; PRO RATA TREATMENT; COMPUTATIONS; ETC.		
Section 4.01	Payments	38
Section 4.02	Pro Rata Treatment	38
Section 4.03	Computations	39
Section 4.04	Non-Receipt of Funds by the Administrative Agent	39
Section 4.05	Sharing of Payments, Etc.	40
Section 4.06	Term SOFR Conforming Changes.	40
ARTICLE V		
YIELD PROTECTION, ETC.		
Section 5.01	Additional Costs	41
Section 5.02	Inability to Determine Rates	42
Section 5.03	Benchmark Replacement Settings	42
Section 5.04	Illegality	44
Section 5.05	Compensation	44
Section 5.06	Covered Taxes	45
Section 5.07	Mitigation	47
Section 5.08	Replacement Lenders	47

ARTICLE VI CONDITIONS PRECEDENT

Section 6.01	Conditions to Effectiveness	48
Section 6.02	Conditions to Closing Date	48
Section 6.03	Conditions to Borrowing Date	48

**ARTICLE VII
REPRESENTATIONS AND WARRANTIES**

Section 7.01	Organization and Ownership	51
Section 7.02	Authority	51
Section 7.03	Binding Agreement	51
Section 7.04	Approvals	52
Section 7.05	Conflicts	52
Section 7.06	Litigation	52
Section 7.07	Compliance with Laws	52
Section 7.08	Disclosure	53
Section 7.09	Security Interest	53
Section 7.10	No Default	54
Section 7.11	Taxes	54
Section 7.12	Ranking	54
Section 7.13	Use of Proceeds	54
Section 7.14	No Immunity	54
Section 7.15	Status	54
Section 7.16	Sanctions	54
Section 7.17	Subsidiaries	55
Section 7.18	Existing Debt	55
Section 7.19	Environmental Matters	55
Section 7.20	Legal Form; Choice of Law	55
Section 7.21	No Material Adverse Effect	56
Section 7.22	No Bankruptcy	56
Section 7.23	Labor Matters	56
Section 7.24	Insurance	57
Section 7.25	Title to Property; Liens	57
Section 7.26	Solvency	57
Section 7.27	Intellectual Property	57
Section 7.28	Federal Regulations	58
Section 7.29	Availability and Transfer of Foreign Currency	58

**ARTICLE VIII
COVENANTS**

Section 8.01	Maintenance of Existence	58
Section 8.02	Reporting Requirements	58
Section 8.03	Compliance with Laws	60
Section 8.04	Taxes	60
Section 8.05	Ranking	60
Section 8.06	Access	61
Section 8.07	Books and Records	61
Section 8.08	Maintenance of Approvals	61
Section 8.09	Limitation on Liens and Encumbrances	61
Section 8.10	Restricted Payments	62
Section 8.11	Notice of Extraordinary Events; Other Information	62
Section 8.12	Certain Financial Covenants	62
Section 8.13	Permitted Hedging Instruments	63
Section 8.14	Line of Business	63
Section 8.15	Beneficial Ownership	63
Section 8.16	Insurance	63
Section 8.17	Use of Proceeds	63
Section 8.18	Transactions with Affiliates	64

Section 8.19	Further Assurances; Release of Existing Liens; Security Filings	64
Section 8.20	Indebtedness	65
Section 8.21	Limitations on Investments	67
Section 8.22	Fundamental Changes	67
Section 8.23	Dispositions	67
Section 8.24	Organizational Documents; Bank Accounts	67
Section 8.25	Sanctions	67
Section 8.26	Repayment of Loans	68
Section 8.27	Investment Company Act	68
Section 8.28	Subordination Terms Letter	68
Section 8.29	Material Subsidiaries	68
Section 8.30	Material Contracts	68
Section 8.31	Maintenance of Property	68
Section 8.32	Corporate Rating; The Securities	69
Section 8.33	Restrictive Agreements	69
Section 8.34	Plea Agreement	69
Section 8.35	Appraisal	69
Section 8.36	Repayment of the Bond Repaid Indebtedness	70
Section 8.37	Repayment Trust Agreement	70

**ARTICLE IX
EVENTS OF DEFAULT**

Section 9.01	Events of Default	70
--------------	-------------------	----

**ARTICLE X
THE AGENTS**

Section 10.01	Appointment, Powers and Immunities	73
Section 10.02	Reliance by Agents	74
Section 10.03	Defaults; Conditions Precedent	74
Section 10.04	Rights as Lender	74
Section 10.05	Indemnification	75
Section 10.06	Non-Reliance on Administrative Agent and Other Lenders	75
Section 10.07	Failure to Act	76
Section 10.08	Resignation or Removal of Agents	76
Section 10.09	Notices	76
Section 10.10	Erroneous Payments	77
Section 10.11	Administrative Agent as Attorney-in-Fact	79
Section 10.12	Authority to Act	80
Section 10.13	Limitation on Collateral Agent's Duties in Respect of Collateral	80

**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Waiver	80
Section 11.02	Notices	81
Section 11.03	Expenses, Etc.	82
Section 11.04	Indemnification	82
Section 11.05	Waiver of Consequential Damages	82
Section 11.06	Amendments, Etc.	82
Section 11.07	Successors and Assigns	83
Section 11.08	Assignments and Participations	83
Section 11.09	Survival	85
Section 11.10	No Immunity	85
Section 11.11	Counterparts	85
Section 11.12	Electronic Signature	85
Section 11.13	GOVERNING LAW	86
Section 11.14	Consent to Jurisdiction	86
Section 11.15	WAIVER OF JURY TRIAL	86
Section 11.16	Judgment Currency	87
Section 11.17	Severability; Integration	87
Section 11.18	Confidentiality	87
Section 11.19	Anti-Money Laundering	88
Section 11.20	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	88
Section 11.21	No Other Duties, Etc.	88
Section 11.22	No Advisory or Fiduciary Responsibility	89
Section 11.23	Data Protection	89
Section 11.24	Information exchange	89

SCHEDULES

Schedule 1.01(a)	Lenders and Commitment Amounts
Schedule 1.01(b)	Applicable Lending Offices
Schedule 2.06	Use of Proceeds
Schedule 7.06	Litigation
Schedule 7.07	Compliance with Laws
Schedule 7.16	Sanctions
Schedule 7.17	Subsidiaries
Schedule 7.18	Indebtedness
Schedule 7.19	Environmental Matters
Schedule 7.24	Insurance
Schedule 7.25	Existing Liens
Schedule 8.01(b)	Excluded Subsidiaries
Schedule 8.23	Permitted Dispositions
Schedule 8.33	Restrictive Agreements
Schedule 11.02	Notices

EXHIBITS

Exhibit A	–	Form of Borrowing Notice
Exhibit B	–	Form of Notes
Exhibit B-1	–	Form of Letter of Instructions
Exhibit C	–	Form of Process Agent Acceptance Letter
Exhibit D-1	–	Form of Opinions of Peruvian Counsel to the Borrower
Exhibit D-2	–	Form of Opinion of New York Counsel to the Borrower
Exhibit D-3	–	Form of Opinion of Peruvian Counsel to the Lenders
Exhibit D-4	–	Form of Opinion of New York Counsel to the Lenders
Exhibit E	–	Form of Assignment and Assumption Agreement
Exhibit F	–	Form of Subordination Terms Letter
Exhibit G	–	Form of Officer's Certificate
Exhibit H	–	Form of Financial Officer's Certificate

This **LOAN AGREEMENT**, dated as of March 17, 2022 (this "Agreement"), by and among **AENZA S.A.A.**, a *sociedad anónima abierta* organized under the laws of Peru (the "Borrower"); each of the lenders identified under the caption "Lenders" in Schedule 1.01(a) or which, pursuant to Section 5.08 (Replacement Lenders) or Section 11.08 (Assignments and Participations), shall become a Lender hereunder (individually, a "Lender" and, collectively, the "Lenders"); **BANCO DE CRÉDITO DEL PERÚ S.A.**, as administrative agent (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent"); and collateral agent (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and together with the Administrative Agent, the "Agents" and each, individually, an "Agent").

WITNESSETH:

WHEREAS, subject to and upon the terms and conditions herein set forth, the Lenders are willing to make available to the Borrower the loan facility provided for herein.

NOW THEREFORE, in consideration of the foregoing and of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I
DEFINITIONS AND ACCOUNTING MATTERS**

Section 1.01 Certain Defined Terms. The following terms shall have the following respective meanings (all terms defined in this Section 1.01 (Certain Defined Terms) or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and *vice versa*):

"ABR Loan" means a Floating Rate Loan bearing interest at a rate determined by reference to the Alternate Rate.

"ABR Term SOFR Determination Day" has the meaning specified in the definition of "Term SOFR".

"Additional Costs" shall have the meaning given to such term in Section 5.01(a) (Additional Costs).

"Additional Margin" means a rate per annum equal to 2.00%.

"Administrative Agent" shall have the meaning given to such term in the preamble hereto.

"Administrative Agent's Account" means the account of the Administrative Agent set forth below, or such other account as may be designated by the Administrative Agent to the Borrower and the Lenders from time to time, provided such account is held in an entity of the Peruvian financial system.

Bank Name:	Banco de Crédito del Perú
ABA/Routing No.:	026009593
SWIFT Code:	BOFAUS3N
Account Name:	CTA.INT. BCP-CREDITOS SINDICADOS
Account No.:	193-1172547-1-17
Attention:	Marcia Mónica Rojas Gameros
Reference:	Syndicated Loans – Aenza

“Administrative and Collateral Agency Fee Letter” means that certain Fee Letter, dated on or about the date hereof, between the Borrower and the Agents, providing for certain fees to be paid by the Borrower to the Agents.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any U.K. Financial Institution.

“Affected Lender” shall have the meaning given to such term in Section 5.08(a) (Replacement Lenders).

“Affiliate” means, with respect to any Person, any other Person that is directly or indirectly Controlled by, under common Control with or Controls such Person.

“Agent Parties” shall have the meaning given to such term in Section 11.02(b) (Notices).

“Agreement” shall have the meaning given to such term in the preamble hereto.

“Alternate Rate” means, for any day, a fluctuating rate per annum equal to the highest of (a) the Prime Rate, (b) the Federal Funds Rate in effect (available at <https://www.federalreserve.gov/releases/h15/>) plus 0.5% and (c) Term SOFR for a one-month tenor in effect on such day (available at <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>) plus 1.0%. Any change in the Alternate Rate due to a change in the Prime Rate, the Federal Funds Rate in effect or the Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate in effect or such Term SOFR, respectively. If the Alternate Rate is being used as an alternate rate of interest pursuant to Section 5.03 (Benchmark Replacement Settings), then the Alternate Rate shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above; provided, that at no time shall the “Alternate Rate” be deemed to be less than zero percent (0.00%).

“Anti-Corruption Laws” means any and all laws, rules, regulations, executive orders, decrees or statutes related to corruption or bribery to which the Borrower and each of its Subsidiaries are subject, including the following (each, as amended or replaced from time to time): (a) the U.S. Foreign Corrupt Practices Act of 1977 (as amended, the “FCPA”), (b) the U.K. Bribery Act 2010, and (c) each of (i) the provisions included in Section IV of Chapter II of Title XVIII of the Peruvian Criminal Code, (ii) Peruvian Law No. 30424, (iii) Peruvian Supreme Decree No. 002-2019-JUS, and, (iv) the Peruvian Civil Reparation Payment Acts.

“Anti-Money Laundering Laws” means any and all laws, rules, regulations, executive orders, decrees or statutes related to terrorism financing or money laundering to which the Borrower and each of its Subsidiaries are subject, including the following (each, as amended or replaced from time to time): (a) the Bank Secrecy Act of 1970, as amended by the USA Patriot Act, (b) the Beneficial Ownership Regulation, and (c) each of (i) Peruvian Legislative Decree No. 1106, (ii) Peruvian Law No. 27693, (iii) Peruvian Law No. 29038, (iv) Peruvian Supreme Decree No. 020-2017-JUS, (v) the Peruvian Criminal Code, and (vi) Peruvian Law Decree No. 25475.

“Applicable Law” means, with respect to any Person, any applicable constitution, statute, law, rule, regulation, ordinance, judgment, order, decree or any published directive, guideline, requirement or other governmental rule or restriction which has the force of law, and any determination by, or interpretation of any of the foregoing by, any judicial authority or Governmental Authority, binding on a given Person whether in effect as of the date of this Agreement or as of any date thereafter.

“**Applicable Lending Office**” means, for each Lender, the “Lending Office” of such Lender (or of an Affiliate of such Lender) designated on Schedule 1.01(b) or such other office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office by which its Loans are to be made and maintained; provided that if any Lender at any time so designates more than one “Lending Office,” the “Applicable Lending Office” for such Lender with respect to any specific Loan (or portion thereof) held by such Lender shall be the “Lending Office” designated on the books of such Lender as the Lending Office for such Loan (or portion thereof).

“**Applicable Margin**” means the applicable percentage *per annum* set forth below (including the Increased Applicable Margin, as applicable):

Pricing Level	Interest Period	Applicable Margin	Increased Applicable Margin
1	1 st and 2 nd	6.26%	7.26%
2	3 rd and 4 th	6.76%	7.76%
3	5 th	7.51%	8.51%
4	6 th	8.51%	9.51%

The Increased Applicable Margin shall be applicable upon an Increased Rate Event and shall become effective as of the first day after the occurrence of such Increased Rate Event; provided, that if the Borrower fails to inform the Administrative Agent of the occurrence of an Increased Rate Event, then, the Borrower shall be required to retroactively pay, as promptly as practicable upon written request from the Administrative Agent, the excess of the Increased Applicable Margin over the Applicable Margin for the applicable Interest Period or portion thereof during which the Increased Applicable Margin was applicable.

“**Appraisal**” means an appraisal, in form and substance reasonably satisfactory to the Administrative Agent (acting at the direction of the Lenders), commissioned by and prepared for the account of the Administrative Agent (for the benefit of the Lenders) by an Approved Appraiser.

“**Approved Appraiser**” means Deloitte, PwC, EY, KPMG and any other independent and nationally recognized duly licensed appraiser satisfactory to the Administrative Agent (acting at the direction of the Majority Lenders) that has at least ten (10) years of experience appraising Properties (of the same nature as the Collateral) in Peru.

“**Asset Trust Agreement**” means the amended and restated trust agreement pursuant to its third amendment (*Modificación Integral al Contrato de Fideicomiso, acordada mediante la Tercera Adenda al Contrato de Fideicomiso*) dated on or about the date hereof by and among, *inter alios*, the Borrower and Cumbra Perú, the Onshore Trustee and the Collateral Agent with the intervention of Viva Negocio Inmobiliario S.A., Rolando Martin Ponce Vergara, the collateral agent of the Existing Syndicated Facilities, the Convertible Bond Indenture Trustee and Banco Santander, S.A., in respect of all of the current and future share capital of Viva Negocio Inmobiliario S.A. held, by the Borrower and Cumbra Perú.

“**Assignment and Assumption Agreement**” means an assignment and assumption agreement in substantially the form of Exhibit E or such other form as is acceptable to the Administrative Agent (acting at the direction of all the Lenders).

“**Authorized Officer**” means, with respect to any Person, (a) the President, General Manager or Chief Executive Officer (*President, Gerente General or CEO*) of such Person, (b) the Chief Financial Officer of such Person, (c) the Chief Legal Officer of such Person, or (d) any attorney-in-fact of such Person.

“Availability Period” means the period commencing on (and including) the date hereof and ending on (and including) the Commitment Termination Date.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 5.03(d) (Benchmark Replacement Settings).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule; and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

“Benchmark” means, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 5.03(a) (Benchmark Replacement Settings).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(a) Daily Simple SOFR; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.03 (Benchmark Replacement Settings) and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 5.03 (Benchmark Replacement Settings).

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Borrowed Money” means, in respect of any Person, at any date, without duplication, (a) all obligations of such Person to repay money borrowed, (b) all obligations of such Person to pay money evidenced by bonds, debentures, notes, or other similar instruments, and (c) all obligations of such Person in respect of Disqualified Equity Interests.

“Borrower” shall have the meaning given to such term in the preamble hereto.

“Borrower’s Knowledge” means the actual knowledge, as well as knowledge that would have been obtained in the exercise of ordinary due diligence, of (a) any of the Borrower’s (i) President (*Presidente*), General Manager (*Gerente General*) or Chief Executive Officer (*CEO*), (ii) Chief Financial Officer (*Gerente Financiero*), (iii) Chief Legal Officer (*Gerente Juridico*), (iv) Head of Treasury (*Superintendente de Tesorería*), or (v) the officers referred to in paragraphs (i) through (iv) of each of the Material Subsidiaries, and (b) any other individual or individuals exercising the responsibilities of any of the foregoing officers pursuant to an express delegation of such authority, solely to the extent such knowledge is obtained or would have been obtained during the course of the exercise of such expressly delegated responsibilities by such individual or individuals.

“Borrower Advance Date” shall have the meaning given to such term in Section 4.04(b) (Non-Receipt of Funds by the Administrative Agent).

“Borrower Required Payment” shall have the meaning given to such term in Section 4.04(b) (Non-Receipt of Funds by the Administrative Agent).

“Borrowing Date” shall have the meaning given to such term in Section 6.03 (Conditions to Borrowing Date).

“Borrowing Notice” shall have the meaning given to such term in Section 2.02 (Borrowing).

“**Business Day**” means any day other than a Saturday, a Sunday or any day on which banks in (a) New York, New York, U.S., (b) Lima, Peru, and (c) São Paulo, Brazil, are required or authorized by law to be closed.

“**Capital Lease Obligations**” means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations are required to be classified and accounted for as a Capital Lease on a balance sheet of such Person under IFRS, and for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof determined in accordance with IFRS.

“**Capitalized Leases**” or “**Capitalized Lease Obligations**” means, at any time, a lease that would have constituted a finance lease under IAS 17 as of December 31, 2018 and with respect to which the lessee would have been required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with IFRS if it had been in effect at such time.

“**Cash Equivalents**” means:

(a) marketable direct obligations or securities issued by, or directly and unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States;

(b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within six (6) months from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody’s;

(c) debt securities issued by the Peruvian government and maturing not more than three hundred and sixty five (365) days after the acquisition thereof, and debt instruments issued by the Peruvian government which are denominated and payable in Dollars and maturing not later than one year after the acquisition thereof;

(d) time deposits, deposit accounts, certificates of deposit and banker’s acceptances of any Lender or any member of the Federal Reserve System which is organized under the laws of the United States, or any state thereof or the District of Columbia or any political subdivision thereof or under the laws of Canada, Japan, Switzerland or any country which is a member of the European Union, any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500,000,000 (or the equivalent) or any commercial bank organized under the laws of Peru, or which is the principal Peruvian banking subsidiary of a bank holding company having a combined capital and surplus of at least U.S.\$500,000,000 and having a long-term unsecured debt rating of at least “A” or the equivalent thereof from S&P or “A2” or the equivalent thereof from Moody’s with maturities of not more than six (6) months from the date of acquisition by such Person;

(e) demand deposits, certificates of deposit, time deposits or bankers’ acceptances maturing within one year from the date of acquisition thereof issued or guaranteed by (i) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, (ii) any of the Lenders, (iii) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S.\$500,000,000 (or the equivalent) or (iv) any bank organized under the laws of Peru;

(f) commercial paper issued by any Person rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody’s (or its Peruvian equivalent) and in each case maturing not more than one year after the date of acquisition by such Person;

(g) repurchase obligations with a term of not more than seven (7) days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (d) above, provided, that such repurchase obligations shall be fully secured by obligations of the type described in clause (a) above, and the possession of such obligations shall be transferred to, and segregated from other obligations owned by, such bank;

(h) any other debt instruments having a rating of at least A-1 or AAA from S&P or P-1 or Aaa from Moody's with maturities of one year or less from the date of acquisition;

(i) a money market fund or a qualified investment fund (including any such fund for which any Lender or any Affiliate thereof acts as an advisor or manager) given one of the two highest long-term ratings by S&P, Moody's or Fitch;

(j) Eurodollar certificates of deposit issued by any Lender, or any other bank meeting the requirements of clause (d) above;

(k) deposits that are fully insured by the Federal Deposit Insurance Corporation and do not have an 'r' suffix attached to their rating;

(l) commercial paper issued by any Person incorporated in the United States rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's and in each case maturing not more than three-hundred sixty-five (365) days after the date of acquisition by such Person;

(m) principal-only strips and interest-only strips of non-callable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York;

(n) Dollars and Soles; and

(o) investments in money market funds which invest substantially all of their assets in securities of the types described in clauses (a) through (h) above.

"Cash Flow Trust Agreement" means the amended and restated trust agreement pursuant to its fourth amendment (*Modificación Integral al Contrato de Fideicomiso, acordada mediante la Cuarta Adenda al Contrato de Fideicomiso*) dated on or about the date hereof by and among, *inter alios*, the Borrower, the Onshore Trustee, the collateral agent of the Existing Syndicated Facilities and the Collateral Agent with the intervention of the Convertible Bond Indenture Trustee and Banco Santander, S.A, with respect to certain dividends and cash flows payable to the Borrower.

"Cash Flow Trust Collection Account" shall have the meaning assigned to the term "*Cuenta Recaudadora*" in the Cash Flow Trust Agreement.

"Cash Flow Trust Collection Account Dividends" means the proceeds of the Dividends required to be paid by the Main Subsidiaries in respect of the Equity Interests owned, from time to time, by the Borrower in such Main Subsidiaries and which proceeds are, in accordance with the terms of the Cash Flow Trust Agreement, required to be deposited in the Cash Flow Trust Collection Account.

“Change of Control” means, as of any date, (I) the acquisition, directly or indirectly, (a) beneficially or of record, by any Person or any “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), other than any of the Permitted Holders, of Equity Interests representing a percentage of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower that is equal to or greater than the percentage of the aggregate ordinary voting power represented by the sum of (i) the Equity Interests of the Borrower owned (beneficially or of record) by the Permitted Holders as of such date and (ii) the Voting Stock of the Borrower held by the Permitted Holders pursuant to the Voting Rights Agreements, (b) by any Person or any “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), other than any of the Permitted Holders, of Control over the Borrower, or (c) by any Person or any “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), other than any of the Permitted Holders, of the power to (i) appoint at least a majority of the members of the board of directors or other equivalent governing body of the Borrower or (ii) Control the Borrower, or (II) the failure by the Borrower to, directly or indirectly, (a) beneficially own Equity Interests of any Material Subsidiary representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of such Material Subsidiary (except for Red Vial 5 S.A. with respect to which no “Change of Control” shall be triggered unless the Borrower shall fail to have Voting Stock and the rights under the Red Vial Shareholders Agreement, granting the Borrower the right to appoint at least a majority of the members of the board of directors or equivalent governing body of Red Vial 5 S.A.), or (b) Control any Material Subsidiary.

“Class” means, when used in reference to any Loan or borrowing, whether such Loan or the Loans comprising such borrowing are Fixed Rate Loans or Floating Rate Loans and, when used in reference to any Commitment, whether such Commitment is a Fixed Rate Commitment or Floating Rate Commitment.

“Closing Date” shall have the meaning given to such term in Section 6.02 (Conditions to Closing Date).

“Collateral” means the Property that, in accordance with the Collateral Documents, from time to time, is or is intended to be subject to any Lien in favor of the Secured Parties or the Collateral Agent on behalf of the Secured Parties.

“Collateral Documents” means, collectively, the Cash Flow Trust Agreement, the Asset Trust Agreement, the Repayment Trust Agreement, the Release Share Pledge Agreements, the Share Pledge Agreement, each Irrevocable Power of Attorney and the Effectiveness Statements.

“Collection Account” shall have the meaning assigned to the term “*Cuenta del Fideicomiso*” in the Repayment Trust Agreement.

“Commitment” means, for each Lender, its Fixed Rate Commitment or Floating Rate Commitment, as applicable, and “Commitments” shall mean the Fixed Rate Commitments and the Floating Rate Commitments, collectively, in an aggregate principal amount up to but not exceeding the Commitment Amount of such Lender.

“Commitment Amount” means, for each Lender, the amount set forth opposite the name of such Lender in Schedule 1.01(a) hereto.

“Commitment Termination Date” means the earliest of (a) the date on which the unutilized and outstanding Commitments hereunder are borrowed in full, (b) the date on which the Commitments hereunder are terminated and/or cancelled in full; and (c) 11:59 p.m., New York City time, the date that is 30 days after the date hereof.

“Communications” shall have the meaning given to such term in Section 11.02(b) (Notices).

“Concar” means Concar S.A.

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Rate,” the definition of “Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such rate or to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Consolidated” means, in respect of any Person, the consolidation of accounts of such Person and its Subsidiaries in accordance with IFRS.

“Consolidated EBITDA” means, for any period, with respect to the Borrower on a Consolidated basis, the Consolidated Net Income for such period plus: (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of: (i) Consolidated Interest Expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period and (iv) any non-cash charges (other than the write-down of current assets) for such period, and minus (b) without duplication, to the extent included in determining such Consolidated Net Income, all non-cash items of income for such period, all determined on a consolidated basis in accordance with IFRS.

“Consolidated Financial Income” means, for any period, the aggregate amount of interest income plus fees and commission and other finance revenue of the Borrower and its Subsidiaries, as is or would be reported on the income statement of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS.

“Consolidated Interest Coverage Ratio” means, for any period, the ratio of: (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

“Consolidated Interest Expense” means, for any period, any interest (or similar) expense on Indebtedness (other than Subordinated Debt) of the Borrower and its Subsidiaries on a Consolidated basis, (i) including without duplication: (a) fees (including commitment fees and insurance premiums in connection with such Indebtedness) for such period, (b) the interest portion of any deferred payment obligations for such period, (c) all fees and charges paid or payable with respect to letters of credit or performance or other bonds for such period, (d) all accrued or capitalized interest (including default interest) for such period, (e) any amortization of debt discount for such period and (f) all but the principal component of payments relating to Capital Lease Obligations for such period, in each case to the extent treated as interest expense in accordance with IFRS, and (ii) net of Consolidated Financial Income. For purposes of the foregoing, Consolidated Interest Expense shall be determined after giving effect to any net payments made or received by the Borrower and its Subsidiaries with respect to interest rate or currency Permitted Hedging Instruments.

“Consolidated Leverage Ratio” means, for any period, the ratio of: (a)(i) Consolidated Total Indebtedness to (b) Consolidated EBITDA for the most recent four (4) consecutive fiscal quarters ending on such date.

“Consolidated Net Income” means, for any period, the net income (or loss) of the Borrower and its Subsidiaries, for such period, determined on a consolidated basis for that period in accordance with IFRS; *provided, however*, that Consolidated Net Income shall exclude extraordinary gains and extraordinary losses for such period.

“Consolidated Total Indebtedness” means, for any period, the aggregate principal amount of Indebtedness (other than Subordinated Debt) of the Borrower and its Subsidiaries, as is or would be reported on the balance sheet of the Borrower and its Subsidiaries as of that date, determined on a consolidated basis in accordance with IFRS.

“Contingent Obligations” shall mean, as to any Person, (a) any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and (b) any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include (A) endorsements of instruments for deposit or collection in the ordinary course of business or (B) any unmatured reimbursement obligation of any Person in respect of any performance bond, advance payment bond, letters of credit, or similar instrument provided in respect of any construction, operation, concessions, public-private partnership and real estate obligations of such Person in the ordinary course of business in accordance with past practice; *provided, however*, that once such reimbursement obligation shall arise and become payable, the same shall constitute a Contingent Obligation and shall constitute Indebtedness under this Agreement. The amount of any Contingent Obligation at any time shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith

“Control” means, as to any Person, having possession, directly or indirectly, of the power to direct or cause the direction of the management and/or policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“Convertible Bond” means any and all convertible bonds or other debt instruments issued by the Borrower on August 13, 2021 pursuant to the Convertible Bond Agreement.

“Convertible Bond Agreement” means the *Contrato de Emisión* entered into by Borrower and the Convertible Bond Indenture Trustee dated January 13, 2021, as amended.

“Convertible Bond Indenture Trustee” means Kallpa Securities Sociedad Agente de Bolsa S.A.

“Covered Taxes” shall have the meaning given to such term in Section 5.06(a) (Covered Taxes).

“Cumbra Loan” means the loan agreement entered into by Cumbra Perú and Banco Santander, S.A. dated as of February 18, 2021, as amended.

“Cumbra Perú” means Cumbra Perú S.A.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; *provided*, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention at the direction of the Floating Rate Lenders.

“Defaulting Lender” shall have the meaning given to such term in Section 2.05(a) (Several Obligations; Remedies Independent).

“Disposition” or “Dispose” means the sale, transfer (including, without limitation, any transfer to a trust (*transferencia en dominio fiduciario*)), license, ease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any Equity Interest, notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Borrowed Money or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 60 days after the Maturity Date.

“Dividend” shall mean, with respect to any Person, that such Person has declared or paid a dividend, distribution or returned any equity capital to its stockholders, partners or members or authorized or made any other distribution, payment or delivery of property (other than common Equity Interests of such Person) or cash to its stockholders, partners or members in their capacity as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock or any other Equity Interests outstanding on or after the Effective Date (or any options or warrants issued by such Person with respect to its capital stock or other Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for a consideration any shares of any class of the capital stock or any other Equity Interests of such Person outstanding on or after the Effective Date (or any options or warrants issued by such Person with respect to its capital stock or other Equity Interests). Without limiting the foregoing, “Dividends” with respect to any Person shall also include all payments made or required to be made by such Person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

“Dollars”, “U.S.\$” and “\$” mean the lawful currency of the U.S.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegate thereof) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” shall have the meaning given to such term in Section 6.01 (Conditions to Effectiveness).

“Effectiveness Statements” means each effectiveness statement (*Declaración Unilateral de Cumplimiento*) to be entered into pursuant to the terms of the Cash Flow Trust Agreement, the Asset Trust Agreement and the Share Pledge Agreement, which is required for the entry into force of such agreements. In the case of the Release Share Pledge Agreements, the effectiveness statement shall be the execution of its corresponding public deed.

“Environmental Law” means all laws, bylaws, codes, regulations, decrees, lawful demands or demand letters or notices, interdicts, judgments, orders, permits or plans issued, promulgated or approved thereunder or in accordance therewith of Peru or any other Governmental Authority of Peru relating to pollution or protection of the environment, or health and safety matters relating to Hazardous Materials exposure (including such laws relating to worker and public or consumer health and safety, noise, nuisance, hygiene, waste, pollutants, contaminants, emissions, discharges or threatened Release of Hazardous Materials into the environment, and the production, processing, distribution, management, use, treatment, storage, burial, disposal, transport or handling of any Hazardous Materials that may be harmful to human health or other life or the environment).

“Environmental Permit” means any permit, approval, license or other authorization required under any Environmental Law.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership or profit interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“Erroneous Payment” shall have the meaning assigned to such term in Section 10.10(a) (Erroneous Payments).

“Erroneous Payment Deficiency Assignment” shall have the meaning assigned to such term in Section 10.10(d) (Erroneous Payments).

“Erroneous Payment Return Deficiency” shall have the meaning assigned to such term in Section 10.10(d) (Erroneous Payments).

“Erroneous Payment Subrogation Rights” shall have the meaning assigned to such term in Section 10.10(e) (Erroneous Payments).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” shall have the meaning given to such term in Section 9.01 (Events of Default).

“Excluded Taxes” means (a) Taxes imposed on or measured by the overall net income (however denominated) of a Lender, franchise Taxes, and branch profits Taxes, in each case, (i) imposed by any jurisdiction in which any Lender has its principal office or the jurisdiction of any Applicable Lending Office, or (ii) that are Other Connection Taxes, (b) any Taxes attributable to such Recipient’s failure to comply with Section 5.06(f) (Covered Taxes), and (c) any withholding Taxes imposed under FATCA.

“Existing Indebtedness” means Indebtedness of the Borrower and its Subsidiaries existing as of the date hereof and listed on Schedule 7.18 hereto, including, without limitation, the Bond Repaid Indebtedness.

“Existing Syndicated Facilities” means:

(a) the Master Financial Stability Agreement dated as of July 31, 2017 executed between the Borrower, Cumbra Perú, CAM Perú S.A., Concesionaria Vía Expresa Sur S.A. and Vial y Vives – DSD S.A. as borrowers; the Borrower and Cumbra Perú as guarantors; BBVA Banco Continental, Banco de Crédito del Perú, Scotiabank Perú S.A.A., Citibank del Perú S.A., Citibank, N.A. and Banco Internacional del Perú S.A.A. as lenders; BBVA Banco Continental, Credicorp Capital Servicios Financieros S.A., Scotiabank Perú S.A.A., Citibank del Perú S.A. and Banco Internacional del Perú S.A.A. as structuring agents; and, La Fiduciaria S.A. as administrative agent and collateral agent, as amended from time to time;

(b) the Syndicated Credit Facility Agreement dated as of July 31, 2017, executed between the Borrower, Cumbra Perú, CAM Perú S.A., Concesionaria Vía Expresa Sur S.A. and Vial y Vives – DSD S.A. as borrowers; BBVA Banco Continental, Banco de Crédito del Perú, Banco Internacional del Perú S.A.A., Citibank del Perú S.A., Citibank, N.A. and Scotiabank Perú S.A.A. as banks; Credicorp Capital Servicios Financieros S.A., BBVA Banco Continental, Banco Internacional del Perú S.A.A., Citibank del Perú S.A. and Scotiabank Perú S.A.A., as structuring agents; and, La Fiduciaria S.A. as administrative agent and collateral agent, as amended from time to time;

(c) the Syndicated New Stand-by Letters of Credit Facility and Commitment to Maintain Existing Stand-by Letters of Credit Agreement dated as of July 31, 2017 executed between the Borrower and Cumbra Perú as ordering parties; BBVA Banco Continental, Banco de Crédito del Perú, Banco Internacional del Perú S.A.A., Scotiabank Perú S.A.A., Citibank del Perú S.A. and Citibank, N.A. as surety entities; BBVA Banco Continental, Credicorp Capital Servicios Financieros S.A., BBVA Banco Continental, Banco Internacional del Perú S.A.A., Citibank del Perú S.A. and Scotiabank Perú S.A.A. as structuring agents; and, La Fiduciaria S.A. as administrative agent and collateral agent, as amended from time to time.

“Expense Reimbursement and Indemnity Agreement” means that certain Expense Reimbursement and Indemnity Agreement, dated on or about the Closing Date, among the Borrower, the Lenders, the Administrative Agent and the Collateral Agent.

“FATCA” means Sections 1471 through 1474 of the U.S. Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the U.S. Internal Revenue Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the U.S. Internal Revenue Code.

“FCPA” shall have the meaning given to such term in the definition of “Anti-Corruption Laws”.

“Federal Funds Rate” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any Business Day, the Federal Funds Rate for such Business Day shall be the average rate charged to the Principal Office on such Business Day on such transactions as determined by the Administrative Agent (and, if any such rate is below zero, then the Federal Funds Rate shall be deemed to be zero).

“Fee Letters” means the Administrative and Collateral Agency Fee Letter and the JLA Fee Letter.

“Fitch” means Fitch Ratings Limited or any successor to its rating business.

“Fixed Rate” means the interest rate to be calculated by the Fixed Rate Lenders, communicated to the Borrower on the date of delivery of the Borrowing Request and included in paragraph (c) of such Borrowing Request.

“Fixed Rate Commitment” means, as to each Fixed Rate Lender, the obligation of such Fixed Rate Lender to make, on and subject to the terms and conditions hereof, a Loan to the Borrower pursuant to Section 2.01(a) (Loans) in an aggregate principal amount up to but not exceeding the amount set forth opposite the name of such Fixed Rate Lender on Schedule 1.01(a) or in the Assignment and Assumption Agreement pursuant to which such Fixed Rate Lender shall have assumed its Fixed Rate Commitment, as applicable, as such amount may be increased or reduced pursuant to assignments effected in accordance with Section 11.07 (Successors and Assigns).

“Fixed Rate Lender” means a Lender with a Fixed Rate Commitment or any outstanding Fixed Rate Loans.

“Fixed Rate Loans” has the meaning provided in Section 2.01(a) (Loans).

“Floating Rate” means a rate equal to (i) the Benchmark for any Interest Period plus (ii) the Applicable Margin.

“Floating Rate Commitment” means, as to each Floating Rate Lender, the obligation of such Floating Rate Lender to make, on and subject to the terms and conditions hereof, a Loan to the Borrower pursuant to Section 2.01(b) (Loans) in an aggregate principal amount up to but not exceeding the amount set forth opposite the name of such Floating Rate Lender on Schedule 1.01(a) or in the Assignment and Assumption Agreement pursuant to which such Floating Rate Lender shall have assumed its Floating Rate Commitment, as applicable, as such amount may be increased or reduced pursuant to assignments effected in accordance with Section 11.07 (Successors and Assigns).

“Floating Rate Lender” means a Lender with a Floating Rate Commitment or any outstanding Floating Rate Loans.

“Floating Rate Loans” has the meaning provided in Section 2.01(b) (Loans).

“Floating Rate Majority Lenders” means, at any time, Floating Rate Lenders holding Floating Rate Commitments and Floating Rate Loans representing in the aggregate more than 50% of the sum of the aggregate amount of the Floating Rate Commitments of all Floating Rate Lenders at such time plus the aggregate principal amount of the Floating Rate Loans of all Floating Rate Lenders outstanding at such time; provided that the Floating Rate Commitment and Floating Rate Loans held by any Defaulting Lender shall be disregarded for purposes of making a determination of Floating Rate Majority Lenders.

“Floor” means the benchmark rate floor of 0%.

“Forced Labor” means all work or service not voluntarily performed that is exacted from an individual under threat of force or penalty.

“GH Syndication Agreement” means the syndication agreement, dated June 3, 2021, entered into among IG4 Capital and GH Holding Group Corp., as amended and supplemented.

“Governmental Authority” means any national, state, county, city, town, village, municipal or other local governmental department, commission, board, bureau, agency, authority or instrumentality of the United States, Peru or any other national, multinational or international authority, or any political subdivision of any thereof, and any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any of the foregoing entities, and in each case having jurisdiction over the Persons or matters in question.

“Harmful Child Labor” means the employment of a child that is economically exploitive, or is likely to be hazardous to, or to interfere with, such child’s education, or to be harmful to such child’s health, or physical, mental, spiritual, moral or social development.

“Hazardous Material” means any pollutant, contaminant, chemical or toxic or hazardous material, substance or waste or any other material, substance or waste that is now or hereafter prohibited, limited or regulated under any Environmental Law.

“Hedge Agreements” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“HG Syndication Agreement” means the syndication agreement, dated June 3, 2021, entered into among IG4 Capital, Hernando Alejandro Constancio Graña Acuña and Rosanna Tori Devoto as amended and supplemented.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

“IG4 Capital” means IG4 Capital Infrastructure Investments LP.

“Increased Rate Applicable Margin” means the applicable margin set out in under the heading “Increased Applicable Margin” in the definition of Applicable Margin.

“Increased Rate Event” means a determination by the competent Peruvian judge as part of the proceedings relating to the *homologación* of the Plea Agreement that the amounts payable by the Borrower and its Subsidiaries under the Plea Agreement shall exceed the sum of S/718,500,000.

“Indebtedness” means, in respect of any Person, at any time, without duplication, (a) all obligations of such Person for Borrowed Money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade and current accounts payable arising in the ordinary course of business that are not overdue for more than ninety (90) days), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Indebtedness of others guaranteed by such Person, (g) all Capitalized Lease Obligations of such Person, (h) all Contingent Obligations of such Person, (i) all Off-Balance Sheet Liabilities of such Person, (j) all obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, of such Person (including in respect of sale and leaseback transactions) that are not classified and accounted for as capital leases on the balance sheet of such Person under IFRS, (k) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit acceptance facilities, letters of guaranty or similar instruments, but excluding those entered into in the ordinary course of business to pay trade accounts payable and other obligations that do not constitute Indebtedness (including, but not limited to, performance bonds, advance payment bonds and bid/offer payment bonds), (l) all obligations of such Person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (m) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (n) all net obligations then due and owing (if any) of such Person under Hedge Agreements, (o) all obligations of such Person under a Synthetic Lease and (p) all other obligations of such Person that are required to be reflected in, or are reflected in, such Person’s financial statements, recorded or treated as “debt” under IFRS. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For the avoidance of doubt, the payment and other obligations of the Borrower and its Subsidiaries under the Plea Agreement shall not be deemed to constitute “Indebtedness” hereunder.

“Interest Payment Date” shall mean the last day of each Interest Period.

“Interest Period” means, for any Loan, (a) initially, the period commencing on and including the Borrowing Date and ending on but excluding the date that is three (3) months after the Borrowing Date and (b) subsequently, each period commencing on and including the last day of the previous Interest Period for such Loan and ending on but excluding the date three (3) months thereafter; provided, however, that any Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day unless such succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of: (a) the purchase or other acquisition of Equity Interest, notes, bonds, debentures or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty or assumption of Indebtedness of, or purchase or other acquisition of any other Indebtedness or Equity Interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit or all or a substantial part of the business of, such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Irrevocable Power of Attorney” means each irrevocable power of attorney granted pursuant to the Share Pledge Agreement.

“JLA Fee Letter” means that certain Fee Letter, dated on or about the date hereof, among the Borrower and the Joint Lead Arrangers, providing for certain fees to be paid by the Borrower to the Joint Lead Arrangers.

“Joint Lead Arrangers” means Banco BTG Pactual S.A. – Cayman Branch, Banco Santander Perú S.A., HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC and Natixis, New York Branch.

“Lender” or “Lenders” shall have the meaning given to such term in the preamble hereto.

“Lender Advance Date” shall have the meaning given to such term in Section 4.04(a) (Non-Receipt of Funds by the Administrative Agent).

“Lender Required Payment” shall have the meaning given to such term in Section 4.04(a) (Non-Receipt of Funds by the Administrative Agent).

“Letters of Instructions” means, collectively, each letter of instructions (*acuerdo de llenado*) executed by the Borrower and the applicable Lender, substantially in the form of Exhibit B-1 attached hereto.

“Lien” means any lien, mortgage, pledge, *fideicomiso*, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including the lien or retained security title of a conditional vendor or other title retention agreements, any assignment or conditional assignment and any easement, right of way or other encumbrance on title to real property.

“Loan Documents” means (a) this Agreement, (b) the Notes and their corresponding Letters of Instructions, (c) the Collateral Documents, (d) the Fee Letters, (e) the Take-Out Engagement Letter, (f) the Expense Reimbursement and Indemnity Agreement and (g) any other document or instrument executed in connection with the foregoing, in each case as amended, amended and restated, supplemented or otherwise modified from time to time.

“Loans” shall have the meaning given to such term in Section 2.01 (Loans).

“MA Syndication Agreement” means the syndication agreement, dated July 2, 2021, entered into between IG4 Capital and Mario Germán Óscar Alvarado Pflucker, as amended and supplemented.

“Main Subsidiaries” means Tren Urbano de Lima S.A. (formerly known as GyM Ferrovías S.A.), Red Vial 5 S.A. (formerly known as Norvial S.A.) and Unna Energía (formerly known as Graña y Montero Petrolera S.A.).

“Majority Lenders” means, at any time, Lenders holding Commitments and Loans representing in the aggregate more than 50% of the sum of the aggregate amount of the Commitments of all Lenders at such time plus the aggregate principal amount of the Loans of all Lenders outstanding at such time; provided that the Commitment and Loans held by any Defaulting Lender shall be disregarded for purposes of making a determination of Majority Lenders.

“Margin Stock” shall have the meaning assigned to such term in Regulation U.

“Material Adverse Effect” means a material adverse effect on one or more of the following: (a) the business, assets, operations, financial condition or prospects of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of the Borrower or any of the Material Subsidiaries to perform their obligations under the Loan Documents, (c) the legality, validity, binding effect or enforceability of any Loan Document, (d) the rights of any of the Lenders or any of the Agents under any Loan Document; or (e) the Collateral; provided, that the approval and performance by the Borrower and its Subsidiaries of the Plea Agreement on terms (taken as a whole) no less favorable to the Borrower and its Subsidiaries than those included in the Plea Agreement and informed to the Lenders as of the Effective Date shall not constitute a “Material Adverse Effect”.

“Material Subsidiaries” means (a) each Main Subsidiary and (b) each of Cumbra Perú and Viva Negocio Inmobiliario S.A.

“Maturity Date” means the date that is eighteen (18) months after the Borrowing Date; provided that if such day is not a Business Day, then the next succeeding Business Day.

“Minimum Debt Service Ratio” means, as of any Interest Payment Date, the ratio of (a) the aggregate amount of the proceeds of the Cash Flow Trust Collection Account Dividends deposited in the Cash Flow Trust Collection Account during the preceding two consecutive fiscal quarters of the Borrower most recently ended prior to such Interest Payment Date to (b) the aggregate of all amounts (of principal, interest (including any applicable step-up interest), and fees payable to the Lenders under the Loan Documents) in respect of any Obligations due and payable by the Borrower for the two immediately succeeding Interest Payment Dates.

“Moody’s” means Moody’s Investors Service, Inc. or any successor to its rating business.

“Net Cash Proceeds” means, with respect to:

(a) the incurrence of any Indebtedness, an amount equal to the aggregate amount of cash proceeds from such incurrence, in each case net of (i) attorneys' fees, investment banking fees, accountants' fees and consulting fees, (ii) underwriting discounts and commissions, (iii) Taxes and provisions for Taxes directly attributable to such event (provided that, if all or a portion of such Taxes are not paid concurrently with the occurrence of such event, the Borrower or the relevant Material Subsidiary may reserve proceeds in an amount equal to such unpaid Taxes; *provided, further*, that, if (x) such unpaid Taxes are not paid when due or (y) any portion of such reserved amount of proceeds is not utilized to pay such unpaid Taxes when due, such reserved amount of proceeds or such unutilized portion thereof, as applicable, must be applied to repay the Loan, (iv) any portion of proceeds that is required to be paid to any shareholder of any Material Subsidiary (other than the Borrower), and (iv) other customary and reasonable costs and expenses actually incurred in connection therewith; and,

(b) any Disposition of any property or asset by the Borrower or any of its Subsidiaries, the cash proceeds thereof (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), and to the extent that consideration for the asset disposed includes non-cash consideration, the fair market value of any such non-cash consideration less the fair market value of the asset received as consideration (except a negative result of such calculation shall be ignored) net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien permitted hereunder on any asset that is the subject of such Disposition and other fees and expenses actually incurred in connection therewith and net of income or transfer taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), to the extent such amounts were not already deducted in determining the cash proceeds received, any reserve for adjustment in accordance with IFRS in respect of (x) the sale price of such asset or assets and (y) any liabilities associated with such asset or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"Notes" means the duly issued incomplete promissory notes (*pagarés incompletos*) provided for by [Section 2.07 \(Notes\)](#) and all promissory notes delivered in substitution or exchange therefor. The Notes shall be completed in accordance with the Letters of Instructions.

"Obligations" shall mean, collectively, without duplication: (a) all of the Borrower's Indebtedness incurred under the Loan Documents, financial liabilities and obligations, of whatsoever nature and however evidenced (including, but not limited to, principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to the Borrower, would have accrued on any Obligation, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy proceeding), premium, fees, reimbursement obligations, indemnities and legal and other expenses, whether due after acceleration or otherwise) to the Lenders in their capacity as such under the Loan Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, fees, premiums, penalties, indemnifications, contract causes of action, costs, expenses or otherwise; and (b) in the event of any proceeding for the collection or enforcement of the obligations described in clause (a) above, after an Event of Default has occurred and is continuing, the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by any Lender of its rights under the Collateral Documents.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Off-Balance Sheet Liabilities" of any Person shall mean (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person or (c) any obligation under a Synthetic Lease.

“Ongoing Investigations” means the investigations against the Borrower and/or its Subsidiaries, disclosed in the *Hecho de Importancia* dated December 27, 2019, May 21, 2021, November 17, 2021 and February 7, 2022, as well as in the most recent version of SEC Form 20-F (Form 20-F) that has been filed by the Borrower with the Securities and Exchange Commission of the United States of America, and which are specifically listed in Schedule 7.07.

“Organizational Documents” means, with regard to any Person, its by-laws, articles of association, *acto constitutivo, estatutos sociales*, limited liability company agreement, shareholders agreement or other similar document.

“Onshore Trustee” means La Fiduciaria S.A. as trustee under the Repayment Trust Agreement, the Asset Trust Agreement and the Cash Flow Trust Agreement, or any successor trustee appointed pursuant to the terms thereof.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced by any Loan Document, or sold or assigned an interest in any Loan or any Loan Document).

“Participant” shall have the meaning given to such term in Section 11.08(e) (Assignments and Participations).

“Participant Register” shall have the meaning given to such term in Section 11.08(e) (Assignments and Participations).

“Payment Recipient” shall have the meaning assigned to such term in Section 10.10(a) (Erroneous Payments).

“Payment Notice” shall have the meaning assigned to such term in Section 10.10(b) (Erroneous Payments).

“Periodic Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Permitted Business” means the business or businesses conducted by the Borrower and its Material Subsidiaries as of the date hereof and any business related, ancillary or complementary thereto.

“Permitted Disposition” means any Disposition (a) of inventory (or other assets) sold, leased or licensed out in the ordinary course of business (excluding any such sales, leases or licenses out by operations or divisions discontinued or to be discontinued), (b) of obsolete, worn-out or surplus property, (c) of assets or equipment in the ordinary course of business, (d) of non-material assets for an amount not to exceed, individually or in the aggregate, U.S.\$5,000,000, (e) of assets, Equity Interests or as otherwise set forth in Schedule 8.23, (f) of assets, Equity Interests or as otherwise required pursuant to the Plea Agreement and (g) Dispositions of Property the Net Cash Proceeds of which are applied to prepay the Loans in accordance with Section 3.05(c) (Sale of Assets); *provided* that such Dispositions described in this definition do not include part of the Collateral (except in the case of Dispositions thereof to an insurer or its designee in connection with the payment by such insurer of a claim for a covered loss in respect of the damage or destruction of such Property).

“Permitted Encumbrances” means:

- (a) Liens created pursuant to or expressly permitted by this Agreement and the other Loan Documents to which any Lender is a party;
- (b) Liens, deposits or pledges incurred or created in the ordinary course of business in compliance with workers’ compensation, disability or unemployment insurance, pensions and other social security laws or regulations or under Applicable Law in connection with, or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds, performance and return-of-money bonds, and other obligations of a substantially similar nature arising in the ordinary course of business and consistent with past practice;
- (c) second priority Liens over the collateral securing the Existing Syndicated Facilities (except for the Asset Trust Agreement which will only have the Lenders as beneficiaries in second priority) required to be granted in favor of any other lender whose loans or debt obligations are permitted to be secured, equally and ratably, by the collateral securing the Existing Syndicated Facilities pursuant to the collateral documents securing the Existing Syndicated Facilities (excluding any amendments or modifications to such documents after the date of this Agreement, except as permitted or contemplated under the Loan Documents); *provided*, they will have the same terms and conditions of the lenders of the Existing Syndicated Facilities under the documentation evidencing such second priority Liens, including but not limited to provisions under which they will not participate or initiate any foreclosure of such collateral without the prior approval of the Lenders;
- (d) mechanics’, materialmen’s, workers’, repairmen’s, employees’, warehousemen’s, carriers’, landlord’s, vendor’s salary and other substantially similar Liens arising in the ordinary course of business or under Applicable Law securing obligations incurred in connection with the business of the Borrower which are (i) not yet due, or which are adequately bonded or for which adequate reserves in accordance with IFRS have been made and (ii) which are being contested in good faith by appropriate proceedings diligently;
- (e) Liens for Taxes, assessments or governmental charges which are (i) not yet due or which are adequately bonded or for which adequate reserves in accordance with IFRS have been made and (ii) which are being contested in good faith by appropriate proceedings diligently;
- (f) Liens on equipment or fixed or capital assets (including capital leases) acquired (including in connection with any replacement), constructed, installed, repaired, restored, leased or improved by the Borrower securing Permitted Indebtedness;
- (g) easements, reservations, zoning restrictions, licenses, water rights, rights-of-way and similar charges or encumbrances on real property imposed by Applicable Law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the impacted property or materially interfere with the ordinary conduct of business of the Borrower and the Material Subsidiaries;
- (h) with respect to any real property, immaterial title defects or irregularities that do not, individually or in the aggregate, materially impair the use of such real property;
- (i) possessory Liens (arising customarily in respect of such transaction and not by means of a separate collateral security agreement) in favor of brokers and dealers arising in connection with the acquisition or disposition of Cash Equivalents permitted under this Agreement and in the ordinary course of business of the Borrower or any Material Subsidiary; *provided* that such Liens (i) attach only to such Investments and (ii) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing or otherwise;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business of the Borrower or any Material Subsidiary;

(k) legal or equitable encumbrances (other than any attachment prior to judgment, judgment lien or attachment in aid of execution on a judgment) derivative of any pending litigation or other legal proceeding not otherwise constituting an Event of Default if the same is effectively stayed or the claims secured thereby are being contested in good faith and by appropriate actions, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS to the extent required by IFRS;

(l) Liens arising out of judgments or awards not constituting an Event of Default;

(m) Liens for workers' compensation awards and similar obligations arising by operation of law not then delinquent and any such Liens, whether or not delinquent, whose validity is at the time being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS to the extent required by IFRS;

(n) the replacement, extension or renewal of any Lien that is a Permitted Lien of the type contemplated in clause (e) above or clause (p) below; *provided* that such Lien is in respect of the same assets originally subject thereto (and permitted hereunder) and arises out of the extension, renewal or replacement of the Indebtedness secured thereby to the extent permitted herein (without any increase in the amount thereof except to the extent permitted herein);

(o) customary and applicable non-consensual statutory Liens and rights of setoff of financial institutions over deposit accounts held at such financial institutions arising in the ordinary course of business of the Borrower or any Material Subsidiary to the extent such Liens or rights of setoff secure or allow setoff (to the extent permitted hereunder) against amounts owing for fees and expenses relating to the applicable deposit account;

(p) Liens existing on the Effective Date listed on [Schedule 7.25](#);

(q) Liens in favor of the Peruvian government granted or required to be granted, as the case may be, in compliance with Law No. 30737, or under the Plea Agreement upon its validation (*homologación*) by the competent Peruvian court; and

(r) Liens granted by Unna Energía over its property, inventory, rights or cash flows in the ordinary course of business and consistent with past practice in connection with any Permitted Indebtedness; and Liens in favor of any third party purchaser (that is not an Affiliate of the Borrower or any Material Subsidiary) incurred in connection with any sale or other disposition of oil and/or gas produced by Unna Energía and sold or otherwise disposed of to such unaffiliated third party purchaser (i) for which Unna Energía receives an advance payment or payments in respect of such oil and/or gas, (ii) arising in the ordinary course of business of Unna Energía and in accordance with its past practice, and (iii) which Liens extend only to and in respect of such oil and gas so sold.

provided that, any Liens on the Collateral required to be released and discharged in order to create and perfect the Liens purported to be created and perfected in accordance to the Collateral Documents shall be released upon execution of the Effectiveness Statements; *provided, further*, that the Collateral (which will be effective upon execution of the Effectiveness Statements) cannot be subject to any Liens other than those permitted under the Collateral Documents (except as set forth in paragraph (c) of this definition) and those Liens securing the Convertible Bond and Cumbra Loan which will be released and discharged upon execution of the Effectiveness Statements.

“Permitted Hedging Instruments” means (a) currency swap agreements, option contracts, future contracts, options on futures contracts, spot or forward contracts or other agreements to purchase or sell currency or any other hedging arrangements entered into by the Borrower or any of its Subsidiaries to hedge the Borrower’s or such Subsidiary’s exposure to movements in the rates of exchange of non-Dollar currencies relating to operating expenditures, capital expenditures, Indebtedness and other funding and not for the purpose of speculation; (b) interest rate swaps, option contracts, future contracts, options on futures contracts, caps, floors, collars or any other hedging arrangements entered into by the Borrower or any of its Subsidiaries to hedge the Borrower’s or such Subsidiary’s exposure to movements in interest rates on Indebtedness and other funding and not for the purposes of speculation; and (c) other hedging arrangements of a non-speculative nature into which the Borrower or any of its Subsidiaries may enter into in the ordinary course of business.

“Permitted Holders” means IG4 Capital or any fund managed by IG4 Capital.

“Permitted Indebtedness” has the meaning set forth in Section 8.20 (Indebtedness).

“Permitted Reorganization” means (i) the conversion (*transformación*) of any of the Borrower’s Subsidiaries from a *Sociedad Anónima* to a *Sociedad Anónima Cerrada*; or (ii) corporate reorganizations (*reorganizaciones societarias*) between Subsidiaries of the Borrower that do not result in a Change of Control or in the release of any portion of the Collateral or breach of the Borrower’s obligations under Section 8.21 (Limitations on Investments) or Section 8.23 (Dispositions).

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any settlor or beneficiary thereof), unincorporated organization, government agency, government or political subdivision thereof.

“Peru” means the Republic of Peru.

“Peruvian Income Tax Act” means the *Ley del Impuesto a la Renta*, the Unified Text of which has been approved by Peruvian Government’s Supreme Decree No. 179-2004-EF, as amended from time to time.

“Peruvian Civil Reparation Payment Acts” means the (i) Peruvian Law No. 30737 and (ii) Peruvian Supreme Decree No. 096-2018-EF.

“Platform” shall have the meaning given to such term in Section 11.02(b) (Notices).

“Plea Agreement” means the *Acta de Acuerdo Preparatorio de Colaboración Eficaz* entered into by, *inter alios*, the Borrower, Cumbra Perú, Concar, the *Ministerio Público* and *Procuraduría Pública Ad Hoc* acting on behalf of Peru, dated as of May 21, 2021, in connection with the Ongoing Investigations.

“Plea Agreement Obligations” means the Borrower’s obligation to (i) structure a trust agreement to guarantee payment of the civil reparation agreed to under the Plea Agreement and (ii) release the existing liens over the Surquillo Property.

“Prime Rate” means the rate of interest per annum last quoted by The Wall Street Journal as the “Prime Rate” in the U.S (available at <https://www.wsj.com/market-data/bonds/moneyrates>). or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

“Principal Office” means the office of the Administrative Agent in Lima, Peru.

“Proceeding” means, with respect to any Person (a) any proceeding under the Peruvian General Insolvency System Law (*Ley General del Sistema Concursal – Law No. 27809*, as amended) or any other insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or similar case or proceeding in connection therewith, relative to such Person or to its creditors, as such, or to its assets, whether conducted in or under the laws of Peru or otherwise or (b) any liquidation, dissolution or other winding up of such Person, whether partial or complete and whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any judicial proceedings for the readjustment or extension of Indebtedness of such Person, any composition, arrangement or assignment for the benefit of creditors or any other marshalling of assets and liabilities of such Person.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Prospective Default” means any event or condition that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

“Put Options” means the put options agreed in the *Contrato de Compraventa de Acciones* dated December 15, 2021, regarding the equity in Morelco S.A.S., a Colombian corporation and the *Avenimiento* dated December 17, 2021, regarding the equity in Vial y Vives – DSD S.A., a Chilean corporation.

“Rating Agency” means Fitch, Moody’s or S&P.

“Red Vial Shareholders Agreement” means the “*Convenio de Accionistas*” dated December 12, 2002 entered into among Red Vial 5 S.A. (formerly Norvial S.A.), the Borrower, JJC Contratistas Generales S.A. and Besco S.A., as amended.

“Recipient” means (a) any Agent or (b) any Lender.

“Register” shall have the meaning given to such term in [Section 11.08\(d\) \(Assignments and Participations\)](#).

“Regulation D” means 17 C.F.R. Part 230.500 (*Rules Governing the Limited Offer and Sale of Securities without Registration Under the Securities Act of 1933*).

“Regulation T” means 12 C.F.R. Part 220 (*Credit by Brokers and Dealers*).

“Regulation U” means 12 C.F.R. Part 221 (*Credit by Banks and Persons Other than Brokers or Dealers for the Purpose of Purchasing or Carrying Margin Stock*).

“Regulation X” means 12 C.F.R. Part 224 (*Borrowers of Securities Credit*).

“Regulatory Change” means, with respect to any Lender, the occurrence after the date of this Agreement of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Regulatory Change,” regardless of the date enacted, adopted or issued.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment, including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

“Release Share Pledge Agreements” means collectively, the agreements to release (*Contratos de Levantamiento*) (i) the pre-constituted share pledge agreement (*Contrato de Preconstitución de Garantía Mobiliaria sobre Acciones*) over share capital of Unna Energía dated August 12, 2021 by and between, *inter alios*, the Borrower and the Convertible Bond Indenture Trustee, with the intervention of Unna Energía, as amended; and (ii) the subordinated share pledge agreement (*Contrato de Garantía Mobiliaria Subordinada sobre Acciones*) over share capital of Unna Energía dated October 4, 2021, by and between, *inter alios*, the Borrower and Banco Santander, S.A. with the intervention of Unna Energía, the Convertible Bond Indenture Trustee and the Onshore Trustee, as amended.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Repaid Indebtedness” means certain Indebtedness of the Borrower and Cumbra Perú outstanding as of the date hereof, including, without limitation, the Indebtedness incurred by way of the Convertible Bond (the “Bond Repaid Indebtedness”) and the Cumbra Loan (the “Loan Repaid Indebtedness”), all of which will be repaid with the proceeds of the Loans as provided for in Section 8.17 (Use of Proceeds).

“Repayment Date” has the meaning provided in Section 3.05(d) (Repayment Trust Agreement).

“Repayment Trust Agreement” means the trust agreement (*Contrato de Fideicomiso*) dated the date hereof by and among, *inter alios*, the Borrower, the Onshore Trustee and the Collateral Agent, which will hold the Loans for repayment of certain Repaid Indebtedness as per the terms and conditions set forth therein and Schedule 2.06.

“Resignation Effective Date” shall have the meaning given to such term in Section 10.08 (Resignation or Removal of Agents).

“Resolution Authority” means any EEA Resolution Authority or, with respect to any U.K. Financial Institution, a U.K. Resolution Authority.

“Restricted Payment” means (a) any dividend or other distribution or return of capital (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower, (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower, or on account of any return of capital to the shareholders, partners or members of the Borrower and (c) any payment of principal, interest, premium or other amounts on or in respect of Subordinated Debt of the Borrower or any of its Subsidiaries (in each case, other than any payment from a Subsidiary of the Borrower to the Borrower or another Subsidiary of the Borrower).

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

“Sanctioned Jurisdiction” means, at any time, any country or territory that is, or whose government is, the subject of any comprehensive Sanctions broadly restricting or prohibiting dealings in or involving such country, territory or government (as of the date hereof, Cuba, Crimea region of Ukraine, Iran, North Korea, Syria, and “the government of Venezuela” as defined by Exec. Order No. 13884, 84 Fed. Reg. 38843 (Aug. 7, 2019)).

“Sanctioned Person” means, at any time, any Person (a) identified on a Sanctions List, (b) located, operating, organized or resident in, or any government or any agency or instrumentality of any government of, any Sanctioned Jurisdiction, (c) owned or controlled by, or acting on behalf of, directly or indirectly, any one or more Persons in the aggregate described in the foregoing clause (a) or (b), or (d) otherwise the subject or target of any Sanctions.

“Sanctions” means any economic, financial or trade laws, regulations, rules, decisions, embargoes or restrictive measures imposed, administered or enforced by any Sanctions Authority.

“Sanctions Authority” means (a) the U.S. government, including OFAC and the U.S. Department of State, (b) the United Nations, (c) the European Union or any European Union member state, (d) the United Kingdom, including Her Majesty’s Treasury, (e) the Government of Peru, or (f) any other relevant national or supra-national governmental body with jurisdiction over any party hereto.

“Sanctions List” means any list of designated individuals or entities maintained by any Sanctions Authority, including the Specially Designated Nationals and Blocked Persons List maintained by OFAC.

“Secured Parties” means, collectively, the Lenders and the Agents.

“Securities” shall have the meaning given to such term under the Take-Out Engagement Letter.

“Sell-Down Event” means the failure by one or more Permitted Holders to (i) own (beneficially or of record) at all times Equity Interests of the Borrower and (ii) hold Voting Stock of the Borrower held by the Permitted Holders pursuant to the Voting Rights Agreements representing ((i) and (ii) in the aggregate) at least 25% or more of the aggregate ordinary voting power represented by all the issued and outstanding Equity Interests in the Borrower.

“Share Pledge Agreement” means the share pledge agreement (*Contrato de Constitución y Preconstitución de Garantía Mobiliaria Sobre Acciones sujeta a Condición Suspensiva*) in respect of all current and future share capital of Unna Energía owned by the Borrower to be dated on or about the date hereof by and between, *inter alios*, the Borrower and the Collateral Agent, with the intervention of Unna Energía.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Soles”, “PEN” and “S/” mean the lawful currency of the Peru.

“Solvent” means, (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, and (f) such entity is not within any of the assumptions set forth in Article 24.1 or 26.1 of the Peruvian Bankruptcy Law (*Ley General del Sistema Concursal*), as amended, or otherwise within the assumption set forth in item 4 of Article 407 of the Peruvian Corporate Law (*Ley General de Sociedades*), as amended. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subordinated Debt” means the unsecured indebtedness of any of the Borrower or any Subsidiary thereof incurred under a Subordinated Loan Agreement to a Subordinated Lender, whether presently outstanding or hereafter created, ranking in payment and upon liquidation junior to the Loans in accordance with the subordination terms contained in Exhibit F, in each case as the same may be amended from time to time.

“Subordinated Lender” means any holder of Subordinated Debt so long as it continues to hold such Subordinated Debt.

“Subordinated Loan Agreement” means any loan agreement to which any of the Borrower or any Subsidiary thereof is or becomes a party and pursuant to which the debt incurred therein is unsecured indebtedness ranking in payment and upon liquidation junior to the Loans in accordance with the subordination terms contained in Exhibit F, in each case as the same may be amended from time to time.

“Subordination Terms Letter” means an agreement in the form attached as Exhibit F, duly executed and delivered by the Borrower or any Subsidiary thereof and the applicable Subordinated Lenders agreeing that unsecured indebtedness of the Borrower to such Subordinated Lenders shall be subordinated in right of payment to the Loans on the terms set forth therein.

“Subsidiary” means, in respect of any Person, a corporation, limited liability company or other entity (a) more than fifty percent (50%) of the outstanding Equity Interests of which is owned, directly or indirectly, by such Person or by one or more Subsidiaries of such Person or (b) in respect of which Voting Stock sufficient to elect a majority of the directors (or persons performing similar functions) is held by such Person or by one or more Subsidiaries of such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower whether existing on the date hereof or created or acquired during the term of this Agreement.

“Surquillo Property” means the main offices of Borrower located at Paseo de la República, block 46, district of Surquillo, department and province of Lima, recorded in Electronic Card No. 41776862 of Lima’s Immovable Property Registry.

“Synthetic Lease” means a lease transaction under which the parties intend that (a) the lease will be treated as an “operating lease” by the lessee and (b) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

“Take-Out Engagement Letter” means that certain Take-Out Engagement Letter, dated on or about the Borrowing Date, among the Borrower and the Joint Lead Arrangers.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR” means,

(a) for any calculation with respect to a Floating Rate Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “ABR Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ABR SOFR Determination Day;

provided, further, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“Term SOFR Administrator” means CME Group Benchmark Administrator Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent at the direction of the Floating Rate Lenders).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“U.K. Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

“U.K. Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any U.K. Financial Institution.

“U.S.” means the United States of America.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Unna Energía” means Unna Energía S.A.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56).

“Voting Rights Agreements” means (i) the Collateral Trust Agreement (*Contrato de Fideicomiso en Garantía*), dated June 3, 2021, entered into among Bethel Enterprises Inc., Francisco Javier Dulanto Swayne, Hugo Rangel Zavala, Alfonso Gálvez Rubio and Claudia Gutiérrez Benavides, as trustees, La Fiduciaria S.A., as trustee, and IG4 Capital, as beneficiary, with the intervention of BTG Pactual Perú S.A.C. as custodian, as amended and supplemented; (ii) the GH Syndication Agreement, the HG Syndication Agreement and the MA Syndication Agreement; and, (iii) any other agreement entered by IG4 Capital that replaces or supersedes (i) or (ii) and provides IG4 Capital with voting rights in the Borrower’s shareholder’s meeting equal to or greater (from the perspective of IG4 Capital) than those voting rights provided for under the agreements referred to in (i) and (ii) above.

“Voting Stock” with respect to any Person, means (i) Equity Interests the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of a contingency and (ii) with respect to any Equity Interests of the Borrower covered by the Voting Rights Agreements, the right of the Permitted Holders to exercise all voting rights in respect of such Equity Interests under Applicable Law.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any U.K. Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 Interpretation. In this Agreement and in the Schedules and Exhibits hereto, except to the extent that the context otherwise requires:

- (a) Section headings in this Agreement and the Table of Contents are for convenience only and shall not affect the interpretation of this Agreement;
- (b) unless otherwise specified, references to Articles, Sections, paragraphs, clauses, Schedules and Exhibits are references to Articles, Sections, paragraphs and clauses of, and Schedules and Exhibits to, this Agreement;
- (c) references to any document or agreement, including this Agreement, shall be deemed to include references to such document or agreement as amended, supplemented or replaced from time to time in accordance with its terms and (where applicable) subject to compliance with the requirements set forth therein;
- (d) references to any party to this Agreement or any other document or agreement shall include its successors or permitted assigns;
- (e) unless otherwise provided, any interest, fee, commission or other amount payable in respect of any period shall accrue from (and including) the first day of that period up to (but excluding) the last day of that period;
- (f) the use of the words “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter; and
- (g) the words “hereof,” “herein” and “hereunder” and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular part of this Agreement.

Section 1.03 Accounting Principles.

(a) All computations and determinations as to financial matters, and all financial statements to be delivered under this Agreement shall be made or prepared in accordance with IFRS (including principles of consolidation where appropriate) applied on a consistent basis (except to the extent approved or required by the independent public accountants certifying such statements and disclosed therein).

(b) If at any time any change in IFRS would affect the computation of any financial ratio or requirement set forth in this Agreement, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in IFRS (subject to the approval of the Majority Lenders and the Borrower); *provided* that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with IFRS in effect prior to such change and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably required by the Majority Lenders setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in IFRS.

ARTICLE II
LOANS; COMMISSIONS; PROMISSORY NOTES; ETC.

Section 2.01 Loans.

(a) Each Fixed Rate Lender severally agrees, on and subject to the terms and conditions set forth herein, to make a single Loan to the Borrower in Dollars (each a "Fixed Rate Loan"), and collectively, the "Fixed Rate Loans") on the Borrowing Date, in an aggregate principal amount up to but not exceeding such Fixed Rate Lender's Commitment.

(b) Each Floating Rate Lender severally agrees, on and subject to the terms and conditions set forth herein, to make a single Loan to the Borrower in Dollars (each, a "Floating Rate Loan"), and collectively, the "Floating Rate Loans"; the Floating Rate Loans together with the Fixed Rate Loans are collectively referred to herein as the "Loans", on the Borrowing Date, in an aggregate principal amount up to but not exceeding such Floating Rate Lender's Commitment.

(c) The Borrower shall be entitled to request not more than one (1) borrowing of Fixed Rate Loans and one (1) of Floating Rate Loans hereunder. The borrowing of the Loans shall be made pro rata and as provided in Section 4.02 (Pro Rata Treatment).

(d) The Lenders' Commitments shall terminate on the Commitment Termination Date.

(e) Amounts repaid or prepaid in respect of the Loans may not be reborrowed.

Section 2.02 Borrowing. The Borrower shall give the Administrative Agent (which shall promptly notify the Lenders) notice of the borrowing hereunder (which notice shall be irrevocable and effective upon receipt), such notice to be substantially in the form of Exhibit A (Form of Borrowing Notice) (the "Borrowing Notice") by no later than 11:00 a.m., Lima time, on the date that is at least three (3) Business Days prior to the proposed borrowing date.

Not later than 11:00 a.m., Lima time, on the date specified for the borrowing hereunder, each Lender shall make available the amount of the Loan or Loans to be made by it on such date to the Administrative Agent, at the Administrative Agent's Account, in immediately available funds, for the account of the Borrower. The Administrative Agent shall transfer on the same date the aggregate of the amounts so made available by the Lenders in Dollars and in immediately available funds to the Borrower by crediting to the Collection Account as specified by the Borrower in accordance with the instructions set out in the applicable Borrowing Notice.

Section 2.03 Fees. The Borrower agrees to pay the Administrative Agent, for itself or for the account of the Lenders, or at the election of the Borrower, deducted from the proceeds of the Loan, any and all fees payable in the amounts and at the times set forth in, this Agreement and the Fee Letters.

Section 2.04 Lending Offices.

(a) The Loans made by each Lender shall be maintained at such Lender's Applicable Lending Office.

(b) If a change in a Lender's Applicable Lending Office in relation to all or any portion of that Lender's Loans would, due to circumstances existing at the time of such change in Applicable Lending Office, result in increased costs under Article V (Yield Protection, Etc.) from the costs imposed on the Borrower in respect of that Lender prior to the change in that Lender's Applicable Lending Office, then the Borrower shall not be obligated to pay any such increased costs that result from such change in Applicable Lending Office (although the Borrower shall be obligated to pay any other increased costs in accordance with Article V (Yield Protection, Etc.) resulting from changes after the date of such change that do not result from a further change of Applicable Lending Office).

Section 2.05 Several Obligations; Remedies Independent.

(a) The failure of any Lender (the "Defaulting Lender") to make any Loan to be made by it on the date specified thereof shall not relieve any other Lender of its obligation to make any Loan, but neither any Lender nor the Administrative Agent shall be responsible for the failure of any Defaulting Lender to make any Loan to be made by such Defaulting Lender, and (except as otherwise provided in Section 4.04 (Non-Receipt of Funds by the Administrative Agent)) no Lender shall have any obligation to either the Administrative Agent or any other Lender for the failure by such Defaulting Lender to make any Loan required to be made by such Defaulting Lender; *provided* that nothing in this Section 2.05(a) (Several Obligations; Remedies Independent) shall be deemed to relieve any Lender from its obligation to make any Loan hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make a Loan hereunder.

(b) The amounts payable by the Borrower at any time under any Loan Document to each Lender shall be a separate and independent debt (except that amounts payable by the Borrower at any time under this Agreement to a Lender, together with the Notes and the Letters of Instructions held by such Lender at such time, shall collectively represent one sole debt to such Lender) and, except as otherwise provided herein, each Lender shall be entitled to protect and enforce its rights arising out of the Loan Documents and the Loans, and it shall not be necessary for any other Lender or the Administrative Agent to consent to, or be joined as an additional party in, any proceedings for such purposes.

Section 2.06 Use of Proceeds. The proceeds of the Loans shall be used by the Borrower solely for the permitted uses and in the amounts set forth in Schedule 2.06.

Section 2.07 Notes.

(a) As additional evidence of the Borrower's obligation to pay the principal of and interest on each Loan made by each Lender as provided in Section 3.01 (Repayment of Loans) and Section 3.02 (Interest), consistent with the Register, the Borrower shall execute and deliver to the Administrative Agent (or its agent or counsel) in Peru on the Borrowing Date, (i) duly issued incomplete promissory notes (*pagarés incompletos*) of the Borrower in Spanish in substantially the form of Exhibit B hereto and payable to the order of each applicable Lender, and (ii) duly executed Letters of Instructions, in substantially the form of Exhibit B-I hereto, authorizing the relevant Lender to fill in the amount due under the Loans and the due date of the Notes upon the occurrence and continuance of an Event of Default.

(b) The execution and delivery by the Borrower of the Notes shall not limit, reduce or otherwise affect the rights or obligations of the Borrower under this Agreement, and the rights and claims of each Lender under the Notes to the extent contemplated by the Letters of Instructions held by it shall not replace or supersede the rights and claims of such Lender hereunder; provided that payment of any part of the principal of any such Note shall, to the extent that such payment if made hereunder would discharge the Borrower's obligations hereunder in respect of the payment of the principal of the Loan evidenced by such Note, discharge such obligation *pro tanto* and the payment of any principal of a Loan in accordance with the terms hereof shall discharge the obligations of the Borrower under the Note evidencing such Loan to the extent of such payment.

(c) Upon repayment in full of the Loans, the Administrative Agent shall provide the Borrower with written evidence of such repayment and the Administrative Agent and each Lender shall return each Note and Letter of Instructions held by it to the Borrower.

(d) Each Lender agrees that (i) it shall complete the amount, any applicable interest rate and date left blank in any such Note only in accordance with the terms of this Agreement and the applicable Letter of Instructions, (ii) notwithstanding any provision of the Notes, it shall not demand payment of any amount under such Notes unless such amount is then due and payable (whether at stated maturity, by acceleration or otherwise) by the Borrower in accordance with the terms of this Agreement, and (iii) it shall not take any other action with respect to the Notes that is not permitted by this Agreement.

(e) If any Lender exercises any right in any court in Peru under any Note delivered pursuant to this Agreement, it shall not be required for such purpose to evidence to the Borrower or any other Person that such Note represents obligations of the Borrower under this Agreement, or that any condition herein or therein has been fulfilled.

(f) The Borrower hereby agrees to refrain from taking any action that would cause (i) any Note to cease being a *título ejecutivo* under Peruvian law or (ii) the unenforceability of any Note against the Borrower by means of a *proceso único de ejecución* in accordance with Peruvian law.

(g) The Borrower hereby agrees to amend (in the case of a Letter of Instructions) or replace (in the case of a Note), upon the written request of any Lender or the Administrative Agent to the Borrower, but in any event no later than five (5) Business Days following the date of any such request and delivery to the Borrower by such Lender or the Administrative Agent of the proposed amendment or replacement draft, any Note and Letter of Instructions delivered by the Borrower to the Lenders to reflect any changes in the interest rate payable to each Floating Rate Lender on the Floating Rate Loans upon a Benchmark Transition Event or Early Opt-in Election occurs as set forth in Section 5.03 (Benchmark Replacement Settings) or as otherwise may be necessary to reflect the terms and conditions applicable to the Loans from time to time.

(h) Within ten (10) Business Days after receipt by the Borrower of notice from a Lender that its Note and/or Letter of Instructions has been lost, stolen, destroyed or otherwise damaged and requesting the execution of a replacement Note and its Letter of Instructions to substitute such Note and Letter of Instructions, provided that, in the case of any mutilated Note, such mutilated Note shall be returned to the Borrower and, in the case of any lost, stolen or destroyed Note, such notice from the Lender shall be made by written communication certified by a notary public (*carta notarial*) (attaching to that effect a sworn statement indicating that such theft, partial or complete destruction or mutilation shall have occurred). In the event that any lost or stolen Note is subsequently found, the Lender shall cancel such Note and deliver such cancelled Note to the Borrower within ten (10) Business Days of such lost or stolen Note having been found; provided, however, that the Borrower shall have already delivered a substitute Note to the Lender. Each Lender hereby agrees to bear all documented and reasonable costs and expenses incurred by the Borrower in order to initiate any legal action before the applicable Peruvian authority to cancel any lost or fully destroyed Note of such Lender, as required by Applicable Law.

**ARTICLE III
PAYMENTS OF PRINCIPAL AND INTEREST**

Section 3.01 Repayment of Loans. The Borrower hereby promises to pay to the Administrative Agent for the account of each Lender the aggregate outstanding principal amount of such Lender's Loans (as such amount may be reduced from time to time in accordance with Section 3.03(a) (Voluntary Prepayments)) on the Maturity Date.

The Borrower's Obligations under this Agreement and the other Loan Documents are joint and several general obligations of the Borrower, and the recourse of the Lenders and the Agents in respect thereof is not limited to the Collateral or any portion thereof or to any particular Property of the Borrower.

Section 3.02 Interest. The Borrower hereby promises to pay to the Administrative Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at a rate per annum in respect of each Interest Period equal to:

- (a) for Fixed Rate Loans, during each Interest Period applicable thereto, the Fixed Rate; and
- (b) for Floating Rate Loans, during each Interest Period applicable thereto, the Floating Rate.

Notwithstanding the foregoing, upon the occurrence and during the continuation of any Event of Default, the Borrower agrees to pay to the Administrative Agent for the *pro rata* account of the Lenders, the Additional Margin above the rate of interest otherwise applicable thereto.

Section 3.03 Voluntary Prepayment of Loans.

(a) Voluntary Prepayments. Subject to Section 4.02 (Pro Rata Treatment), the Borrower shall have the right to prepay Loans, in whole or in part, at any time or from time to time, without penalty or premium; *provided* that: (i) the Borrower shall give the Administrative Agent notice of each such prepayment as provided in Section 3.03(b) (Notices, Etc.) hereof (and, subject to any condition precedent thereto specified in such notice of prepayment, upon the date specified in any such notice of prepayment, the amount to be prepaid shall become due and payable hereunder); (ii) prepayments of the Loans pursuant to this Section 3.03 (Voluntary Prepayment of Loans) shall be applied *pro rata* to the outstanding principal amount of each Loan; (iii) each partial prepayment of principal of Loans shall be in an aggregate amount at least equal to U.S.\$5,000,000 and integral multiples of U.S.\$500,000 in excess thereof; and (iv) the Borrower shall comply with Section 5.05 (Compensation) to the extent required by Section 3.03(b) (Notices, Etc.).

(b) Notices, Etc. The Borrower shall notify the Administrative Agent of any voluntary prepayment hereunder not later than 11:00 a.m., Lima time, ten (10) Business Days before the date of prepayment. Each such notice shall specify the prepayment date and the principal amount of each Loan or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Loan, the Administrative Agent shall advise the relevant Lenders of the contents thereof. Prepayments of the Loans under this Section 3.03 (Voluntary Prepayment of Loans) shall be accompanied by (i) the compensation (if any) required under Section 5.05 (Compensation) and (ii) accrued interest thereon to the extent required by Section 3.02 (Interest) and shall be made in the manner specified in Section 3.02 (Interest).

Section 3.04 [Reserved].

Section 3.05 Mandatory Prepayment of Loans.

(a) Additional Indebtedness. Upon the incurrence by the Borrower or any of its Subsidiaries of any Borrowed Money (including any guarantee by the Borrower or any of its Subsidiaries in respect of any Borrowed Money of any Person other than the Borrower or Subsidiary thereof) other than Permitted Indebtedness. The Borrower shall, substantially simultaneously with (and in any event not later than the third (3th) Business Day next following) the incurrence of such Indebtedness, prepay the outstanding Loans in an amount equal to the lesser of (i) 100% of the Net Cash Proceeds therefrom and (ii) the aggregate principal of, and interest on, the Loans then outstanding.

(b) Change of Control. If a Change of Control shall have occurred, within three (3) Business Days following such Change of Control, the Borrower shall prepay the entire amount of principal of and interest on the Loans and all other amounts due and payable under the Loan Documents (including the compensation (if any) required under Section 5.05 (Compensation)), in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(c) Sale of Assets. In case of receipt by the Borrower or any of its Subsidiaries, as applicable, of any Net Cash Proceeds, resulting from a Disposition of any assets (other than Permitted Dispositions and in the case of the type described under paragraph (d) of the "Permitted Dispositions" definition after giving effect to any use of such Net Cash Proceeds to repay Indebtedness required to be repaid under the Existing Syndicated Facilities listed on Schedule 7.18 (as in effect on the Effective Date)) of such Borrower or Subsidiary thereof, the Borrower shall, substantially simultaneously with (and in any event not later than the third (3th) Business Day next following) such Disposition, prepay the outstanding Loans in an amount equal to the lesser of (i) 100% of the Net Cash Proceeds therefrom and (ii) the aggregate principal amount of, and interest on, the Loans then outstanding; provided, however, that such Net Cash Proceeds shall not be required to be so applied on such date so long as (x) no Prospective Default or Event of Default has occurred and is continuing, (y) such Net Cash Proceeds are used to acquire assets (other than inventory and working capital) used or to be used in the businesses permitted pursuant to Section 8.14 (Line of Business) within 180 days following the date of such Disposition, and (z) the Net Cash Proceeds from such Dispositions do not exceed, individually or in the aggregate, U.S.\$20,000,000; provided further, that if all or any portion of such Net Cash Proceeds not required to be so applied as provided above in this Section 3.05(c) (Sale of Assets) are not so reinvested within such 180-day period (or such earlier date, if any, as the Borrower or the relevant Subsidiary determines not to reinvest the Net Cash Proceeds from such Disposition as set forth above), such remaining portion shall be applied on the last day of such period (or such earlier date, as the case may be) as provided above in this Section 3.05(c) (Sale of Assets) without regard to the preceding proviso.

(d) Repayment Trust Agreement. If following the date that is eight (8) Business Days after the Borrowing Date (the "Repayment Date"), the proceeds of the Loans deposited in the Collection Account have not been used or applied in full as set forth in Section 2.06 (Use of Proceeds), the Borrower shall prepay the outstanding Loans in an amount equal to the aggregate principal of, and accrued and unpaid interest on, the Loans then outstanding, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and, thereupon, all of the amounts deposited in the Collection Account shall be applied towards repayment of principal of, and any balance thereof, interest on the Loans, in accordance with the Repayment Trust Agreement; provided that, upon written notice to the Administrative Agent delivered no earlier than two (2) Business Days and no later than one (1) Business Day prior to the Repayment Date, the Borrower shall have the right to extend the Repayment Date for one (1) additional period of five (5) Business Days without the consent of the Lenders.

(e) Intercompany loans. In case of receipt by the Borrower or any of its Subsidiaries, as applicable, of any Net Cash Proceeds resulting from the repayment or prepayment of any intercompany loans made by the Borrower or any of its Subsidiaries with all or a portion of the proceeds of the Loans for purposes of funding the repayment of the Repaid Indebtedness in accordance with Section 2.06 (Use of Proceeds), the Borrower shall, substantially simultaneously with (and in any event not later than the third (3rd) Business Day next following) the receipt of such Net Cash Proceeds, prepay the outstanding Loans in an amount equal to the lesser of (i) 100% of the funds therefrom and (ii) the aggregate principal of, and interest on, the Loans then outstanding.

(f) Sell-Down Event. No later than thirty (30) days prior to the date on which, to the Borrower's Knowledge, a Sell-Down Event (the "Reference Trigger Event") is expected to occur, the Borrower shall deliver to the Administrative Agent a notice (the "Sell-Down Notice"), (A) describing the circumstances which would give rise to the Sell-Down Event, (B) indicating the expected date of consummation of the Sell-Down Event, (C) referring to this Section 3.05(f) (Sell-Down Event), (D) containing an offer by the Borrower to prepay the entire outstanding principal amount of the Loans, together with accrued unpaid interest on the Loans to the date of prepayment, which prepayment (if accepted) shall become due and payable not later than five (5) Business Days after the date of consummation of the Reference Trigger Event, and (E) requesting each Lender to notify the Borrower and the Administrative Agent (a "Prepayment Notice") of its election to accept such offer (each Lender that shall accept such offer in its respective Prepayment Notice, and "Accepting Lender") not later than twenty (20) days following the date of receipt of the Prepayment Notice (provided that the failure by any Lender to respond to such Prepayment Notice within such 20-day period shall be deemed an acceptance of such offer). If the Reference Trigger Event actually occurs, the portion of the Loans held by each Accepting Lender shall become due and payable on the date that is five (5) Business Days after the date of consummation of such Reference Trigger Event, and the Borrower shall prepay on such date, without premium or penalty, the portion of the Loans held by each Accepting Lender together with accrued and unpaid interest on such Loans to, but not including, the date of prepayment.

**ARTICLE IV
PAYMENTS; PRO RATA TREATMENT; COMPUTATIONS; ETC.**

Section 4.01 Payments.

(a) Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under the Loan Documents shall be made in Dollars, in immediately available funds, without condition, deduction, set-off, defense, recoupment or counterclaim, to the Administrative Agent's Account not later than 10:00 a.m., Lima time, on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day and any applicable interest or fee shall continue to accrue).

(b) Each payment received by the Administrative Agent under any Loan Document for the account of any Lender shall be paid by the Administrative Agent promptly to such Lender, in immediately available funds, for the account of such Lender's Applicable Lending Office for the Loan or other obligation in respect of which such payment is made.

(c) If the due date of any payment under any Loan Document would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension, except as otherwise set forth in the definition of "Interest Period".

(d) Without limiting any of the obligations of the Borrower or the rights of the Lenders hereunder, if the Borrower shall fail to pay when due (whether at stated maturity, by prepayment, acceleration or otherwise) any amount payable by it hereunder or under any other Loan Document, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, without prior notice to the Borrower (which notice is expressly waived by the Borrower to the fullest extent permitted by Applicable Law), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, in any currency, matured or unmatured) and any other obligations at any time held or owing by such Lender or any Affiliate, branch or agency of such Lender to or for the credit or account of the Borrower. Any Lender exercising such right shall promptly provide notice to the Borrower of such set-off; provided that failure by such Lender to provide such notice to the Borrower shall not give the Borrower any cause of action or right to damages or affect the validity of such set-off and application. The rights of each Lender under this clause (d) are in addition to any other rights and remedies (including any other rights of set-off) that such Lender may have.

(e) The Administrative Agent shall provide to the Borrower no less than three (3) Business Days prior to any Interest Payment Date, Maturity Date, or any other date on which fees or other amounts payable hereunder or under any other Loan Document are due, notice of the amount of such interest, principal, fees or other amounts (including reasonably detailed calculations thereof); provided, however, that failure by the Administrative Agent to provide such notice shall not relieve the Borrower of its obligations to pay such amounts when due.

(f) The Lenders hereby agree that any such funds transferred to the Administrative Agent's Account in accordance with clause (a) above and otherwise by the date and time required hereunder for such payment will constitute, to the extent made in cash and in full, a valid and timely payment in respect of the applicable Obligations then due if the funds transferred in connection with such payment are equal to the amount of the Obligations then due in full.

Section 4.02 Pro Rata Treatment. Except to the extent otherwise provided herein,

(a) each reduction to the aggregate Commitment Amount shall be applied to the respective Commitments of the Lenders, *pro rata* according to their respective Commitment Amounts;

(b) the making of Loans (and as between Fixed Rate Loans and Floating Rate Loans) shall be made *pro rata* among the Lenders according to their respective Commitment Amounts;

(c) each payment or prepayment of principal of the Loans (and as between Fixed Rate Loans and Floating Rate Loans) by the Borrower shall be made for account of the Lenders *pro rata* in accordance with the respective unpaid principal amounts of the Loans held by them, except as provided in Section 3.05(d) (Repayment Trust Agreement); and

(d) each payment of interest on Loans by the Borrower shall be made for the account of the Lenders *pro rata* in accordance with the amounts of interest on such Loans (and as between Fixed Rate Loans and Floating Rate Loans) then due and payable to the respective Lenders;

provided that if at any time insufficient funds are received by and available to the Administrative Agent to pay all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of fees and other amounts then due to such parties, (ii) second, to pay interest then due hereunder, ratably among the Lenders of both Fixed Rate Loans and Floating Rate Loans thereto in accordance with the amounts of interest then due to such parties, and (iii) third, to pay principal then due hereunder, ratably among the Lenders of both Fixed Rate Loans and Floating Rate Loans in accordance with the amounts of principal then due to such parties.

Section 4.03 Computations. Interest on Loans and the fees referenced in Section 2.03 (Fees) shall accrue on a day-to-day basis and be computed on the basis of a year of three hundred and sixty (360) days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

Section 4.04 Non-Receipt of Funds by the Administrative Agent.

(a) Funding by Lenders. Unless the Administrative Agent shall have been notified by a Lender prior to the date on which the Lender is to make a payment to the Administrative Agent of the proceeds of a Loan to be made by such Lender hereunder (such payment hereinafter, a "Lender Required Payment"), which notice shall be effective upon receipt, that the Lender does not intend to make the Lender Required Payment to the Administrative Agent, the Administrative Agent may assume that the Lender Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the Borrower on such date; and, if the Lender has not in fact made the Lender Required Payment to the Administrative Agent, then the Borrower shall, promptly following the Borrower's receipt of the Administrative Agent's written demand therefor, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "Lender Advance Date") such amount was so made available to the Borrower until the date of payment to the Administrative Agent at a rate per annum equal to the interest rate applicable at the time to the Loans comprised in such borrowing for such day and, if the Borrower shall fail promptly to make such payment, the Administrative Agent shall be entitled to recover such amount, on demand, from the Lender, together with interest as aforesaid; provided that if neither the Borrower nor the Lender shall return the Lender Required Payment to the Administrative Agent within three (3) Business Days following the Administrative Agent's written demand therefor, then, retroactively to the Lender Advance Date, the Lender and the Borrower shall each be obligated to pay interest in respect of the Lender Required Payment as follows: (i) in the case of the Lender, at the rate of interest specified by the Administrative Agent as its cost of funding such amount for such period and (ii) in the case of the Borrower, at the rate of interest provided for pursuant to Section 3.02 (Interest), in each case until such amount is made available to the Administrative Agent. The Administrative Agent shall promptly, but in any event within one (1) Business Day, notify the Borrower of any receipt of notice by the Administrative Agent from a Lender that the Lender does not intend to make payment to the Administrative Agent of the proceeds of any Loan.

(b) Payments by Borrower. Unless the Administrative Agent shall have been notified by the Borrower prior to the date on which the Borrower is to make a payment to the Administrative Agent for account of one or more Lenders hereunder (such payment hereinafter, a "Borrower Required Payment"), which notice shall be effective upon receipt, that the Borrower does not intend to make the Borrower Required Payment to the Administrative Agent, the Administrative Agent may assume that the Borrower Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the Lenders on such date; and, if the Borrower has not in fact made the Borrower Required Payment to the Administrative Agent, then the Lenders severally agree to repay, on demand to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "Borrower Advance Date") such amount was so made available to the Lenders until the date of repayment to the Administrative Agent at a rate *per annum* equal to the rate of interest specified by the Administrative Agent as its cost of funding such amount for such period and, if the Lenders shall fail promptly to make such payment, the Administrative Agent shall be entitled to recover such amount, on demand, from the Borrower, together with interest as aforesaid; provided that if neither the Lenders nor the Borrower shall return the Borrower Required Payment to the Administrative Agent within three (3) Business Days following the Borrower Advance Date, then, retroactively to the Borrower Advance Date, the Borrower and the Lenders shall each be obligated to pay interest in respect of the Borrower Required Payment as follows: (i) in the case of the Lender, at the rate of interest specified by the Administrative Agent as its cost of funding such amount for such period and (ii) in the case of the Borrower, at the rate of interest provided for pursuant to Section 3.02 (Interest), in each case until such amount is made available to the Administrative Agent (and, in case the Lenders shall return the Borrower Required Payment to the Administrative Agent, without limiting the obligation of the Borrower under Section 3.02 (Interest) to pay interest to such Lenders in respect of the Borrower Required Payment).

Section 4.05 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of Loans owing to it (other than amounts payable pursuant to Article V (Yield Protection, Etc.), Section 11.03 (Expenses, Etc.), or Section 11.04 (Indemnification)) in excess of its ratable share of payments on account of the Loans obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Loans owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (a) the amount of such Lender's required repayment to (b) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that, to the fullest extent permitted by Applicable Law, any Lender so purchasing a participation from another Lender pursuant to this Section 4.05 (Sharing of Payments, Etc.) may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Section 4.06 Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

**ARTICLE V
YIELD PROTECTION, ETC.**

Section 5.01 Additional Costs.

(a) The Borrower shall pay directly to each Lender from time to time such amounts as such Lender may determine in good faith to be necessary to compensate such Lender for any increase in the costs attributable to its making or maintaining of any Loans hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), in each case, from those costs and amounts receivable existing on the date hereof, resulting from any Regulatory Change that:

(i) imposes any Taxes on such Lender under this Agreement or any other Loan Document (other than in respect of any Excluded Taxes or any Covered Taxes described in Section 5.06 (Covered Taxes)); or

(ii) imposes or modifies any reserve, liquidity, special deposit, compulsory loan, insurance charge or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender (except any such reserve requirement reflected in the Term SOFR), or any Commitment of such Lender; or

(iii) imposes any other cost, expense, duty or charge (other than Taxes) in respect of any Loan Document or its Loans (or any of such extensions of credit or liabilities) or its Commitment or Commitments.

(b) Without limiting the effect of the foregoing provisions of this Section 5.01 (Additional Costs) (but without duplication), if any Regulatory Change regarding capital requirements or liquidity requirements affecting a Lender or any Applicable Lending Office of such Lender or such Lender's bank holding company, if any, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's bank holding company, if any, to a level below that which such Lender or such Lender's bank holding company, if any, could have achieved but for such Regulatory Change (taking into consideration such Lender's policies and the policies of such Lender's bank holding company, if any, with respect to capital adequacy) as a consequence of such Lender's obligations hereunder, then the Borrower shall pay directly to such Lender from time to time on request such additional amount or amounts as such Lender may reasonably determine to be necessary to compensate such Lender or such Lender's bank holding company, if any, for any such reduction suffered.

(c) Each Lender shall notify the Borrower of any Regulatory Change occurring after the date of this Agreement entitling such Lender to compensation under Section 5.01(a) or (b) (Additional Costs) as promptly as practicable, but in any event, within one hundred eighty (180) days after such Lender obtains actual knowledge of such Regulatory Change; *provided* that, if such Lender fails to give such notice within one hundred eighty (180) days after it obtains actual knowledge of such Regulatory Change, such Lender shall, with respect to compensation payable pursuant to this Section 5.01 (Additional Costs) in respect of any Additional Costs resulting from such Regulatory Change, only be entitled to payment under this Section 5.01 (Additional Costs) for costs incurred from and after the date one hundred eighty (180) days prior to the date that such Lender delivers such notice. Each Lender shall designate a different Applicable Lending Office for the Loans of such Lender affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the reasonable opinion of such Lender, be disadvantageous to such Lender. Each Lender shall furnish to the Borrower a certificate setting forth in reasonable detail the basis and amount of each request by such Lender for compensation under Section 5.01(a) or (b) (Additional Costs). Determinations and allocations set forth in such certificate by any Lender for purposes of this Section 5.01 (Additional Costs) of the effect of any Regulatory Change pursuant to Section 5.01(a) (Additional Costs), or of the effect of capital maintained pursuant to Section 5.01(b) (Additional Costs), on its costs or rate of return of maintaining its Loans or its obligation to make the Loans, or on amounts receivable by it in respect of its Loans, and of the amounts required to compensate such Lender under this Section 5.01 (Additional Costs), shall, absent manifest error, be conclusive.

(d) Notwithstanding any other provision herein, no Lender shall demand compensation pursuant to this Section 5.01 (Additional Costs) as a result of a Regulatory Change resulting from Basel III, CRD IV or the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 if it shall not at the time be the general policy or practice of such Lender (as determined by such Lender in its discretion) to demand such compensation from similarly situated borrowers (to the extent that, with respect to such Regulatory Change, such Lender has the right to do so under its credit facilities with similarly situated borrowers).

Section 5.02 Inability to Determine Rates. Subject to Section 5.03 (Benchmark Replacement Settings), if, on or prior to the first day of any Interest Period for any Floating Rate Loan, the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof, the Administrative Agent will promptly so notify the Borrower and each Lender.

Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make Floating Rate Loans, and any right of the Borrower to continue Floating Rate Loans, shall be suspended (to the extent of the affected Floating Rate Loans or affected Interest Periods) until the Administrative Agent revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, Floating Rate Loans (to the extent of the affected Floating Rate Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for an ABR Loans in the amount specified therein and (ii) any outstanding affected Floating Rate Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 5.05 (Compensation). Subject to Section 5.03 (Benchmark Replacement Settings), if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on ABR Loans shall be determined by the Administrative Agent without reference to clause (c) of the definition of "Alternate Rate" until the Administrative Agent revokes such determination.

Section 5.03 Benchmark Replacement Settings.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Floating Rate Majority Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 5.03(d) (Benchmark Replacement Settings) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Floating Rate Lender (or group of Floating Rate Lenders) pursuant to this Section 5.03 (Benchmark Replacement Settings), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 5.03 (Benchmark Replacement Settings).

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent at the direction of the Floating Rate Lenders or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Floating Rate Loan of, conversion to or continuation of Floating Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for or conversion to ABR Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Alternate Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Alternate Rate.

Section 5.04 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to honor its obligation hereunder to make Loans or to fund or otherwise maintain its Loans, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank Eurodollar market, then, at the election of such Lender (by notice to the Administrative Agent, which shall promptly notify the Borrower), the Borrower shall prepay such Lender's outstanding Loans in full (or in the amount of the affected portion thereof) together with accrued interest thereon and all other amounts payable to such Lender hereunder (including amounts payable under Section 5.05 (Compensation)) to the Administrative Agent for account of such Lender, on the last day of the then-current Interest Period for such Loan (or on such earlier date as shall be certified by the Lender as being the last permissible date for such prepayment under the relevant law, rule, regulation, treaty or directive). Each Lender shall designate a different Applicable Lending Office for the portion of its Commitment or Loan affected by the illegality or restrictions granting such Lender a right to suspend its Commitment or requiring repayment by the Borrower if such designation will avoid the need for such a suspension or required repayment, or reduce the portion of the Commitment subject to suspension or the portion of the Loans subject to repayment, as the case may be; provided that no Lender shall be obligated to so designate a different Applicable Lending Office (a) located in the United States of America, (b) if such designation would result in Additional Costs (as defined in Section 5.01 (Additional Costs)) or (c) if such Lender determines (acting reasonably) that such designation would be disadvantageous to such Lender compared to the designation of its then-current Applicable Lending Office.

Section 5.05 Compensation. The Borrower shall pay to the Administrative Agent for the account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts (if any) as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or reasonable expense (other than in-house reimbursement costs) that such Lender reasonably determines is attributable to:

(a) any payment or prepayment of all or any part of any Loan held by such Lender (or other amounts due and payable to such Lender) for any reason (including the acceleration of the Loans pursuant to Article IX (Events of Default)), voluntary prepayments made pursuant to Section 3.03 (Voluntary Prepayment of Loans) on a date other than the last day of an Interest Period for such Loan or other unpaid amounts and mandatory prepayments made pursuant to Section 3.05 (Mandatory Prepayment of Loans); or

(b) any failure by the Borrower for any reason (including the failure of any of conditions precedent specified in Article VI (Conditions Precedent) to be satisfied) (i) to borrow any Loan from such Lender on the date for such borrowing specified in the Borrowing Notice delivered pursuant to Section 2.02 (Borrowing) or (ii) to prepay any Loan from such Lender (A) on the date specified by the Borrower in the applicable notice of prepayment delivered pursuant to Section 3.03 (Voluntary Prepayment of Loans) or (B) on the date required pursuant to Section 3.05 (Mandatory Prepayment of Loans), in each case, other than any failure which results from a default by such Lender or the Administrative Agent under this Agreement.

Such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest that otherwise would have accrued on the principal amount so paid or prepaid or not borrowed or prepaid for the period from the date of such payment, prepayment or failure to borrow or prepay to the last day of the then-current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan that would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the amount of interest (as reasonably determined by such Lender) that otherwise would have accrued on such principal amount by placing such amount on deposit for a comparable period with leading banks in the London interbank Eurodollar market. A certificate of such Lender setting forth in reasonable detail any amount or amounts which such Lender is entitled to receive pursuant to this Section 5.05 (Compensation) and setting forth in reasonable detail the manner in which such amounts shall have been determined shall be delivered to the Borrower and shall be conclusive absent manifest error.

Section 5.06 Covered Taxes. The Borrower agrees that, whether or not any Loan is made hereunder:

(a) All payments of principal of and interest on the Loans and all other amounts payable on, under or in respect of any Loan Document or Loan, by the Borrower to the Administrative Agent or any Lender, including amounts payable by the Borrower under this Section 5.06 (Covered Taxes), shall be made free and clear of all present and future income, stamp, court or documentary, intangible, recording and other taxes and levies, imposts, deductions, charges, compulsory loans and withholdings (other than Excluded Taxes) imposed, assessed, levied or collected by Peru or any political subdivision or taxing authority thereof or therein or by any other jurisdiction, together with interest thereon and penalties with respect thereto, if any, on or in respect of this Agreement, any of the other Loan Documents, the Loans, the execution, registration, enforcement, notarization or other formalization of any thereof, and any payments of principal, interest, charges, fees, commissions or other amounts made on, under or in respect thereof (hereinafter called "Covered Taxes") all of which will be paid by or on behalf of the Borrower, for its own account, prior to the date on which penalties attach thereto.

(b) The Borrower shall indemnify the Administrative Agent and each Lender against, and reimburse the Administrative Agent and each Lender within ten (10) days following written demand therefor, for the full amount of any Covered Taxes (including Covered Taxes imposed or asserted on or attributable to amounts payable under this Section 5.06 (Covered Taxes)) payable or paid by the Administrative Agent or any Lender or required to be withheld or deducted from a payment to such Administrative Agent or Lender, whether or not such Covered Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, and any loss, liability, claim or expense, including interest, penalties and reasonable and documented legal fees, which the Administrative Agent or any Lender may incur at any time arising out of or in connection with any failure of the Borrower to make any payment of Covered Taxes when due. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) In the event that the Borrower is required by Applicable Law to deduct or withhold Covered Taxes from any amounts payable on, under or in respect of this Agreement, the Loans, the Notes or any other Loan Document (including amounts payable under this Section 5.06 (Covered Taxes)), then the Borrower shall assume the payment of such Covered Taxes in accordance with Article 47 of the Peruvian Income Tax Law, and in the event the Borrower shall not be able to assume such Covered Taxes, then the Borrower shall pay the Administrative Agent and each Lender such additional amount as may be required, after the deduction or withholding of Covered Taxes (and any deduction or withholding applicable to additional amounts paid pursuant to this clause (c)), to enable the Lender or the Administrative Agent entitled to such amount to receive from the Borrower an amount equal to the full amount stated to be payable under this Agreement, the Loans, the applicable Note and any other Loan Document.

(d) The Borrower shall furnish to the Administrative Agent original or certified copies of tax receipts in respect of any assumed Covered Taxes or withholding by it of Taxes required under this Section 5.06 (Covered Taxes) within sixty (60) days (to the extent available, and if not so available, as soon as practicable thereafter) after the date of each payment hereunder as to which such withholding is required, and the Borrower shall promptly furnish to the Administrative Agent any other information, documents and receipts that the Administrative Agent or any Lender may from time to time reasonably require to establish to its satisfaction that full and timely payment has been made of all Covered Taxes required to be paid under this Section 5.06 (Covered Taxes).

(e) If the Borrower assumes directly the payment of Covered Taxes or pays an additional amount with respect to this Section 5.06 (Covered Taxes) to the Administrative Agent or any Lender and the Administrative Agent or such Lender receives a refund that, in the sole discretion of such Lender exercised in good faith, is not expected to be revoked, or notice from the relevant competent authority that a previous refund has become irrevocable, in each case, in respect of the Covered Taxes assumed by the Borrower or subject to payment by the Borrower of additional amounts, and such refund is directly and clearly attributable to this Agreement, the Loans, the applicable Note or any other Loan Document, it shall notify the Borrower of the amount of such refund and shall, upon the receipt thereof, return to the Borrower the amount of such refund if and to the extent the Borrower has assumed directly the payment of such Covered Taxes or the Administrative Agent or such Lender has received such additional amounts from the Borrower with regard to such Covered Taxes, net of all reasonable and documented out-of-pocket expenses of the Administrative Agent or such Lender. The Borrower, upon the request of the Administrative Agent or a Lender, shall repay to the Administrative Agent or such Lender the amount paid over pursuant to this clause (e) (plus any penalties, interest or other charges imposed thereon) in the event that the Administrative Agent or such Lender is required to repay such refund to the relevant Governmental Authority. Notwithstanding anything to the contrary in this clause (e), in no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this clause (e) the payment of which would place the relevant Lender or the Administrative Agent in a less favorable net after-Tax position than the Administrative Agent or such Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause (e) shall not be construed to require any Lender or the Administrative Agent to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(f) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement, the Loans, the Notes or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will (i) permit such payments to be made without withholding or at a reduced rate of withholding or (ii) enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements; provided that such Lender shall not be under any obligation to deliver any documentation that, in its reasonable judgment, would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. In addition, each Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

Section 5.07 Mitigation.

(a) If an event or circumstance occurs that would entitle a Lender or the Administrative Agent to exercise any of the rights or benefits afforded by this Article V (Yield Protection, Etc.), such Lender or the Administrative Agent, as the case may be, at the request of the Borrower, shall take all steps as may be reasonably available to eliminate or mitigate the effects of such event or circumstance; provided that such Lender or the Administrative Agent, as applicable, shall use reasonable efforts to obtain any refund available to such Lender or the Administrative Agent only if (a) the Borrower notifies such Lender or the Administrative Agent of such availability and (b) the Borrower promptly provides any information reasonably necessary for obtaining such refund; provided, further, that such Lender or the Administrative Agent, as the case may be, shall not be under any obligation to take any step pursuant to this Section 5.07 (Mitigation) that, in its sole discretion, (i) would subject such Lender or such Administrative Agent, as the case may be, to any unreimbursed costs or taxes or (ii) would otherwise be disadvantageous to such Lender.

Section 5.08 Replacement Lenders.

(a) Provided that no Event of Default or Prospective Default shall have occurred and be continuing, the Borrower may, at any time, replace any Lender (i) that has requested compensation from the Borrower pursuant to Section 5.01 (Additional Costs), (ii) whose Loans are required to be repaid pursuant to Section 5.04 (Illegality), (iii) that has received or would otherwise receive any additional amounts under Section 5.06 (Covered Taxes), (iv) is deemed to be domiciled in any country that is considered a tax haven under the Peruvian Income Tax Act, (v) that has failed, and such failure has continued for two (2) Business Days, to make payment to the Administrative Agent of the proceeds of a Loan to be made by such Lender hereunder after satisfaction of all conditions precedent to such Loan or (vi) that has, or has a direct or indirect parent company that has, (A) become the subject of a Proceeding, (B) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (C) become the subject of a Bail-In Action (any such Lender being herein called an "Affected Lender"), by giving not less than ten (10) Business Days' prior notice to the Administrative Agent (which shall promptly notify such Affected Lender and each other Lender), that it intends to replace such Affected Lender with one or more replacement lenders (including any other Lender under this Agreement) selected by the Borrower and acceptable to the Administrative Agent; provided that (A) if the replacement lender shall have requested compensation pursuant to this Article V (Yield Protection, Etc.), such compensation shall in the aggregate be lower than that of the Affected Lender for such Loans and (B) the assignment by such Affected Lender to each replacement lender shall be in accordance with Applicable Law and subject to the restrictions contained in, and consents required by, Section 11.08 (Assignments and Participations). At the time of any replacement pursuant to this Section 5.08 (Replacement Lenders), each replacement lender shall enter into an Assignment and Assumption Agreement pursuant to Section 11.08(b) (Assignments and Participations), pursuant to which the replacement lender shall acquire the applicable portion of the outstanding Loans due to the Affected Lender.

(b) Upon the effective date of any replacement pursuant to this Section 5.08 (Replacement Lenders) (and as a condition thereto), the Borrower shall pay to the Affected Lender being replaced any amounts owing to such Affected Lender hereunder (including principal, interest, compensation and additional amounts under this Article V (Yield Protection, Etc.)), in each case, accrued to the effective date of such replacement and any amounts that would be payable under this Section 5.08 (Replacement Lenders) as if all of such Affected Lender's Loans were being prepaid in full on such date), whereupon each replacement lender shall for all purposes of this Agreement become a "Lender" having a Commitment in the amount of such Affected Lender's Commitment assumed by it and holding the Loans acquired by it, and all of such Affected Lender's rights and obligations under this Agreement shall terminate (provided that the obligations of the Borrower under Sections 5.01 (Additional Costs), 5.06 (Covered Taxes), 5.08 (Replacement Lenders), 11.03 (Expenses, Etc.) and 11.04 (Indemnification) to such Affected Lender and the obligations of such Affected Lender under Section 10.05 (Indemnification) to the Administrative Agent shall, in either case, survive such replacement).

(c) Notwithstanding anything to the contrary in this Section 5.08 (Replacement Lenders), a Lender shall not be required to make any such assignment as contemplated in this Section 5.08 (Replacement Lenders) if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment cease to apply.

ARTICLE VI CONDITIONS PRECEDENT

Section 6.01 Conditions to Effectiveness. This Agreement shall become effective on the date that the Administrative Agent shall have received this Agreement and the Fee Letters (the "Effective Date"), in each case, duly executed and delivered by the parties hereto and thereto.

Section 6.02 Conditions to Closing Date. The obligation of each Lender to make its Commitment available shall become effective on the Business Day during the Availability Period on which the following conditions are satisfied or waived each Lender (and, in the case of each document specified in this Section 6.02 (Conditions to Closing Date), such document shall be in form and substance satisfactory to the Administrative Agent and each Lender):

(a) Loan Documents. The Administrative Agent shall have received duly executed and delivered copies of all Loan Documents (other than the Take-Out Engagement Letter, Effectiveness Statements, the minutes and public deeds of the Release Share Pledge Agreements and those Loan Documents executed and delivered in accordance with Section 6.01 (Conditions to Effectiveness))

Section 6.03 Conditions to Borrowing Date. The obligation of each Lender to make its Loans hereunder shall become effective on the Business Day during the Availability Period on which the following conditions shall be satisfied or waived by each Lender (and, in the case of each document specified in this Section 6.03 (Conditions to Borrowing Date), such document shall be in form and substance satisfactory to the Administrative Agent and each Lender) (the "Borrowing Date"), and the Administrative Agent shall give notice of the satisfaction or waiver of the conditions set forth in this Section 6.03 (Conditions to Borrowing Date) to the Lenders and the Borrower (and with respect to the delivery of such notice, the Administrative Agent shall be entitled to assume that the condition precedent in clause (i) (No Material Adverse Effect) has been fulfilled unless the Administrative Agent has received actual notice to the contrary from the Borrower or a Lender):

(a) Collateral Documents. The Administrative Agent shall have received duly executed and delivered copies of the minutes of the Release Share Pledge Agreements and evidence of filing the Collateral Documents (other than the public deeds of the Release Share Pledge Agreements and the Effectiveness Statements) with the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*).

(b) Convertible Bond Agreement. The Administrative Agent shall have received duly executed and delivered copies of any amendment to the Convertible Bond Agreement and irrevocable conversion letters evidencing the conversion of, or irrevocable commitments in connection with a *Rescate Obligatorio* evidencing the intent to convert, the Convertible Bond into Equity Interests of the Borrower representing a principal amount of the Convertible Bond of at least U.S.\$54,000,000, in form and substance satisfactory to the Lenders. For the avoidance of doubt, the aforementioned irrevocable letters of conversion or irrevocable commitments to convert, as applicable, may be, in turn, conditioned on the fulfillment of the conditions precedent set forth in Section 6.03 (Conditions to Borrowing Date).

(c) Take-Out Engagement Letter. The Borrower shall have executed and delivered to the Managers (as defined in the Take-Out Engagement Letter) a copy of the Take-Out Engagement Letter, in form and substance satisfactory to each Manager (as defined in the Take-Out Engagement Letter).

(d) Plea Agreement. The Administrative Agent shall have received a certificate of the General Manager of the Borrower certifying to the Lenders that the Borrower and its applicable Subsidiaries are complying with the Plea Agreement Obligations.

(e) Financial Statements. The Borrower shall have delivered to the Administrative Agent copies of the audited consolidated financial statements of the Borrower for the fiscal year ended December 31, 2021, and the unaudited consolidated financial statements of the Borrower for the fiscal quarter ended December 31, 2021.

(f) Officer's Certificate. The Borrower shall have delivered to the Administrative Agent a certificate of an Authorized Officer of the Borrower, dated as of the Borrowing Date, in the form of Exhibit G hereto, attaching the documents referred to below and certifying:

(i) that attached to such certificate is a true and complete copy of the bylaws (*estatutos*) of the Borrower and the Material Subsidiaries as in effect on the date of such certificates;

(ii) that attached to such certificate is a true and complete copy of all documents evidencing the corporate authority of the Borrower and the Material Subsidiaries executing the Loan Documents and each other document to be delivered by the Borrower or the Material Subsidiaries in connection therewith on behalf of the Borrower and/or the Material Subsidiaries, including existing authorizations and/or resolutions duly adopted by the shareholders meeting, board of directors or other authorized governing body of the Borrower and the Material Subsidiaries for (A) the approval of the execution, delivery and performance of the Loan Documents and each other document to be delivered by the Borrower and the Material Subsidiaries from time to time in connection herewith or therewith and the transactions contemplated hereby and thereby and (B) authorizing a named person or persons to sign, execute and deliver each such document and any documents to be delivered by it pursuant hereto or thereto, and that such documents are in full force and effect (or, if applicable, certifying that such resolutions are not necessary for such authorization under Applicable Law); and

(iii) as to the incumbency and specimen signature of each Authorized Officer of the Borrower and the Material Subsidiaries executing the Loan Documents and each other document to be delivered by the Borrower or the Material Subsidiaries in connection herewith or therewith on behalf of the Borrower and/or the Material Subsidiaries.

(g) Financial Officer's Certificates. The Administrative Agent shall have received a certificate of the Chief Financial Officer of the Borrower, in the form of Exhibit H hereto, dated as of the Borrowing Date, certifying that:

(i) each of the representations and warranties of the Borrower contained in the Loan Documents is true and correct in all material respects on the Borrowing Date as if made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date); *provided* that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualifications therein) in all respects on such respective dates;

(ii) no Event of Default or Prospective Default has occurred and is continuing on such date or will result from the consummation of the transactions contemplated by this Agreement;

(iii) excluding the Permitted Indebtedness taken after the Effective Date, the outstanding financial Indebtedness of the Borrower and its Subsidiaries (on a Consolidated basis) does not exceed S/1,717,360,000; and, the outstanding commercial Indebtedness of the Borrower and its Subsidiaries (on a Consolidated basis) with suppliers does not exceed S/797,008,000;

(iv) the principal amount of the Loans requested for disbursement on the Borrowing Date in the aggregate shall be greater than the amount of principal, interests (accrued through the Borrowing Date) and break funding costs on the Loan Repaid Indebtedness that would be required to be paid on the Borrowing Date in order to repay in full and discharge the Loan Repaid Indebtedness; and

(v) the insurance coverage of the Borrower is consistent with that of other companies of substantially similar size and scope of operations in the same or substantially similar businesses and otherwise in compliance with the terms of Section 8.16 (Insurance); and that all premiums and other amounts theretofore due and payable thereon have been paid.

(h) Legal Opinions. The Administrative Agent and each Lender shall have received the following legal opinions in English dated as of the Borrowing Date and addressed to the Administrative Agent and each Lender:

(i) the opinion of Estudio Echeopar, a member firm of Baker & McKenzie International, Peruvian counsel to the Borrower, substantially in the form attached hereto as Exhibit D-1 (Part I);

(ii) the opinion of Baker & McKenzie LLP, special New York counsel to the Borrower, substantially in the form attached hereto as Exhibit D-2;

(iii) the opinion of J&A Garrigues Perú S. Civil de R. L., Peruvian counsel to the Joint Lead Arrangers, substantially in the form attached hereto as Exhibit D-3; and

(iv) the opinion of Milbank LLP, special New York counsel to the Joint Lead Arrangers, substantially in the form attached hereto as Exhibit D-4.

(i) No Material Adverse Effect. Since December 31, 2020, no event, condition or circumstance affecting the Borrower or its Subsidiaries shall have occurred that could reasonably be expected to result in a Material Adverse Effect.

(j) Litigation. There shall be no litigation, investigation, arbitration or other proceeding pending or, to the best knowledge of the Borrower or any of its Subsidiaries, threatened, (i) with respect to this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, (ii) challenging or nullifying, or seeking to challenge or nullify or otherwise question the validity or legality of, the Plea Agreement or (iii) that could reasonably be expected to have a Material Adverse Effect.

(k) Approvals. The Administrative Agent shall have received evidence that all necessary and appropriate governmental and third party approvals for the transactions contemplated under this Agreement and the other Loan Documents have been obtained and are in full force and effect.

(l) "Know Your Customer" Requirements. (i) The Lenders and the Agents shall have received, on or prior to the Borrowing Date, all documentation and other information reasonably requested by the Lenders at least five (5) Business Days prior to the Borrowing Date in order to allow such Lenders to comply with applicable "know your customer" rules and regulations and Anti-Money Laundering Laws and (ii) at least five (5) Business Days prior to the Borrowing Date, the Borrower shall have delivered a Beneficial Ownership Certification.

(m) Notes. Each Lender or the Administrative Agent (on behalf of the Lenders) shall have received (i) a duly issued Note representing such Lender's Loan or Loans duly executed by the Borrower and (ii) a Letter of Instructions executed by the Borrower in connection with such Note.

(n) Acceptance and Appointment of Process Agent. The Borrower shall have delivered to the Administrative Agent (i) an executed copy of an acceptance letter substantially in the form attached hereto as Exhibit C, from an agent in the State of New York to receive service of process under this Agreement, and (ii) evidence that the Borrower shall have paid in advance all fees related to such acceptance through the date that is one (1) year after the Maturity Date.

(o) Borrowing Notice. The Borrower shall have delivered to the Administrative Agent a Borrowing Notice in accordance with Section 2.02 (Borrowing).

(p) Payment of Fees. The Borrower shall have paid, or shall have given an irrevocable instruction for the payment of, any amounts then due under Section 2.03 (Fees) and Section 11.03 (Expenses, Etc.) (to the extent invoiced to the Borrower at least three (3) Business Days prior to the Borrowing Date).

ARTICLE VII REPRESENTATIONS AND WARRANTIES

The Borrower represent and warrant to each Lender and the Administrative Agent that, as of each of the Effective Date, the Closing Date and the Borrowing Date:

Section 7.01 Organization and Ownership. The Borrower and each of its Subsidiaries (a) is duly organized, validly existing and in good standing (or equivalent thereof) under the laws of its jurisdiction of organization; and (b) has all requisite corporate power and has all third-party approvals and Governmental Approvals, necessary to own, operate or lease its Properties (except restrictions arising out of any agreement evidencing Existing Indebtedness) and carry on its business as now being or as proposed to be conducted, except where failure to have such governmental approvals or third-party approvals could not reasonably be expected to have a Material Adverse Effect, and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary, except where failure so to qualify could not reasonably be expected to have a Material Adverse Effect.

Section 7.02 Authority. The Borrower has full power and authority to execute and deliver the Loan Documents to which it is a party, and to perform its obligations hereunder and thereunder.

Section 7.03 Binding Agreement. (a) This Agreement and the Fee Letters have been duly authorized, executed and delivered by the Borrower that is a party thereto, and, as of the date of any Note, Letter of Instructions or Collateral Document, such Note, Letter of Instructions or Collateral Document will have been duly authorized, executed and delivered by the Borrower, and (b) each of this Agreement and the Fee Letters constitutes, and each such Note, Letter of Instructions and Collateral Document will constitute, a valid and binding obligation of the Borrower that is a party thereto, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 7.04 Approvals. No authorizations, consents, approvals, licenses, filings, registrations or recordations by or with any Governmental Authority or administrative body of or in Peru or any other third party, and no notarization or other formalities, are required to be obtained or accomplished in connection with the execution, delivery or performance by the Borrower of, or for the validity and enforceability of, any Loan Document in accordance with the terms hereof and thereof, except for such authorizations, consents, approvals, licenses, filings, registrations, recordations, notarizations and other formalities that (a) have already been obtained or accomplished, or (b) are currently not necessary and which are expected to be obtained by the Borrower in the ordinary course by the time they are necessary.

Section 7.05 Conflicts. There is (a) no provision of law, statute, regulation, rule, order, injunction, decree, writ, judgment or arbitral award, (b) no provision of the bylaws (*estatutos*) of the Borrower or any of its Subsidiaries and (c) no provision of any mortgage, indenture, contract or agreement binding on the Borrower or any of its Subsidiaries or affecting their properties (other than that relating to Existing Indebtedness) that would prohibit, conflict with, be breached by or in any way prevent the execution, delivery or performance of the terms of any Loan Document. The execution and delivery by the Borrower of the Loan Documents, and the performance by the Borrower of its obligations thereunder, will not result in the imposition of any Lien on any assets of the Borrower or any of its Subsidiaries.

Section 7.06 Litigation. Except as set forth on Schedule 7.06, as of the date of this Agreement, there is no action, suit or proceeding pending or, to the Borrower's Knowledge, threatened against or affecting the Borrower or any of its Subsidiaries or properties in any court, before or by any Governmental Authority or before any arbitrator, and no existing default by the Borrower or any of its Subsidiaries under any applicable order, writ, injunction or decree of any court, Governmental Authority or arbitrator, in each case that (a) could reasonably be expected to have a Material Adverse Effect, (b) involve amounts claimed against the Borrower or any of its Subsidiaries equal to or in excess of U.S.\$1,000,000, or (c) purports to affect the legality, validity, binding effect or enforceability of any Loan Document or the consummation of the transactions contemplated hereby or thereby.

Section 7.07 Compliance with Laws. Except as set forth on Schedule 7.07:

(a) The Borrower and each of its Subsidiaries are, and have been within the past five (5) years, in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions in all respects.

(b) The Borrower and each of its Subsidiaries are in compliance with Applicable Laws (other than Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions), except for any non-compliance that could not reasonably be expected to have a Material Adverse Effect.

(c) None of the Borrower or any of its Subsidiaries, or any of the respective directors, officers or, to the Borrower's Knowledge, Affiliates, agents or employees of any of the Borrower or any of its Subsidiaries (i) has taken any action, directly or indirectly, that would constitute a violation by any of the Borrower or any of its Affiliates of any applicable Anti-Corruption Laws, the FCPA or the U.K. Bribery Act 2010 or (ii) is, or has been within the past five (5) years, subject to any action, proceeding, litigation, claim or investigation with regard to any actual or alleged violation by any of the Borrower or any of its Affiliates of applicable Anti-Corruption Laws, the FCPA or the U.K. Bribery Act 2010. The Borrower and its Subsidiaries have implemented, and maintain and enforce, policies and procedures designed to promote, achieve and ensure continued compliance by the Borrower and its Subsidiaries with applicable Anti-Corruption Laws.

(d) The Borrower and its Subsidiaries are, and have been for the past five (5) years, conducting their businesses in compliance with applicable Anti-Money Laundering Laws and have implemented, and maintain and enforce, policies and procedures designed to promote, achieve and ensure continued compliance by the Borrower and its Subsidiaries with applicable Anti-Money Laundering Laws. None of the Borrower or any of its Subsidiaries, or any of the respective directors, officers or, to the Borrower's Knowledge, Affiliates, agents or employees of any of the Borrower or any of its Subsidiaries, is or has been within the past five (5) years the subject of any action, proceeding, litigation, claim or investigation with regard to any actual or alleged violation by any of the Borrower or any of its Affiliates of any applicable Anti-Money Laundering Laws.

Section 7.08 Disclosure.

(a) The Borrower has heretofore furnished the Lenders (i) its consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows as of and for the fiscal year ended December 31, 2021, reported on by Vizcarra y Asociados S.C.R.L. and Moore Stephens SCAI S.A., independent public accountants and (ii) its consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows as of and for the fiscal quarter ended December 31, 2021. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower as of such date and for such period in accordance with IFRS, except as disclosed in the Borrower's "Investor Relations" website or in the most recent version of SEC Form 20-F that has been filed with the Securities and Exchange Commission of the United States of America, unaudited financial statements referred to above, subject to year-end adjustments and the absence of footnotes.

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects as of the date of this Agreement.

Section 7.09 Security Interest. The Collateral Documents provide, or upon application of the proceeds of the Loans to repay any Indebtedness secured thereby, the execution of the public deeds of the Release Share Pledge Agreements and Effectiveness Statements and the registry of such applicable releases in the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*), will provide, the Collateral Agent (on behalf of the Secured Parties) with effective, valid, legally binding and enforceable first priority (as to the Liens created by the Cash Flow Trust Agreement, the Repayment Trust Agreement and the Share Pledge Agreement) and second priority (as to the Lien created by the Asset Trust Agreement) Liens on all of the Collateral. The Cash Flow Trust Agreement, Asset Trust Agreement and Repayment Trust Agreement create, or upon the execution of the Effectiveness Statements will create, an estate separate (*patrimonio autónomo*) from the Borrower, which is bankruptcy-remote pursuant to Applicable Law. The Collateral Agent's security interests described above will be, upon execution of the Effectiveness Statements and the public deeds of the Release Share Pledge Agreements and the registry of such applicable releases in the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*), superior and prior to the rights of all third Persons now existing or hereafter arising whether by way of Lien, assignment or otherwise (other than the Liens created pursuant to the Existing Syndicated Facilities with regards to the Asset Trust Agreement). All necessary action (including as described in Section 7.04 (Approvals) and the execution of the Release Share Pledge Agreements subject to the condition of effectiveness included therein) will have been taken as of the Borrowing Date under the Applicable Laws, to release and discharge the Liens over the collateral securing the Repaid Indebtedness and, upon the execution of the Effectiveness Statements and the public deeds of the Release Share Pledge Agreements and the registry of such applicable releases in the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*), establish and perfect the first priority (as to the Liens created by the Cash Flow Trust Agreement, the Repayment Trust Agreement and the Share Pledge Agreement) and second priority (as to the Lien created by the Assets Trust Agreement) Liens of the Collateral Agent (on behalf of the Secured Parties) in and to the Collateral under the respective Applicable Law. None of the Borrower or any of its Subsidiaries is required to provide an equal and ratable Lien on the Collateral to any third party in connection with the transactions contemplated by the Loan Documents.

Section 7.10 No Default. No Prospective Default or Event of Default has occurred and is continuing.

Section 7.11 Taxes. The Borrower and its Subsidiaries have filed or caused to be filed all material tax returns required by Applicable Law to be filed by it, and has paid all material taxes shown to be due and payable on such returns, or on any assessments made against it or any of its properties, and all other material taxes, assessments, fees, liabilities or other charges imposed on it or on its properties by any Governmental Authority except for any such amounts payment of which is being contested in good faith and by appropriate proceedings and for which adequate reserves are being maintained. There are no disputes pending or, to the Borrower's Knowledge, threatened, between the Borrower or any of its Subsidiaries, on the one hand, and any governmental taxing authority, on the other hand, that could reasonably be expected to have a Material Adverse Effect.

Section 7.12 Ranking. The Loans are senior, unconditional and unsubordinated general obligations of the Borrower, and rank and will at all times rank in right of payment and otherwise, at least *pari passu* with all other senior unsubordinated Indebtedness of the Borrower, whether now existing or hereafter outstanding, except for (i) Indebtedness of the Borrower having priority solely by operation of Peruvian Applicable Laws, (ii) the Bond Repaid Indebtedness which will be repaid with the proceeds of the Loans, and (iii) Indebtedness outstanding under the Existing Syndicated Facilities secured by the Asset Trust Agreement.

Section 7.13 Use of Proceeds. The proceeds of the Loans shall only be used for the purposes set forth in Section 2.06 (Use of Proceeds). No part of the proceeds of any Loan has been used, whether directly or indirectly, for any purpose that entails a violation of the Regulations of the Board, including (a) Regulation T, Regulation U and Regulation X and (b) the requirement (specified in Regulation D) that the proceeds of Loans be used solely to finance the operations of the Borrower and its Subsidiaries outside the United States.

Section 7.14 No Immunity. Neither the Borrower nor any of its Material Subsidiaries or properties is entitled to any right of immunity in any jurisdiction from suit, court jurisdiction, judgment, attachment (whether before or after judgment), set-off or execution of a judgment or from any other legal process or remedy under the laws of the United States, Peru or any other relevant jurisdiction in respect of the Borrower's obligations under the Loan Documents. The Borrower is subject to civil and commercial law with respect to its obligations under the Loan Documents, and the execution, delivery and performance by the Borrower of the Loan Documents constitute private and commercial acts (*jure gestionis acts*) rather than public or governmental acts (*jure imperii acts*).

Section 7.15 Status. The Borrower is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) a "covered fund" under the rules promulgated under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Section 7.16 Sanctions. Except as set forth in Schedule 7.16, neither the Borrower nor any of its Subsidiaries, or any of the respective directors, officers or, to the Borrower's Knowledge, Affiliates, agents or employees of the Borrower or any of its Subsidiaries, (a) is a Sanctioned Person, (b) has engaged, directly or indirectly, in any dealings or transactions with, involving or for the benefit of a Sanctioned Person, or in, involving or for the benefit of any Sanctioned Jurisdiction, in each case, in a manner that would constitute or give rise to a violation of Sanctions by any of the Borrower or any of its Affiliates or any other party hereto, including any Joint Lead Arranger, Agent or Lender or (c) has been within the past five (5) years the subject of any action, proceeding, litigation, claim or investigation with regard to any actual or alleged violation of any applicable Sanctions. Except as set forth in Schedule 7.16, the Borrower and its Subsidiaries are, and have been for the past five (5) years, conducting their businesses in compliance with applicable Sanctions and have implemented, and maintain and enforce, policies and procedures designed to promote, achieve and ensure continued compliance by the Borrower and its Subsidiaries with applicable Sanctions.

Section 7.17 Subsidiaries. Except as set forth on Schedule 7.17, on and as of the date of this Agreement the Borrower has no Subsidiaries.

Section 7.18 Existing Debt. As of the date of this Agreement, neither the Borrower nor any of its Material Subsidiaries has any Indebtedness other than the Indebtedness set forth on Schedule 7.18 hereto.

Section 7.19 Environmental Matters. Except as set forth on Schedule 7.19, as of the date of this Agreement:

(a) the Borrower and its Material Subsidiaries are in compliance in all material respects with all applicable Environmental Laws;

(b) there are no actions, suits or proceedings pending or, to the Borrower's Knowledge, threatened against or affecting the Borrower or any of its Material Subsidiaries by or before any Governmental Authority with respect to any violation of Environmental Laws, any environmental or social incident or any Release of, or exposure to, any Hazardous Materials; and

(c) no Release or threatened Release of Hazardous Materials has occurred at any Property for which the Borrower or any of its Material Subsidiaries could reasonably be expected to be required to conduct any cleanup or other response action pursuant to applicable Environmental Law that could reasonably be expected to have a Material Adverse Effect.

Section 7.20 Legal Form: Choice of Law.

(a) Each of the Loan Documents is in proper legal form under the laws of Peru for the enforcement thereof against the Borrower in accordance with their respective terms; provided that, in the event of enforcement of a foreign judgment in the courts of Peru in connection with the Loan Documents (other than the Notes, the Letters of Instruction and the Collateral Documents), the following requirements are met: (i) the judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (it being understood that matters governed by the Loan Documents (excluding the Notes, the Letters of Instruction and the Collateral Documents) are not matters under the exclusive jurisdiction of the Peruvian courts), (ii) the court rendering such judgment had jurisdiction under its own conflicts of law rules and under general principles of international procedural jurisdiction, (iii) service of process was effected in accordance with the laws of the jurisdiction in which the proceeding took place and a reasonable opportunity to appear before such foreign court and due process rights were granted, (iv) the foreign judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment, (v) there is no pending litigation in Peru between the same parties and for the same cause of action initiated before the commencement of the proceeding that concluded with the foreign judgment in respect of which enforcement is being requested, (vi) the foreign judgment is not incompatible with another foreign judgment that fulfills the requirements of recognition and enforceability established by the laws of Peru unless such foreign judgment was rendered first, (vii) the foreign judgment is not contrary to public order (*orden público*) or good morals (*buenas costumbres*) of Peru, (viii) the foreign judgment was not rendered by a court in a country that denies enforcement of judgments of Peru or engages in a review of their merits, (ix) the foreign judgment is (A)(1) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are party to the Hague Apostille Convention and have not opposed Peru's accession thereto, or (2) certified by Peruvian consular authorities, in case of jurisdictions that are not party to the Hague Apostille Convention or have opposed Peru's accession thereto, and (B) accompanied by a certified and officially translated copy of such judgment into Spanish by a Peruvian certified translator, (x) an exequatur proceeding under Peruvian law for the recognition and enforcement of the foreign judgment is followed; and (xi) applicable court taxes and fees have been paid.

(b) Each Note, when duly executed, delivered, completed and if applicable, subject to the corresponding “*protesto*” in accordance with the terms of its corresponding Letter of Instructions, will constitute a *titulo ejecutivo* under the laws of Peru.

(c) The choice of the laws of the State of New York as the governing law of the Loan Documents (other than the Notes, the Letters of Instruction and the Collateral Documents) is a valid choice of law under the laws of Peru, except for the limitations of (i) Article 2049 of the Peruvian Civil Code, according to which provisions of foreign law shall be excluded if they are incompatible with international public policy (*orden público internacional*) or good morals (*buenas costumbres*); (ii) Article 2088 of the Peruvian Civil Code, according to which the creation, content or extinction of rights on tangible assets located in Peru is governed by Peruvian law; and (iii) Article 2.1 of the Peruvian Law 27809, according to which any insolvency, bankruptcy, moratorium, fraudulent conveyance or transfer involving entities domiciled in Peru shall be governed by Peruvian law, and there is no reason why any action in the courts of Peru would not give effect to such choice of law, except for Article 2060 of the Peruvian Civil Code, which provides that the submission to a foreign jurisdiction is enforceable in Peru so long as (A) no exclusive Peruvian jurisdiction matters are at stake (i.e., actions related to in rem rights over tangible assets located in Peru as established in Article 2058 paragraph 1 of the Peruvian Civil Code), (B) no abuse of law (*abuso de derecho*) is involved, and (C) it is not contrary to public order (*orden público*) or good morals (*buenas costumbres*). The Borrower has no reason to believe that the execution, delivery and performance by them of their obligations under the Loan Documents would be contrary to public order, international public policy or good morals.

Section 7.21 No Material Adverse Effect. Between December 31, 2020 and the Borrowing Date, no event, condition or circumstance affecting the Borrower or any of its Subsidiaries has occurred that, individually or in the aggregate, if determined adversely to the Borrower or any of its Subsidiaries, would reasonably be expected to result in a Material Adverse Effect.

Section 7.22 No Bankruptcy. (a) Neither the Borrower nor any of its Subsidiaries has commenced or has taken any corporate action to commence a Proceeding in respect of itself, (b) to the Borrower’s Knowledge, no third party has commenced any Proceeding in respect of the Borrower or any of its Material Subsidiaries (other than Cumbra Perú); (c) to the Borrower’s Knowledge, no third party has commenced any Proceeding in respect of Cumbra Perú that, individually or in the aggregate, involve unpaid amounts claimed against Cumbra Perú in excess of U.S.\$2,000,000; and (d) to the Borrower’s Knowledge, no receiver or trustee or other officer or representative of a court or of creditors has been appointed with respect to the Borrower or any of its Material Subsidiaries.

Section 7.23 Labor Matters.

(a) The Borrower and its Subsidiaries are in compliance with the laws, rules, regulations and orders of Peru that (i) protect core labor standards or (ii) are in respect of pensions, except, in each case, as could not reasonably be expected to have a Material Adverse Effect; and

(b) The Borrower is not using Harmful Child Labor or Forced Labor.

(c) There are no material strikes, work stoppages, slowdowns, lockouts or other material labor disputes pending or threatened against or involving the Borrower or its Material Subsidiaries.

(d) There are no material grievances, complaints or arbitrations pending, or, to the Borrower's Knowledge, threatened, against or involving the Borrower or its Material Subsidiaries, nor are there any material arbitrations or grievances threatened involving the Borrower or its Material Subsidiaries.

(e) There is no material collective bargaining agreement covering any employee or pensioner of the Borrower or its Material Subsidiaries.

(f) No material unfunded liabilities, determined on the basis of actuarial assumptions which are reasonable under applicable law, exist under any pension plan of the Borrower or its Subsidiaries.

Section 7.24 Insurance. Schedule 7.24 hereto sets forth a true, complete and correct description of all insurance maintained by the Borrower relating to its Property as of the date hereof and the Borrowing Date. As of each such date, such insurance is in full force and effect and all premiums have been duly paid. The Borrower and each of its Material Subsidiaries maintains with financially sound and reputable insurance companies not Affiliates thereof, insurance with respect to its Properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business in similar localities where the Borrower or the applicable Material Subsidiary maintain their substantive places of operation, of such types and in such amount as are customarily carried under similar circumstances by such other Persons.

Section 7.25 Title to Property; Liens. Except for Permitted Encumbrances and other Liens permitted under Section 8.09 (Limitation on Liens and Encumbrances), the Borrower and its Material Subsidiaries: (a) has good and marketable title to all of its Property (including the Collateral pledged by means of the Collateral Documents) purported to be owned by it, free and clear of all Liens, and holds such title and all of such Property in its own name and not in the name of any nominee or other Person, (b) is lawfully possessed of a valid and subsisting leasehold estate in and to all Property that it purports to lease, and holds such leaseholds in its own name and not in the name of any nominee or other Person, (c) except as arising or permitted under the Loan Documents, has not created and is not contractually bound to create any Lien on or with respect to any of its Properties and (d) except under the Loan Documents, is not restricted by its Organizational Documents, contract, Applicable Law or otherwise from creating Liens on any of the Collateral. Except as set forth in Schedule 7.25 hereto, as of the date of this Agreement and the Borrowing Date there are no Permitted Encumbrances securing payments, individually or in the aggregate, by the Borrower (or any of its Material Subsidiaries) in excess of U.S.\$1,000,000.

Section 7.26 Solvency. Immediately prior to and after the consummation of the transactions contemplated by the Loan Documents on the Borrowing Date and immediately prior to and following the making of each Loan and after giving effect to the application of the proceeds of each Loan, the Borrower is and will be Solvent.

Section 7.27 Intellectual Property. Except for matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each of the Borrower and its Subsidiaries owns, or is licensed to use, all material trademarks, trade names, copyrights, patents and other intellectual property necessary for the conduct of its business as presently conducted, and, to the knowledge of the Borrower, the use thereof by such party does not infringe upon the rights of any other Person.

Section 7.28 Federal Regulations. (a) The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock and (b) no part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for the purpose of buying or carrying Margin Stock within the meaning of Regulation U or for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulations T, U or X.

Section 7.29 Availability and Transfer of Foreign Currency. No foreign exchange control approvals or other authorizations are required to ensure the availability of Dollars to enable the Borrower to perform all of its obligations under the Loan Documents. Other than restrictions set forth pursuant to the Peruvian Civil Reparation Payment Acts, no other restriction or requirement limits the availability to, or transfer of foreign exchange by, the Borrower to make any payments required to be made by it under any Loan Document.

ARTICLE VIII COVENANTS

The Borrower agrees that, from and after the Effective Date and until all Commitments have been terminated and the principal of and interest on the Loans and all other amounts (other than contingent amounts for which no claim has been made) payable by it under the Loan Documents have been paid in full, the Borrower shall observe and perform, and when applicable cause each of its Subsidiaries to observe and perform, each of the covenants set forth below:

Section 8.01 Maintenance of Existence.

(a) Except as provided in this Article VIII (Covenants), subject to the requirements of Applicable Law, the Borrower shall do all things necessary to maintain itself and its Subsidiaries in existence as a *sociedad anónima* or any other form of business organization permitted under the Applicable Law.

(b) Except as provided in this Article VIII (Covenants), the Borrower shall not, and shall procure that none of its Subsidiaries (other than such Subsidiaries listed on Schedule 8.01(b)) shall:

- (i) dissolve, liquidate, merge or consolidate with or into another Person; or
- (ii) sell, transfer, license, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of their assets to or in favor of any Person.

(c) Except as otherwise permitted by Section 8.14 (Line of Business), the Borrower shall not, and shall ensure that each of its Subsidiaries (other than such Subsidiaries listed on Schedule 8.01(b)) shall not, change the purpose or nature of its business.

Section 8.02 Reporting Requirements. The Borrower shall furnish to the Administrative Agent (for delivery to each Lender):

(a) Quarterly. Within sixty (60) days after the end of each of the first three fiscal quarters of the Borrower, unaudited consolidated statements of financial position of the Borrower and its Subsidiaries as of the close of such quarterly period, unaudited consolidated statements of profit or loss and unaudited consolidated statements of cash flows from the beginning of such quarterly period to the close of such quarterly period. Such financial statements shall be in English and shall be accompanied by a certificate of the Chief Financial Officer of the Borrower certifying that (except as may otherwise be noted in such certificate) such financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Borrower and its Subsidiaries in conformity with IFRS applied on a basis consistent with that of the most recent audited consolidated financial statements, subject to normal year-end audit adjustments and the absence of footnotes.

(b) Annual. Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, audited consolidated financial statements of the Borrower and its Subsidiaries consisting of consolidated statements of financial position as of the end of such fiscal year and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for such fiscal year, including the notes thereto, in each case, for such fiscal year, prepared in accordance with IFRS, containing any applicable notes and audited and accompanied by a report and opinion of independent public accountants of recognized international standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any “going concern” or like qualification or exception (other than resulting from (x) impending debt maturities or (y) any prospective or actual breach of any financial covenant) or any qualification or exception as to the scope of such audit. Such financial statements shall be in English.

(c) Financial Covenants: No Default. Concurrently with any delivery of financial statements under clause (a) or (b) of this Section 8.02 (Reporting Requirements), a certificate of the Chief Financial Officer of the Borrower (i) certifying as to whether an Event of Default or Prospective Default has occurred during the applicable period and is continuing and specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance as of the end of each quarterly period of the Borrower with Section 8.12 (Certain Financial Covenants) and (iii) stating whether any change in IFRS or in the application thereof has occurred since the date of the most recent audited financial statements referred to in clause (b) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

Reports and financial statements required to be delivered by the Borrower pursuant to this Section 8.02 (Reporting Requirements) shall be deemed to have been delivered on the date on which the Borrower provides notice to the Administrative Agent that such reports or financial statements, or other documents containing such reports or such financial statements, are posted on the Internet at the website of any of the Permitted Holders or of the Borrower, at the Borrower’s “Investor Relations” website, in the most recent version of SEC Form 20-F that have been filed with the Securities and Exchange Commission of the United States of America, or at such other website identified by the Borrower in such notice to the Administrative Agent and that is accessible by the Lenders without charge.

(d) Existing Syndicated Facilities and Asset Trust Agreement. The Borrower shall promptly provide copies to the Administrative Agent (for delivery to each Lender) upon receipt from, or delivery to, the Onshore Trustee, acting as senior administrative agent and/or senior collateral agent on behalf of the Existing Syndicated Facilities, or the lenders or surety entities of the Existing Syndicated Facilities, of any material notices, waivers, approvals, waiver requests, authorizations or other relevant information under the Existing Facilities and/or the Asset Trust Agreement, including, but not limited to any notice of default (*notificación de incumplimiento*), notice of acceleration (*notificación de aceleración*), notice of foreclosure (*notificación de ejecución*), notice of ownership of economic rights (*comunicación de titularidad de derechos económicos*) or similar, as well as all notices delivered to or from the Onshore Trustee, acting as senior administrative agent and/or senior collateral agent on behalf of the Existing Syndicated Facilities, or the lenders or surety entities of the Existing Syndicated Facilities in connection to the acceleration of the Existing Syndicated Facilities or foreclosure of the Asset Trust Agreement, attaching copies of such material notices, waivers, approvals, waiver requests or authorizations or other relevant information thereto.

Section 8.03 Compliance with Laws. The Borrower shall, and shall cause each of its Subsidiaries to, comply with all Applicable Laws (including, but not limited to, all applicable Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions and Environmental Laws):

(a) Except (a) in the case of any Applicable Laws (other than Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions, which shall be subject to Section 8.03(c) (Compliance with Laws) below) to the extent that (i) the necessity for compliance is being contested in good faith and by appropriate proceedings and for which adequate reserves are being maintained, or (ii) non-compliance could not reasonably be expected to have a Material Adverse Effect.

(b) With respect to any applicable Environmental Laws and Environmental Permits; comply in all material respects with such Environmental Laws and obtain and renew all Environmental Permits necessary for the operation of each of their respective businesses; and, to the extent required, conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary, under applicable Environmental Laws to remove and clean up Hazardous Materials in material compliance with the requirements of all Environmental Laws; *provided, however*, that the Borrower shall not be required to, or to cause any of its Subsidiaries to, undertake any such clean-up, removal, remedial action or other action to the extent that its obligation to do so is being contested in good faith and by appropriate proceedings and for which adequate reserves are being maintained.

(c) With respect to applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions, comply in all respects. The Borrower shall maintain in effect policies and procedures designed to promote, achieve and ensure continued compliance by the Borrower, its Subsidiaries, and their respective directors, officers, employees and agents with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(d) Labor. The Borrower shall, and shall cause its Subsidiaries to, comply with all Applicable Law related to labor, employment, social security and pension obligations, except, in each case, as could not reasonably be expected to have a Material Adverse Effect; and

(e) The Borrower shall not, and shall cause its Subsidiaries not to, use Harmful Child Labor or Forced Labor, breach in any material respect any collective bargaining agreements or have any material unfunded liabilities required to be funded under Applicable Law.

Section 8.04 Taxes. The Borrower shall, and shall cause each of its Subsidiaries to, pay and discharge, before the same shall become delinquent, all material Taxes (including any stamp tax on or in respect of this Agreement), assessments and governmental charges or levies lawfully imposed on it or its property (including interest and penalties) unless such Taxes, assessments, charges or levies shall be contested in good faith and by appropriate proceedings and adequate reserves are maintained with respect thereto.

Section 8.05 Ranking. The Borrower shall ensure that the Loans will at all times be direct and unconditional general obligations of the Borrower, ranking in right of payment and otherwise at least *pari passu* with all other secured and unsubordinated Indebtedness of the Borrower, whether now existing or hereafter outstanding, except for Indebtedness of the Borrower having priority solely by operation of Applicable Law.

Section 8.06 Access. Upon the request of the Administrative Agent on behalf of any Lender, the Borrower shall, and shall cause each of its Material Subsidiaries to, permit representatives of the Administrative Agent and each Lender to visit and inspect any of their properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their affairs, finances and accounts with its officers and independent public accountants (*provided* that a representative of the Borrower or such Material Subsidiary shall be entitled to attend any such meetings with such independent public accountants), in each case (a) during normal business hours at such reasonable times as are mutually agreed between the Administrative Agent and the Borrower, (b) following reasonable prior notice, (c) in a manner that does not unreasonably disrupt the operation of the business of the Borrower or such Material Subsidiary, (d) subject to the confidentiality provisions set forth in Section 11.18 (Confidentiality) and (e) at the expense and risk of the Administrative Agent (acting on behalf of the Lenders); *provided* that, (i) unless an Event of Default has occurred and is continuing, (A) the Lenders and the Administrative Agent shall have the right to exercise such access rights no more than twice per fiscal year of the Borrower and only to the extent they do so at the same time and (B) no more than a total of ten (10) representatives in aggregate for the Administrative Agent and all Lenders, taken as a whole, shall be entitled to attend any such visit or inspection and (ii) if an Event of Default has occurred and is continuing, (A) the Administrative Agent shall be required to give prior notice but shall not be required to make any request prior to any such visit and (B) any such visit shall be at the expense of the Borrower; *provided, further*, that, notwithstanding anything to the contrary herein, neither the Borrower nor any Material Subsidiary shall be required to disclose, permit the inspection, examination or making of copies of or taking abstracts from, or discuss any document, information or other matter (w) that constitutes non-financial trade secrets or non-financial proprietary information of the Borrower and its Material Subsidiaries and/or any of its customers and/or suppliers, (x) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives or agents) is prohibited by Applicable Law, (y) that is subject to attorney-client or similar privilege or (z) in respect of which the Borrower or any Material Subsidiary owes confidentiality obligations to any third party (so long as such obligations were not incurred in contemplation of preventing such disclosure, inspection, examination or copying hereunder, and it being understood that (A) the Borrower or any such Material Subsidiary shall inform the Administrative Agent of the existence and nature of the confidential records, documents or other information not being provided and, (B) following a reasonable request from the Administrative Agent, use commercially reasonable efforts to request consent from an applicable contractual counterparty to disclose such information (but shall not be required to incur any cost or expense or pay any consideration of any type to such party in order to obtain such consent)).

Section 8.07 Books and Records. The Borrower shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to their business and activities in conformity with IFRS.

Section 8.08 Maintenance of Approvals. The Borrower shall, and shall cause each of its Subsidiaries to, keep and maintain in full force and effect all licenses, approvals, permits, contracts and rights necessary at any given time (i) for the operation of their business, and (ii) to comply with their obligations under the Loan Documents; unless the failure to maintain such licenses, approvals, permits, contracts or rights in full force and effect, could not reasonably be expected to have a Material Adverse Effect.

Section 8.09 Limitation on Liens and Encumbrances. The Borrower shall not, and shall procure that none of its Subsidiaries shall, create, assume, incur or suffer to exist any Lien upon or in, any of its property (including real property and Equity Interests held by the Borrower or its Subsidiaries), assets or contractual rights, whether now owned or hereafter acquired, except:

- (a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances; and

(c) Liens existing on the date hereof (other than Liens on Collateral so long as such Liens are terminated and released in full in accordance with Section 8.19(a) (Further Assurances; Release of Existing Liens; Security Filings) and listed on Schedule 7.25 and any renewals or extensions thereof; *provided* that: (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary thereof and (ii) such Lien shall secure only those obligations which it secures on the date hereof and refinancings, refundings, renewals or extensions thereof that do not increase the outstanding principal amount thereof.

Section 8.10 Restricted Payments. The Borrower shall not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment unless no Event of Default or Prospective Default has occurred and is continuing or would result from the making of such Restricted Payment.

Section 8.11 Notice of Extraordinary Events; Other Information.

(a) The Borrower shall promptly notify the Administrative Agent (for delivery to each Lender) upon its discovery of the occurrence of:

(i) any Event of Default or Prospective Default;

(ii) any Change of Control;

(iii) any litigation, arbitration or administrative or similar governmental proceeding that is instituted or threatened against the Borrower or any of its Subsidiaries or any of their respective assets, in each case that could reasonably be expected to result in a Material Adverse Effect;

(iv) any non-compliance by the Borrower or any of its Subsidiaries with any Environmental Law in a manner that could reasonably be expected to have a Material Adverse Effect; and

(v) any other development, event or circumstance that could reasonably be expected to have a Material Adverse Effect;

in each case describing the nature thereof and the action the Borrower proposes to take with respect thereto.

(b) If an Event of Default has occurred and is continuing, the Borrower shall promptly provide the Administrative Agent or such requesting Lender with any and all documentation or information reasonably requested by the Administrative Agent or any Lender with respect to the Borrower, any of its Subsidiaries or any of their respective properties.

Section 8.12 Certain Financial Covenants. Commencing as of the last day of the Borrower's first full fiscal quarter following the Borrowing Date:

(a) Consolidated Leverage Ratio. The Borrower shall not permit the Consolidated Leverage Ratio during any period of four (4) consecutive fiscal quarters to be greater than 3.50x.

(b) Consolidated Interest Coverage Ratio. The Borrower shall not permit its Consolidated Interest Coverage Ratio during any period of four (4) consecutive fiscal quarters to fall below 1.4x for the first six (6) months after the Borrowing Date, and 1.7x thereafter.

(c) Minimum Debt Service Ratio. The Borrower shall not permit the Minimum Debt Service Ratio to be less than (i) on any Interest Payment Date falling prior to the date that is six (6) months after the Effective Date, 1.2x, and (ii) thereafter, 1.4x.

Section 8.13 Permitted Hedging Instruments. The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into any currency swap arrangements, interest rate swaps, options contracts, future contracts, options on futures contracts, caps, floors, collars or other hedging arrangements except for Permitted Hedging Instruments.

Section 8.14 Line of Business. The Borrower shall not, and shall not permit any of its Subsidiaries to, engage in any business other than Permitted Business.

Section 8.15 Beneficial Ownership. Promptly upon the Borrower's Knowledge of any material change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification, the Borrower shall deliver a revised Beneficial Ownership Certification to the Lenders and the Administrative Agent.

Section 8.16 Insurance. The Borrower will, and will cause each Material Subsidiary to, maintain with financially sound and reputable insurance companies not Affiliates thereof, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business in similar localities where the Borrower or the applicable Material Subsidiary maintain their substantive places of operation, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons. The Borrower shall, and shall cause each of its Subsidiaries to, with respect to any assets or properties constituting Collateral, maintain the Lenders as additional preferable loss payees of the insurance policies covering such assets or properties and provide for not less than thirty (30) days' prior notice to the Administrative Agent of termination, lapse or cancellation of such insurance.

Section 8.17 Use of Proceeds.

(a) The Borrower shall use the proceeds of the Loans solely in accordance with Section 2.06 (Use of Proceeds).

(b) The Borrower shall not use, directly or indirectly, any part of any proceeds of any Loan or lend, contribute, or otherwise make available such proceeds, and shall not permit any of its Subsidiaries, or any of the respective directors, officers, employees, Affiliates or agents of the Borrower or any of its Subsidiaries, directly or indirectly, to use any part of any proceeds of any Loan or lend, contribute, or otherwise make available such proceeds, in each case, (i) to fund, finance or facilitate any activities or business of, with, involving or for the benefit of any Sanctioned Person, (ii) to fund, finance or facilitate any activities or business of, in, involving or for the benefit of any Sanctioned Jurisdiction, (iii) in any manner that would constitute or give rise to a violation by any party hereto, including any Joint Lead Arranger, Agent or Lender, of any Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws.

(c) The Borrower shall, to the extent permitted by Applicable Law, promptly notify the Lenders in the event that the Borrower or any of its Affiliates receives written notice that the Borrower or any of its Affiliates, or any of the respective directors, officers, employees or agents of any of the Borrower or any of its Affiliates, has become the subject of any action, proceeding, litigation, claim or investigation with regards to any actual or alleged violation of Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws.

Section 8.18 Transactions with Affiliates. The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into any material transaction of any kind with any Affiliate of the Borrower (other than the Borrower or a Material Subsidiary of the Borrower), whether or not in the ordinary course of business, other than on fair and reasonable terms not materially less favorable to the Borrower or such Material Subsidiary than would be obtainable by the Borrower or such Material Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; *provided* that the foregoing restriction shall not (a) restrict dividends or distributions by the Borrower or any of its Material Subsidiaries to the respective holders of their Equity Interests or any other transaction permitted by Section 8.10 (Restricted Payments) or the incurrence of any Subordinated Debt that is subject to a Subordination Terms Letter, or (b) apply to transactions that are necessary or required under Applicable Law or by any Governmental Authority.

Section 8.19 Further Assurances; Release of Existing Liens; Security Filings. The Borrower shall: (A) within no more than one (1) Business Day following the Repayment Date (as such date may be extended in accordance with Section 3.05(d) (Repayment Trust Agreement)),

(a) cause the lenders under the Cumbra Loan to (i) instruct La Fiduciaria S.A. to execute the Effectiveness Statements in accordance with the applicable Collateral Documents, (ii) execute the public deed of the Release Share Pledge Agreement, and (iii) deliver a copy to the Administrative Agent and file such Effectiveness Statements and the public deed of the Release Share Pledge Agreement before the corresponding registry of the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*).

(b) cause the Convertible Bond Indenture Trustee to (i) instruct La Fiduciaria S.A. to execute the Effectiveness Statements in accordance with the applicable Collateral Documents, (ii) execute the public deed of the Release Share Pledge Agreement, and (iii) deliver a copy to the Administrative Agent and file such Effectiveness Statements and the public deed of the Release Share Pledge Agreement before the corresponding registry of the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*).

(c) provide satisfactory evidence to the Administrative Agent of the irrevocable and unconditional repayment in full of the Repaid Indebtedness (other than the Convertible Bond and the Cumbra Loan) set forth in Schedule 2.06.

(d) provide satisfactory evidence to the Administrative Agent of the irrevocable and unconditional repayment and/or discharge in full (including, through the conversion of a portion of the Convertible Bond into Equity Interests of the Borrower) of the Convertible Bond.

(e) cause to provide to the Administrative Agent and each Lender an opinion of Estudio Echeopar, a member firm of Baker & McKenzie International, Peruvian counsel to the Borrower, substantially in the form attached hereto as Exhibit D-1 (Part II); and

(B) do and perform, from time to time and as required pursuant to the Collateral Documents and Applicable Law, any and all acts (and execute any and all documents) as may be necessary or required by Applicable Law, the relevant Collateral Document, or as reasonably requested by the Administrative Agent to maintain each Lien created by the Loan Documents in full force and effect and enforceable in accordance with its terms, including: (i) making filings, recordations, annotations and notices (including, without limitation, filings and recordations in the Peruvian National Superintendency of Public Registries (*Superintendencia Nacional de los Registros Públicos*) and annotations in applicable share ledgers and share certificates), (ii) making payments of fees and other charges, (iii) issuing and, if necessary, filing or recording supplemental documentation, including continuation statements, (iv) discharging all claims or other Liens adversely affecting the rights of any Secured Party in any Collateral other than Permitted Encumbrances, (v) publishing or otherwise delivering a notice to third parties, (vi) depositing title documents, (vii) defend the rights, title and interest of the Collateral Agent, in such capacity, acting on behalf of the Secured Parties (including any cash amounts derived from or in connection therewith), against the claims and demands of any Person other than the Lenders or the Secured Parties, (viii) execute and deliver to the Administrative Agent such documents and carry out any action in connection with the Collateral Documents, reasonably requested by the Administrative Agent in order to perfect, protect and maintain the security interests created thereunder (including any cash amounts derived from or in connection therewith), and pay any and all costs and expenses derived from or in connection with the foregoing, including the timely renewal of the irrevocable powers of attorney granted pursuant to the Loan Documents, as may be required by the Administrative Agent and (ix) pay any and all Taxes, contributions, levies and any other charges of any nature that are determined, collected or imposed on or in connection with the Collateral Documents and (x) taking all other actions either necessary or required by Applicable Law or otherwise reasonably requested by the Administrative Agent to ensure that all after-acquired property intended to be covered by such Liens is subject to a valid and enforceable first priority Lien under the Cash Flow Trust Agreement, the Repayment Trust Agreement and Share Pledge Agreement and second priority Lien under the Asset Trust Agreement in favor of the Collateral Agent (on behalf of the Secured Parties), including, the delivery, from time to time, to the Administrative Agent of a legalized copy (*copia legalizada*) of (a) the annotation of the applicable Collateral Document in the share ledgers (*libro de matricula de acciones*) of each Main Subsidiary and (ii) all annotations registered in such share ledgers thereafter, upon request of the Administrative Agent.

Section 8.20 Indebtedness. The Borrower shall not, and shall procure that none of its Subsidiaries shall, create, incur, issue or suffer to exist any Indebtedness, except any of the following (“Permitted Indebtedness”); so long as no Prospective Default or Event of Default would result from the incurrence thereof:

- (a) Indebtedness under the Loan Documents;
- (b) Subordinated Debt;
- (c) Indebtedness in respect of Permitted Hedging Instruments;
- (d) Existing Indebtedness (subject to Section 8.17 (Use of Proceeds));

(e) Indebtedness in respect of bid, performance, surety bonds, in the ordinary course of business for the account of the Borrower or its Subsidiaries, including guarantees or obligations of the Borrower or its Subsidiaries with respect to letters of credit, surety bonds, supporting such bid, performance or surety obligations (in each case other than for the payment of Borrowed Money);

(f) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid on the day such overdraft was incurred) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within ten (10) Business Days of the incurrence thereof;

(g) Unsecured short-term Indebtedness (including any re-borrowings under existing unsecured short-term revolving lines of credit under which revolving loans are repaid and re-borrowed from time to time) incurred by any Subsidiary in an amount not to exceed U.S.\$1,000,000 by such Subsidiary, so long as such Indebtedness incurrence shall be reasonably necessary for the Borrower and/or its Subsidiaries to continue conducting their operations in the ordinary course of their business consistent with the budget and projections approved by their respective board of directors or shareholders' meeting;

(h) Purchase money Indebtedness to the extent incurred in the ordinary course of business to finance the acquisition, construction or development of equipment and other Property; *provided* that such Indebtedness shall be secured solely by the assets or Property being acquired, developed or constructed;

(i) Indebtedness of the Borrower or any of its Subsidiaries the proceeds of which are applied to repay the Loans in accordance with Section 3.05(a) (Additional Indebtedness);

(j) Indebtedness of Unna Energía without recourse to the Borrower or any other Material Subsidiary outstanding on the Effective Date and incurred for the sole purpose of making investments in Unna Energía oil fields under Unna Energía's license agreements as in effect on the Effective Date (without giving effect to any modifications, amendments and/or supplements thereto following the Effective Date);

(k) Indebtedness of Unna Energía incurred in the ordinary course of business and in accordance with its past practice constituting the obligation to return or refund any purchase price payments made in advance to Unna Energía in respect of any sale or other disposition of oil and/or gas produced by Unna Energía and sold or otherwise disposed of to a third party purchaser (that is not an Affiliate of Unna Energía, the Borrower or any Subsidiary);

(l) Indebtedness of Unna Energía incurred in the ordinary course of business and in accordance with its past practice in connection with the financing or refinancing entered into by Consorcio Terminales and Consorcio Terminales del Perú for the execution of their mandatory, additional or complementary investments under their operating agreements with Petroperu; and

(m) Any refinancings, refundings, renewals or extensions of Indebtedness incurred under (a) through (l) above; *provided* that: (i) the principal amount of such Indebtedness is not increased, (ii) no Subsidiary that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iii) such refinancing, refunding, renewal or extension does not result in a shortening of the average weighted maturity of the Indebtedness so refinanced, refunded, renewed or extended, and (iv) if the Indebtedness that is refinanced, refunded, renewed or extended was subordinated in right of payment to the obligations hereunder, then the terms and conditions of the refinancing, refunding, renewal or extension Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, refunded, renewed or extended Indebtedness;

provided, however, that the aggregate principal amount of Indebtedness incurred and outstanding pursuant to clauses (b), (c), (f), (g), (h), (j) and (k) of this Section 8.20 (Indebtedness), shall not exceed U.S.\$50,000,000 at any time; *provided, further* that the Borrower shall be in compliance with Section 8.12 (Certain Financial Covenants) prior to and after giving *pro forma* effect to the incurrence of any such Indebtedness.

Section 8.21 Limitations on Investments. The Borrower shall not, and shall procure that none of its Material Subsidiaries shall, make or acquire any Investment, other than:

- (a) Investments in Cash Equivalents and Permitted Hedging Instruments;
- (b) Investments by the Borrower in a Material Subsidiary;
- (c) Receivables owing to the Borrower if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms Investments of the Borrower in any Material Subsidiary and Investments of any Material Subsidiary in the Borrower or in another Material Subsidiary;
- (d) Investments of the Borrower in its Subsidiaries existing as of the Effective Date and listed on Schedule 7.17;
- (e) Investments received as a result of the bankruptcy or reorganization of any Person, or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof; and
- (f) Investments in respect of Indebtedness constituting Permitted Indebtedness.

Section 8.22 Fundamental Changes. The Borrower shall not, and shall procure that none of its Subsidiaries shall, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property (whether now owned or hereafter acquired) to or in favor of any Person, unless the execution of any such transaction constitutes a Permitted Reorganization.

Section 8.23 Dispositions. The Borrower shall not, and shall procure that none of its Subsidiaries shall, make any Disposition or enter into any agreement to make any Disposition, except for Permitted Dispositions; *provided* that any such Disposition shall be for fair market value.

Section 8.24 Organizational Documents: Bank Accounts. The Borrower shall not, and shall procure that none of its Subsidiaries shall:

- (a) Amend, modify or otherwise change any of its Organizational Documents in any way that would materially adversely affect the rights and/or remedies of the Secured Parties under the Loan Documents.
- (b) Permit any bank account of the Borrower or its Material Subsidiaries to be commingled with any bank account of any other Person; except as otherwise required or permitted in connection with joint venture agreements (*consorcio*), silent partnership agreements (*asociación en participación*) or other forms of associative agreements or corporate collaboration agreements provided by Peruvian law.
- (c) Take any action, or conduct its affairs in a manner, that could reasonably be expected to result in its corporate existence being ignored by any court of competent jurisdiction or in their respective assets and/or liabilities being substantively consolidated with those of any other Person (other than the Borrower and its Subsidiaries) in a Proceeding, reorganization or other insolvency proceeding.

Section 8.25 Sanctions. The Borrower shall not, and shall procure that none of its Subsidiaries shall, either directly or indirectly (i) permit any part of the funds used for the repayment or prepayment of the Loans to include funds that constitute the assets of, or are to be derived or otherwise sourced directly or indirectly from a transaction with, involving or for the benefit of a Sanctioned Person, in, involving or for the benefit of a Sanctioned Jurisdiction, or that would otherwise constitute a violation of applicable Sanctions; nor, (ii) engage in any activity that would constitute or give rise to a violation of Sanctions by any party hereto, including any Joint Lead Arranger, Agent or Lender.

Section 8.26 Repayment of Loans. The Borrower shall not, and shall procure that none of its Subsidiaries, use funds derived from money laundering activities or any other activities that would be unlawful under Applicable Law to make any payments to the Lenders under the Loan Documents or otherwise make any payment to any Lender hereunder that would cause such Lender to be in violation of any Applicable Law.

Section 8.27 Investment Company Act. The Borrower shall not, and shall procure that none of its Material Subsidiaries, take (or permit any other Person to take) any action that could reasonably be expected to result in it or any Subsidiary being required to be registered as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 8.28 Subordination Terms Letter. Upon the incurrence of any Subordinated Debt by the Borrower or Material Subsidiary thereof, the Borrower shall promptly deliver to the Administrative Agent a Subordination Terms Letter in respect of such Subordinated Debt.

Section 8.29 Material Subsidiaries. The Borrower shall, at all times until the Maturity Date, maintain Control over the Material Subsidiaries.

Section 8.30 Material Contracts. The Borrower shall, and shall cause each of its Subsidiaries to, perform and observe all the terms and provisions of each contract to be performed or observed by each of them, maintain each such contract in full force and effect and enforce each such contract in accordance with its terms, except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; *provided* that any default under the Plea Agreement shall be deemed to cause a Material Adverse Effect and a breach of this Section 8.30.

Section 8.31 Maintenance of Property. The Borrower shall, and shall cause each of its Subsidiaries to, keep all Property necessary for its business in good working order and condition, except ordinary wear and tear or where the failure could not reasonably be expected to have a Material Adverse Effect.

Section 8.32 Corporate Rating: The Securities. (a) The Borrower shall obtain within six (6) months from the Borrowing Date, (to the extent not already existing) a public corporate family rating from at least two (2) of Rating Agencies, and maintain such ratings in effect; *provided that* the Lenders may, in their sole discretion, request that the Borrower obtain a third public corporate family rating to the extent they reasonably determine that such additional rating is necessary to successfully place the Securities.

(b) The Borrower agrees, with respect to any issuance or sale of Securities, to cooperate with the Managers (as defined in the Take-Out Engagement Letter), and to provide information reasonably requested by the Managers in connection with placing or selling or obtaining commitments for the purchase or acquisition of the Securities in accordance with the Take-Out Engagement Letter. Such cooperation will include (i) the preparation and delivery to the Managers of, as soon as practicable after the date that is nine (9) months after the Borrowing Date, an offering memorandum, offering circular, prospectus or private placement memorandum with respect to the Securities; (ii) the execution of underwriting agreements, purchase agreements or placement agency agreements containing such terms, covenants, conditions, representations, warranties and indemnities in light of the then prevailing market conditions (including, but not limited to, delivery of legal opinions (including standard 10b-5 disclosure letters), SAS 72 standard comfort letters (to be provided on the pricing and closing dates of any Offering (as defined in the Take-Out Engagement Letter) and officers' certificates, all in form and substance reasonably satisfactory to the Managers); (iii) the delivery to the Managers of unqualified audited consolidated financial statements of the Borrower covering the three-year period ending as of the most recent fiscal year preceding the date of any Offering and such unaudited consolidated interim financial statements, in each case, as may be reasonably requested by the Managers and/or as required by Regulation S-X (as defined in the Take-Out Engagement Letter); (iv) the delivery to the Managers of pro forma financial statements presented in accordance with, and for such periods as required by, Regulation S-X (as defined in the Take-Out Engagement Letter); (v) the delivery to the Managers of projections as to future operations or such other financial information related to the Borrower and its Subsidiaries as may be reasonably requested by the Managers; (vi) the engagement with the relevant auditors to ensure such auditors are able to provide SAS 72 standard comfort letters and "negative assurance comfort", and perform any relevant financial review; (vii) providing all information to the Managers and their advisors as shall reasonably be requested in connection with legal and business due diligence with respect to the Borrower and its Subsidiaries; (viii) the hosting, with any Manager electing to participate, of one or more meetings with prospective purchasers of the Securities and, in connection with any such meeting, consulting with such Manager with respect to the presentations to be made and making available appropriate senior management, representatives and advisors of the Borrower and its Subsidiaries to rehearse such presentations prior to any such meeting, as reasonably requested by such Manager; and (ix) obtaining public credit ratings for the Securities from at least two (2) Rating Agencies.

Section 8.33 Restrictive Agreements.

(a) The Borrower will not, and will not permit any Material Subsidiary to, become subject to or permit to exist any security, agreement, instrument or other undertaking, restricting the ability of any Material Subsidiary to pay dividends or any other form of distribution with respect to its Equity Interest, except for (i) restrictions (including restrictions imposed by a corporate policy in effect as of the Effective Date (without giving effect to any modifications, amendments and/or supplements thereto following the Effective Date)) as in effect on the Effective Date and set forth on Schedule 8.33, and (ii) the restrictions in the Loan Documents.

(b) The Borrower will take, and will cause its applicable Subsidiaries to take, all necessary action to cause the Material Subsidiaries to declare and pay dividends or make other capital distributions (including through returns of capital or capital reductions, to the extent permitted by Applicable Law) (i) at least on a quarterly basis; and, (ii) in an amount sufficient to fund the Cash Flow Trust Collection Account with a balance sufficient to cover the full amount of interest and principal (if any) required to be paid on the immediately following Interest Payment Date.

Section 8.34 Plea Agreement. The Borrower hereby agrees to use its reasonable best efforts to obtain the validation (*homologación*) of the Plea Agreement as currently in effect or otherwise in form and substance satisfactory to the Lenders within six (6) months of the date hereof. Upon such validation (*homologación*), the Borrower shall provide a certificate of the General Manager of the Borrower including a summary of the validated (*homologado*) Plea Agreement and certifying to the Lenders that (a) such summary fairly presents the main terms and conditions of the Plea Agreement and (b) the Borrower and its applicable Subsidiaries are complying with their respective obligations under the Plea Agreement.

Section 8.35 Appraisal. Within two (2) months of the Borrowing Date, the Administrative Agent shall have received an Appraisal of the Collateral in form and substance reasonably satisfactory to the Administrative Agent.

Section 8.36 Repayment of the Bond Repaid Indebtedness.

(a) Within two (2) Business Days following the Borrowing Date, the Borrower shall deliver to the Administrative Agent copies of the irrevocable instructions (*aviso de rescate*) from the Borrower to the Convertible Bond Indenture Trustee for the redemption (*rescate*) of all outstanding Bond Repaid Indebtedness (excluding, for the avoidance of doubt, any Indebtedness required to be converted into Equity Interests of the Borrower pursuant to the Convertible Bond), in form and substance satisfactory to the Administrative Agent; and

(b) Within no more than ten (10) Business Days following the Borrowing Date, the Borrower shall provide a certificate of the General Manager of the Borrower certifying to the Lenders that the remaining holders of the Convertible Bond (not being prepaid through such redemption (*rescate*)) have exercised its right to convert their Indebtedness outstanding under the Convertible Bond into Equity Interests of the Borrower pursuant to the Convertible Bond Agreement.

Section 8.37 Repayment Trust Agreement. The Borrower shall deliver to the Onshore Trustee, in its capacity of trustee of the Repayment Trust Agreement, the settlement (*liquidación*) pertaining to the Repaid Indebtedness as promptly as such document is available and within the period set forth in the Repayment Trust Agreement.

**ARTICLE IX
EVENTS OF DEFAULT**

Section 9.01 Events of Default. If any of the following events (each an “Event of Default”) shall occur and be continuing:

(a) Principal Payment Default. The Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) Interest Payment Default. The Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of more than three (3) Business Days;

(c) Breach of Representation or Warranty. Any representation or warranty made or deemed made by or on behalf of the Borrower in or pursuant to any Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification hereof or thereof, shall prove to have been incorrect in any material respect when made or deemed made, unless, in each case, such misrepresentation is capable of remedy and is remedied within thirty (30) days from the earlier of the date of the Borrower’s Knowledge of such default and the date on which notice of such default is delivered to the Borrower from the Administrative Agent;

(d) **Breach of Covenant.** (i) The Borrower shall fail to observe or perform any covenant or agreement contained in Section 2.07(g) Section 2.07(h) (Notes), Section 8.01 (Maintenance of Existence), Section 8.02 (Reporting Requirements), Section 8.03 (Compliance with Laws) (solely with respect to applicable Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions), Section 8.05 (Ranking), Section 8.09 (Limitation on Liens and Encumbrances), Section 8.09 (Limitation on Liens and Encumbrances) Section 8.10 (Restricted Payments), Section 8.11 (Notice of Extraordinary Events; Other Information), Section 8.13 (Permitted Hedging Instruments), Section 8.14 (Line of Business), Section 8.17 (Use of Proceeds), Section 8.18 (Transactions with Affiliates), Section 8.19 (Further Assurances; Release of Existing Liens; Security Filings), Section 8.20 (Indebtedness), Section 8.21 (Limitations on Investments), Section 8.22 (Fundamental Changes), Section 8.23 (Dispositions), Section 8.24 (Organizational Documents; Bank Accounts), Section 8.25 (Sanctions), Section 8.26 (Repayment of Loans), Section 8.27 (Investment Company Act), Section 8.28 (Subordination Terms Letter), Section 8.33 (Restrictive Agreements), Section 8.34 (Plea Agreement), Section 8.35 (Appraisal), Section 8.36 (Repayment of the Bond Repaid Indebtedness), Section 8.37 (Repayment Trust Agreement) or (ii) the Borrower shall fail to observe or perform any covenant or agreement contained in any Loan Document (other than those specified in clause (a), (b), or (d)(i) of this Section 9.01 (Events of Default)) and such failure shall continue unremedied for a period of thirty (30) days from the earlier of (x) the date of the Borrower's Knowledge of such default and (y) the date on which notice of such default is delivered to the Borrower from the Administrative Agent;

(e) **Cross-Default; Cross-Acceleration.** The Borrower or any of its Subsidiaries (i) shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Borrowed Money (other than the Loans or any Indebtedness owed by the Borrower or any of its Subsidiaries to the Borrower or any of its Subsidiaries) in a principal amount in excess of \$5,000,000 in the aggregate and such failure shall continue beyond any applicable grace or cure period or (ii) after giving effect to any applicable grace or cure period, shall (x) fail to observe or perform any other agreement or condition relating to any Borrowed Money or contained in any instrument or agreement evidencing, securing or relating thereto, as a result of which such Borrowed Money and (y) upon such failure, the lenders thereof (or a trustee or agent on behalf of such lenders) have the right to declare such Borrowed Money to be due and payable prior to the stated maturity thereof;

(f) **Final Judgments.** (i) Any final judgment or order for the payment of money in excess of U.S.\$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has acknowledged coverage) in the aggregate shall be rendered against the Borrower or any of its Subsidiaries by a court or other competent tribunal and such judgment or order shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of thirty (30) days from the date of entry thereof or (ii) any final non-monetary judgment or order that has, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, shall be rendered against the Borrower or any of its Subsidiaries by a court or other competent tribunal and (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (B) such judgment or order shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of thirty (30) days from the date of entry thereof;

(g) **Bankruptcy.** The Borrower or any of its Subsidiaries commences a Proceeding relating to itself; or there is commenced against the Borrower or any of its Subsidiaries a Proceeding (other than any Proceedings in respect of Cumbra Perú that, individually or in the aggregate, involve unpaid amounts claimed against Cumbra Perú up to U.S.\$2,000,000); which remains undismissed or unstayed for sixty (60) days; or a receiver or trustee or other officer or representative of a court or of creditors, or (except to the extent covered under clause (i) of this Section 9.01 (Expropriation)) any court or governmental agency, shall under color of legal authority take and hold possession of any substantial part of its property for a period in excess of sixty (60) days;

(h) **Agreements Unenforceable.** (i) Any of the Loan Documents ceases to be in full force and effect or shall be declared by a court of competent jurisdiction to be null and void, or (ii) the Borrower shall have contested in writing the validity or enforceability of any Loan Document (or any material provision thereof), or repudiated its obligations thereunder and ceased to perform such obligations (for this purpose a statement or dispute regarding the scope or nature of the parties' rights and obligations under any such agreement, and a failure to perform any particular obligation thereunder, shall not by itself be deemed to be a repudiation thereof);

(i) Expropriation. There shall have occurred any act or series of acts attributable to a Governmental Authority which confiscate, expropriate or nationalize the ownership or control by the Borrower or any of its Material Subsidiaries of all or any substantial part of the property of the Borrower or Material Subsidiary thereof, the taking of which act or series of acts prevents the operation of the Borrower's or such Material Subsidiary's business substantially as operated at such time and such act or series of acts continues uncured for one hundred twenty (120) days;

(j) Moratorium: Currency Exchange Restrictions. Any Governmental Authority of competent jurisdiction of Peru shall (i) declare a general suspension of payments or a moratorium on the payment of debt of the Borrower that prevents the Borrower from making the payment of any principal, interest or fees when due and payable under the Loan Documents, or (ii) takes any action, including the promulgation, operation or enforcement of any law, act, decree, regulation, ordinance, order, policy, or determination, or any modification of, or change in the interpretation of, any of the foregoing that makes unavailable to the Borrower, or restricts the availability to the Borrower or the Administrative Agent, as applicable, of, Dollars in exchange for Soles, or prevents or restricts the transfer of funds in Dollars outside Peru, in each case, in a manner that could reasonably be expected to have a Material Adverse Effect, and, in the case of this clause (ii), such restriction remains in effect for sixty (60) days;

(k) Inability to pay. The Borrower or any of its Material Subsidiaries shall admit its inability to, or be generally unable to, pay its Indebtedness as such Indebtedness becomes due;

(l) Cease of Operations. Any temporary suspension in the business or operations of the Borrower or any of its Material Subsidiaries occurs and continues for ninety (90) or more days;

(m) Liens. (i) Following the effectiveness thereof, any Lien provided for in the Loan Documents shall cease to exist or cease to give the Collateral Agent or the Onshore Trustee, as applicable (on behalf of the Secured Parties), a first perfected security interest in the collateral purported to be covered thereby, or in the case of the Asset Trust Agreement a second priority perfected security interest in the collateral purported to be covered thereby, free and clear of all other Liens except for Permitted Encumbrances or (ii) any Person other than the Administrative Agent, the Collateral Agent and the Onshore Trustee shall execute or enforce or seek to execute or enforce, any Lien on any portion of the Collateral; or

(n) Plea Agreement. (i) The Borrower, Cumbra Perú, Concar or any of their respective Subsidiaries, after giving effect to any applicable grace or cure period, shall fail to observe or perform any covenant or condition relating to the Plea Agreement; (ii) the initiation of any action, proceeding, litigation, claim or investigation against the Borrower, Cumbra Perú, Concar or any of their respective Subsidiaries, shall have occurred, either (A) in connection with the Ongoing Investigations, or (B) that, individually or in the aggregate, would, at the Lenders' sole discretion, be expected to result in a Material Adverse Effect; or (iii) the Plea Agreement is either (A) not validated (*homologado*) by the Peruvian judiciary within six (6) months of the date hereof, or (B) is validated (*homologado*) by the Peruvian judiciary in terms less favorable to the Borrower, Cumbra Perú, Concar or any of their respective Subsidiaries than those included in the Plea Agreement as agreed to on the date hereof, including, but not limited to, an increase of 10% or more above the amount of the civil reparation owed by the Borrower, Cumbra Perú, Concar or any of their respective Subsidiaries included in the Plea Agreement as agreed to on the date hereof, or otherwise after validation thereof, the Plea Agreement is subsequently terminated.

then, and in every such event (other than an event described in clause (g) of this Section 9.01), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Majority Lenders shall, by notice to the Borrower, (x) declare the Commitments and the obligations of each Lender to make Loans to be terminated, whereupon the same shall forthwith terminate, and (y) declare the Loans then outstanding to be due and payable, and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to any event described in clause (g) of this Section 9.01, the Commitments and the obligations of each Lender to make Loans shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE X THE AGENTS

Section 10.01 Appointment, Powers and Immunities. Each of the Lenders irrevocably appoints the Administrative Agent and the Collateral Agent as its agents hereunder and under the other Loan Documents to which it is a party and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article X (The Agents) are solely for the benefit of the Agents and the Lenders, and neither the Borrower nor any of its Subsidiaries shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Document (or any other similar term) with reference to the Administrative Agent or the Collateral Agent, as applicable, is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

In addition, for Peruvian law purposes, each of the Lenders hereby grants to the Agents a *mandato con representación* in accordance with the Peruvian Civil Code to act on its behalf as its agents in connection with this Agreement and the Collateral Documents, in the terms and for the purposes set forth in this Article X (The Agents).

In accordance with Article 166 of the Peruvian Civil Code, the Lenders expressly authorize the Agents, in order for it to be able to perform any and all of its duties and exercise its rights and powers hereunder undertaken, to enter into any kind of self-contracting legal acts. To that effect, the Lenders waive the right to request the annulment of any legal acts entered into by the Agents.

The Agents may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agents. The Agents and any such sub-agent may perform any and all of their duties and exercise their rights and powers by or through their respective Affiliates. The Agents shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the respective Agent acted with gross negligence (*culpa inexcusable*) or willful misconduct (*dolo*) in the selection of such sub-agents.

Section 10.02 Reliance by Agents. The Agents shall be entitled to rely upon, and shall not incur any liability for, and shall be fully protected in relying upon, any certification, affidavit, letter, notice or other written communication (including any thereof by telecopy or e-mail) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by any Agent. The Agents may also rely upon any statement made to them orally or by telephone and reasonably believed by them to be made by the proper Person, and shall not incur any liability for relying thereon. As to any matters not expressly provided for by this Agreement or any other document to which any Agent is intended to be a party, such Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Majority Lenders or Floating Rate Majority Lenders, if required under this Agreement or any such document, in accordance with the instructions given by the Majority Lenders, Floating Rate Majority Lenders or all of the Lenders as is required in such circumstance, and such instructions of such Lenders and any action taken, suffered or omitted or failure to act pursuant thereto shall be binding on all of the Lenders.

Without limiting the foregoing, the each Agent shall be entitled to the advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but such Agent shall not be answerable or responsible for the professional malpractice of any attorney-at-law or certified public accountant or for the acts or omissions of any other professional in connection with the rendering of professional advice in accordance with the terms of this Agreement, if such attorney-at-law, certified public accountant or other professional was selected by such Agent in good faith and with due care.

Section 10.03 Defaults; Conditions Precedent. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Prospective Default or Event of Default (other than the non-payment of principal of or interest on Loans or of Commitment Fees) unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement and describing such Prospective Default or Event of Default and stating that such notice is a "Notice of Default." In the event that the Administrative Agent receives such a notice of the occurrence of any Prospective Default or Event of Default, the Administrative Agent shall give prompt notice thereof to the Lenders and the Borrower (and shall give each Lender prompt notice of each such non-payment). The Administrative Agent shall (subject to Section 10.07 (Failure to Act)) take such action with respect to such Prospective Default or Event of Default as shall be directed by the Majority Lenders; *provided* that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Prospective Default or Event of Default as it shall deem advisable in the best interest of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders or all of the Lenders, as applicable. The Administrative Agent shall not be responsible for nor have any duty to ascertain or inquire as to the satisfaction of any condition set forth in Article VI (Conditions Precedent) or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.04 Rights as Lender. Each Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as such Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.05 Indemnification. The Lenders agree to indemnify the Agents and each of their respective shareholders, subsidiaries, affiliates, directors, officers, employees, representatives and agents (to the extent not reimbursed under Section 11.04 (Indemnification)), but without limiting the obligations of the Borrower under said Section 11.04 (Indemnification)) ratably in accordance with the aggregate principal amount of the Loans held by the Lenders, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, fines, claims, demands, settlements, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against (including by any Lender) any Agent, arising out of or by reason of any investigation in or in any way relating to or arising out of the Commitments, the Loans, this Agreement, the other Loan Documents or any other documents contemplated by or referred to herein or the transactions contemplated hereby or thereby (including the costs and expenses that the Borrower is obligated to pay under Section 11.03 (Expenses, Etc.) or Section 11.04 (Indemnification)); *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, fines, claims, demands, settlements, suits, costs, expenses or disbursements to the extent they arise from the gross negligence or willful misconduct (as determined in a final and non-appealable judgment by a court of competent jurisdiction) of the party to be indemnified. The obligations of the Lenders under this Section 10.05 (Indemnification) shall survive the termination of this Agreement, the payment or repayment of the Loans and any other amounts payable hereunder or under any Loan Document or the earlier resignation or removal of any Agent.

Section 10.06 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly agrees and acknowledges that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and appraisal of, and investigation into the business, operations, property, assets, financial and other condition and creditworthiness of, the Borrower and made its own decision to enter into this Agreement make the Loans and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and to make such investigation as it deems necessary to inform itself as to the business, operations, property, assets, financial and other condition and creditworthiness of the Borrower and its Affiliates. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of this Agreement, the other Loan Documents or any other document referred to or provided for herein or to inspect the properties or books of the Borrower. The Administrative Agent shall give prompt notice to each Lender of each notice or request required or permitted to be given to the Administrative Agent by the Borrower pursuant to the terms of this Agreement (unless concurrently delivered to the Lenders by the Borrower). The Administrative Agent shall distribute to each Lender each document or instrument received by the Administrative Agent from the Borrower for distribution to the Lenders by the Administrative Agent in accordance with the terms of the Loan Documents. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder (as to which the Administrative Agent only shall have the duty to forward what it has received), the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrower or any of its Affiliates that may come into the Administrative Agent's possession or that of any of the Administrative Agent's Affiliates. In addition, the Administrative Agent and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and neither the Administrative Agent nor any of its Affiliates has any obligation to disclose any such interest by virtue of any advisory agency or fiduciary relationship or otherwise.

Section 10.07 Failure to Act. The Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall first receive such advice or concurrence from the Majority Lenders or Floating Rate Majority Lenders (or, if so specified in this Agreement, all Lenders) as it deems appropriate or it shall be first indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by the Administrative Agent by reason of taking or continuing to take any such action. The Administrative Agent shall be entitled to interest (calculated on a per annum basis) on all amounts advanced by it hereunder in its discretion at the Federal Funds Rate, except as provided in Section 4.04 (Non-Receipt of Funds by the Administrative Agent). The Administrative Agent shall at any time be entitled to cease taking any action if it no longer deems any indemnity or undertaking from the Lenders to be sufficient. The Parties further recognize that the Administrative Agent shall not act discretionally and in all circumstances shall require to receive instructions or advice from the Majority Lenders (or, if so specified in this Agreement, all Lenders).

Section 10.08 Resignation or Removal of Agents. Subject to the appointment and acceptance of a successor Agent as provided below, each such Agent may resign at any time by giving notice thereof to the Lenders and the Borrower. Any Lender may request at any time, by notice to each Lender, that any Agent be removed with or without cause. If, within thirty (30) days after receipt of such notice, the Majority Lenders (excluding the vote of any Lender (or Affiliate of such Lender) that is also acting in such Agent capacity) notify the Borrower and such requesting Lender of their agreement to such removal, such Agent shall be removed. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent, and if no such successor Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation or the removal of the retiring Agent (such thirtieth (30th) day (or such earlier date as may be agreed by the Majority Lenders) after the giving of such notice of resignation or removal, the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Agent, that shall be a bank which has a combined capital and surplus of at least U.S.\$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent (which shall not, in any event, be a Sanctioned Person), such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. Whether or not a successor has been appointed, the resignation or removal of the retiring Agent shall become effective on the Resignation Effective Date (except that in the case of any collateral security held by the Collateral Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring or removed Agent shall continue to hold such collateral security until such time as a successor Agent is appointed). After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article X (The Agents) shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent hereunder.

Section 10.09 Notices. The Administrative Agent agrees to promptly furnish to each Lender a copy of each written communication (including financial information and project reports) received by it from the Borrower expressly relating to, and any amendment or waiver of any of the provisions of, this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby. In addition, the Administrative Agent agrees to promptly advise each Lender of any material action taken, or any action proposed by the Lenders to be taken that is not taken, by the Lenders at any meeting of Lenders.

Section 10.10 Erroneous Payments.

(a) If the Administrative Agent (i) notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient and each of their respective successors and assigns, a "Payment Recipient") that the Administrative Agent has determined in its reasonable discretion (whether or not after receipt of any notice under clause (b) below) that any funds (as set forth in such notice from the Administrative Agent, if applicable) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (ii) demands in writing the return of such Erroneous Payment (or a portion thereof); provided that, without limiting any other rights or remedies (whether at law or in equity), the Administrative Agent may not make any such demand under this clause (a) unless such demand is made within five (5) Business Days of the date of receipt of such Erroneous Payment by the applicable Payment Recipient, such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated in this Section 10.10 (Erroneous Payments) and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than five (5) Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), and to the extent not returned within such five (5) Business Day period, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Benchmark and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. Any Erroneous Payment shall at all times remain the property of the Administrative Agent. A notice of the Administrative Agent to any Payment Recipient under this Section 10.10(a) (Erroneous Payments) shall be conclusive, absent manifest error.

(b) Without limiting clause (a) above, each Payment Recipient hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment (a "Payment Notice"), (y) that was not preceded or accompanied by a Payment Notice, or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that an error shall be presumed to have been made, absent written confirmation from the Administrative Agent to the contrary (in the case of clause (x) or (y) above), or an error and mistake has been made (in the case of clause (z) above) with respect to such payment, prepayment or repayment; and

(ii) such Payment Recipient shall use commercially reasonable efforts to promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in clause (i) above) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof and that it is so notifying the Administrative Agent pursuant to this Section 10.10(b) (Erroneous Payments).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.10(b) (Erroneous Payments) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.10(a) (Erroneous Payments) or on whether or not an Erroneous Payment has been made.

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under this Agreement, or otherwise payable or distributable by the Administrative Agent to such Lender under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under clause (a) above.

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with clause (a) above, from Payment Recipient (such unrecovered amount, an “Erroneous Payment Return Deficiency”), upon the Administrative Agent’s notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “Erroneous Payment Deficiency Assignment”) (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption Agreement (or, to the extent applicable, an agreement incorporating an Assignment and Assumption Agreement by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes and Letters of Instructions evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes and Letters of Instruction shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement, and (ii) subject to Section 11.08 (Assignments and Participations) (but excluding in all events, any assignment consent or approval requirements (whether from Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender and/or its Payment Recipient. In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (A) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent) and (B) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (i) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender, under the Loan Documents with respect to such amount (the “Erroneous Payment Subrogation Rights”) (*provided* that the Borrower’s obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligation owed by the Borrower; *provided* that this Section 10.10(e) (Erroneous Payments) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the obligations of the Borrower relative to the amount (and/or timing for payment) of the obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; *provided, further*, that, for the avoidance of doubt, immediately preceding clauses (i) and (ii) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations under this Section 10.10 (Erroneous Payments) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of obligations under this Agreement.

Section 10.11 Administrative Agent as Attorney-in-Fact. If an Event of Default has occurred and is continuing, the Administrative Agent and any officer or agent of the Administrative Agent, with full power of substitution, is hereby appointed the attorney-in-fact (with special power of attorney, which shall be, if required, formalized before a notary public pursuant to Peruvian Law) of the Borrower for the purpose of carrying out the provisions of the Loan Documents, and taking any action and executing any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes of the Loan Documents, which appointment as attorney-in-fact is irrevocable and coupled with an interest and, without limiting the generality of the foregoing, gives the Administrative Agent and any officer or agent of the Administrative Agent the power and right on behalf of the Borrower without notice to or assent by any of the foregoing to do the following when and to the extent that it is authorized or directed to do so pursuant to the terms of this Agreement or any of the Collateral Documents:

(a) to ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due with respect to, and solely to the extent of, the rights assigned to it, or Property secured by it, as Collateral by or on behalf of the Borrower;

(b) to receive, take or endorse, assign and deliver (as instructed) any and all checks, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments, documents and chattel paper taken or received by the Administrative Agent as Collateral in connection with any Collateral Document or any other relevant Loan Document;

(c) to commence, file, prosecute, defend, settle, compromise, adjust, revoke, cancel, annul, move to dismiss or otherwise undo any claim, suit, action or proceeding with respect to any Lien granted for the benefit and on behalf of the Secured Parties in the Collateral pursuant to any Collateral Document;

(d) to sell, transfer, assign or otherwise deal in or with the Collateral or any part of the Collateral pursuant to the terms and conditions of this Agreement and the Collateral Documents; and

(e) to do, at its option and at the expense and for the account of the Borrower at any time or from time to time, all acts and things which the Administrative Agent deems reasonably necessary to protect or preserve the Collateral and to realize upon such Collateral.

The Borrower ratifies and confirms all actions taken by the Administrative Agent in accordance with the power of attorney granted by this Section 10.11 (Administrative Agent as Attorney-in-Fact).

Section 10.12 Authority to Act. Subject to the other provisions of this Agreement, the Administrative Agent and Collateral Agent shall have the right and authority with full power of substitution to act for and on behalf of the Secured Parties with respect to the Collateral Documents, including the right to create, accept, perfect and execute the Collateral Documents and any and all amendments of such documents and, on behalf of the Secured Parties, to exercise in accordance with the provisions of this Agreement, and upon the direction of the Majority Lenders, the Secured Parties' rights under the Collateral Documents, and (subject to this Article X (The Agents)) such Agent shall incur no liability to the Secured Parties in connection with any action or any failure to act under the Collateral Documents.

Section 10.13 Limitation on Collateral Agent's Duties in Respect of Collateral.

(a) Beyond its express duties set forth in this Agreement any other Loan Document, the Collateral Agent shall not have any duty to the Borrower or any of its Subsidiaries with respect to any Collateral in the possession or control of the Borrower or any of its Subsidiaries or in the possession or control of the Collateral Agent or any of its agents or nominees, any income thereon or the preservation of rights against prior parties or any other rights pertaining thereto.

(b) To the extent that the Collateral Agent or any agent or nominee of the Collateral Agent maintains possession or control of any of the Collateral or any of the Collateral Documents at any office of the Collateral Agent, the Collateral Agent shall, or shall instruct such agent or nominee to grant the Borrower and/or any Secured Party access to such Collateral or Collateral Documents that such person may require for the conduct of its businesses, except, in the case of the Borrower, if and to the extent that the Administrative Agent shall have received directions from the Majority Lenders pursuant to an enforcement against the relevant Collateral.

**ARTICLE XI
MISCELLANEOUS**

Section 11.01 Waiver. Except as expressly provided herein, no failure on the part of any Agent, any Lender or the Borrower to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 11.06 (Amendments, Etc.), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement or any other Loan Document or the making of any Loan shall not be construed as a waiver of any Prospective Default or Event of Default, regardless of whether any Agent, any Lender or any of their respective shareholders, subsidiaries, Affiliates, directors, officers, employees, representatives or agents may have had notice or knowledge of such Prospective Default or Event of Default at the time.

Section 11.02 Notices.

(a) All notices and other communications provided under any Loan Document to any party hereto or thereto shall be in writing, and shall be mailed, delivered by courier or sent by facsimile or e-mail and addressed, delivered or transmitted to such party at its address, facsimile number or e-mail address set forth in Schedule 11.02 or as set forth in any applicable assignment agreement, or at such other address, facsimile number or e-mail address as may be designated by such party in a notice to the other parties. Any notice or other communication, if mailed by certified or registered mail or by pre-paid courier service, shall be deemed given when received; any notice or other communication, if transmitted by facsimile or e-mail, shall be deemed given when transmitted.

(b) The Borrower agrees that the Administrative Agent may make all notices and other communications that the Borrower is obligated to furnish to the Administrative Agent pursuant to this Agreement (collectively, the "Communications") available to the Lenders by posting the Communications on any electronic transmission system timely communicated to the Borrower and the Lenders (the "Platform"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, THE "AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER' OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(c) The Administrative Agent and the Collateral Agent agree that the receipt of the Communications at their e-mail address set forth in Schedule 11.02 or such other e-mail address designated by the Administrative Agent or the Collateral Agent shall constitute effective delivery of the Communications to the Administrative Agent or the Collateral Agent for purposes of this Agreement. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of this Agreement. Each Lender agrees that the e-mail address set forth in Schedule 11.02 (or as set forth in any applicable assignment agreement or such other e-mail address as may be designated by such Lender in a notice to the Administrative Agent) is the e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

(d) Nothing herein shall prejudice the right of the Borrower, any Agent or any Lender to give any notice or other communication pursuant to this Agreement in any other manner specified in this Agreement.

Section 11.03 Expenses, Etc. The Borrower shall pay: (i) all reasonable and documented out-of-pocket expenses incurred by the Lenders, the Agents, the Joint Lead Arrangers and their respective Affiliates (including any fees due under any fee letters or similar agreements or instrument entered into by the Borrower and/or the Agents and/or Joint Lead Arrangers and/or the Lenders, the fees and expenses of one (1) special New York counsel, one (1) special Peruvian counsel, and printing, reproduction, document delivery, communication and travel costs) in connection with the syndication of the Loans, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all documented out-of-pocket expenses incurred by any Agent or any Lender (including the fees, charges and disbursements of any counsel for any Agent or any Lender) in connection with the enforcement or protection of its rights: (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 11.03 (Expenses, Etc.), or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans. (iii) all documented out-of-pocket expenses incurred in connection with all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any government authority in respect of the Loan Documents; and (iv) all documented out-of-pocket costs and expenses incurred by the Administrative Agent in connection with the maintenance of the Platform.

Section 11.04 Indemnification. The Borrower hereby agrees to indemnify each Agent and each Lender and their respective shareholders, subsidiaries, Affiliates, directors, officers, employees, representatives and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of any investigation or litigation or other proceedings (including in connection with any actual or potential investigation, litigation or proceeding or preparation of a defense in connection therewith, whether based on contract, tort or any other theory) relating to, arising out of or resulting from the Loans, the Loan Documents and any other documentation contemplated hereby or thereby, including the reasonable and documented fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses determined in a final and non-appealable judgment by a court of competent jurisdiction to have been incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified or resulting solely from any dispute among indemnified parties). Notwithstanding this Section 11.04 (Indemnification), the Borrower shall not be required to make any payment in respect of any loss, liability or cost which (i) is compensated for by an increased payment under Section 5.01 (Additional Costs) or Section 5.06 (Covered Taxes); or (ii) would have been compensated for by an increased payment under Section 5.01 (Additional Costs) or Section 5.06 (Covered Taxes) but was not compensated because any of the exclusions in Section 5.01 (Additional Costs) or Section 5.06 (Covered Taxes), respectively, applied.

Section 11.05 Waiver of Consequential Damages. To the extent permitted by Applicable Law, no party hereto shall assert, and each party hereto hereby waives, any claim against any other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document (other than in respect of any such damages incurred or paid by any Person to a third party and to which such Person is otherwise entitled to indemnification as provided in Section 11.04 (Indemnification)).

Section 11.06 Amendments, Etc. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be amended, modified or supplemented only by an instrument in writing signed by the Borrower, the Administrative Agent and the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders or by the Administrative Agent acting with the consent of the Majority Lenders; provided that: (a) no amendment, modification, supplement or waiver shall, unless by an instrument signed by all of the Lenders directly affected thereby: (i) increase, or extend the term of, any Commitment, or extend the time or waive any requirement for the reduction or termination of any Commitment, (ii) extend the date fixed for the payment of principal or of interest on any Loan (including the date of any mandatory prepayment required to be made in accordance with Section 3.05 (Mandatory Prepayment of Loans) (provided that the consent of only the Majority Lenders will be required to approve any further (one time) extension of the Repayment Date for an additional period of no more than five (5) Business Days)) or any fee, commission or other amount payable under any Loan Document, (iii) reduce the amount of any payment of principal, (iv) reduce the rate at which interest is payable thereon or any commission is payable hereunder, (v) alter the terms of this Section 11.06 (Amendments, Etc.), Section 11.08(a) (Assignments and Participations), Section 4.02 (Pro Rata Treatment), or Section 4.05 (Sharing of Payments, Etc.), (vi) modify the definition of the term "Majority Lenders" or modify, in any other manner, the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, (vii) except as provided in any Collateral Document, release any of the Liens on the Collateral, or (viii) waive any of the conditions precedent set forth in Article VI (Conditions Precedent); (b) any modification or supplement of Article X (The Agents) hereof insofar as it relates to the Agents shall require the consent of the Administrative Agent; and (c) notwithstanding anything to the contrary in this Section 11.06 (Amendments, Etc.), if any amendment, supplement, modification or waiver is ministerial in nature, is necessary to correct an ambiguity, error or inconsistency in this Agreement or is for the purpose of making any change that would provide additional rights or benefits to the Lenders, then the Administrative Agent may execute or approve such amendment, supplement, modification or waiver without seeking the instructions of the Majority Lenders.

Section 11.07 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 11.08 Assignments and Participations.

(a) The Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes or the Letters of Instructions without the prior consent of all of the Lenders and the Administrative Agent.

(b) Each Lender may assign any of its Loans or Commitments, in whole or in part (but if in part, in a minimum aggregate amount of U.S.\$ 10,000,000 and, if greater, in an amount which is an integral multiple of U.S.\$1,000,000), upon notice to the Administrative Agent and the Borrower; provided that no Loans or Commitments may be assigned to (A) any Sanctioned Person or (B) any Person (other than a Lender) that is deemed to be domiciled in any country that is considered a tax haven under the Peruvian Income Tax Act, as modified from time to time. To the extent that an assignment of all or any portion of a Lender's Loans or Commitments pursuant to this Section 11.08(b) (Assignments and Participations) would, due to circumstances existing at the time of such assignment, result in the Borrower being required to pay amounts under Article V (Yield Protection, Etc.) that are greater than those it was required to pay in respect of the assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay such increased amounts. If recorded in the Register, upon execution and delivery by the assignee to the Borrower and the Administrative Agent of an Assignment and Assumption Agreement, the assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Borrower and the Administrative Agent), the obligations, rights and benefits of a Lender hereunder holding the Loans and/or Commitments (or portions thereof) assigned to it (in addition to the Loans and/or Commitments, if any, theretofore held by such assignee). Any assignee under this clause (b) (other than an assignee who is a Lender) shall deliver all "know your customer" documents and information reasonably requested by the Administrative Agent pursuant to Anti-Money Laundering Laws. To the extent that an assignment of any portion of a Lender's Loans or Commitments would, at the time of such assignment, result in increased costs under Article V (Yield Protection, Etc.) from those being charged by the respective assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay such increased costs (although the Borrower, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment).

(c) In case of partial assignment or transfer of a Lender's Loans and Commitments, the Borrower shall execute and deliver to the assignee or transferee a new Note and Letter of Instructions to represent the obligation to pay principal and interest to the assignee or transferee on the portion of the Loan assigned or transferred. If the Loans are assigned or transferred in full, the Borrower shall execute and deliver to the assignee or transferee a new Note and Letter of Instructions and the Lender shall proceed in accordance with Section 2.07 (Notes).

(d) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, the Class, the Commitments of each Lender, and the principal amounts of (and stated interest on) the Loans owing to each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) A Lender may sell or agree to sell to one or more other Persons (other than any Sanctioned Person) a participation in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of the Loans owing to it) (a "Participant") without the consent of the Borrower, the Administrative Agent or any other Person; provided that (i) such Lender's obligations under this Agreement, the Fee Letters and the Notes and Letters of Instructions held by it shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement and the other Loan Documents; provided that such agreement or instrument may provide that such Lender shall not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso to Section 11.06 (Amendments, Etc.) that affects such Participant. Subject to Section 11.08(b) (Assignments and Participations), the Borrower agrees that each Participant shall be entitled to the benefits of Article V (Yield Protection, Etc.) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.08(b) (Assignments and Participations); provided that all amounts payable by the Borrower thereunder shall be determined as if the applicable participation had not occurred and as if the Participant were the participating Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Section 1.163-5(b)(1) of the proposed United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) A Participant shall not be entitled to receive any greater payment under Article V (Yield Protection, Etc.) than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, except to the extent such entitlement to receive a greater payment results from a Regulatory Change that occurs after the Participant acquired the applicable participation.

(g) A Lender may furnish any information concerning the Borrower in the possession of such Lender from time to time to assignees and Participants (including prospective assignees and Participants); *provided* that, prior to any such disclosure, any such assignee, Participant or prospective assignee or Participant shall agree to preserve the confidentiality of any such information subject to the provisions contained in Section 11.18 (Confidentiality) and shall execute and deliver to the Borrower an agreement in writing, in form and substance satisfactory to the Borrower, to such effect.

(h) In addition to the assignments and participations permitted under the foregoing provisions of this Section 11.08 (Assignments and Participations), any Lender may at any time pledge or assign a security interest in all or any portion of its rights under the Loan Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no pledge or assignment of a security interest shall release such Lender from any of its obligations hereunder or thereunder or substitute any such pledgee or assignee for such Lender as a party hereto or thereto.

Section 11.09 Survival. The obligations of the Borrower under Sections 5.01 (Additional Costs), 5.05 (Compensation), 5.06 (Covered Taxes), 11.03 (Expenses, Etc.), 11.04 (Indemnification) and 11.16 (Judgment Currency) and the obligations of the Lenders under Section 10.05 (Indemnification) shall survive the repayment of the Loans.

Section 11.10 No Immunity. To the extent that the Borrower or any of its property has or hereafter may acquire, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to any Loan Document, any immunity from jurisdiction, legal proceedings, attachment (whether before or after judgment), execution, judgment or set-off, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

Section 11.11 Counterparts. This Agreement may be executed and delivered (by facsimile, e-mail or otherwise) in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by fax, e-mail or other electronic transmission of an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart of this Agreement.

Section 11.12 Electronic Signature. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 11.13 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 11.14 Consent to Jurisdiction.

(a) Each party hereto hereby irrevocably consents and agrees, for the benefit of each other party hereto, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Loans may be brought in any Federal or State court located in the Borough of Manhattan, The City of New York, and hereby irrevocably accepts and submits to the exclusive jurisdiction of each such court with respect to any such action, suit or proceeding. Each party hereto hereby waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings, brought in any such court and hereby further waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought therein has been brought in an inconvenient forum.

(b) The Borrower hereby appoints Cogency Global Inc., with offices at the date of this Agreement at 122 East 42nd Street, 18th Floor, New York, NY 10168, United States of America, as its authorized agent on which any and all legal process may be served in any such action, suit or proceeding brought in any Federal or State court located in the Borough of Manhattan, The City of New York. The Borrower hereto agrees that service of process in respect of it upon its agent, together with written notice of such service given to it in the manner provided in Section 11.02 (Notices), shall be deemed to be effective service of process upon it in any such action, suit or proceeding. The Borrower agrees that the failure of its agent to give notice to it of any such service shall not impair or affect the validity of such service or any judgment rendered in any action, suit or proceeding based thereon. If for any reason its agent shall cease to be available to act as such, the Borrower agrees to designate a new agent in the Borough of Manhattan, The City of New York, on the terms and for the purposes of this Section 11.14 (Consent to Jurisdiction). Nothing herein shall be deemed to limit the ability of any other party hereto to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over the Borrower or bring actions, suits or proceedings against it in such other jurisdictions, and in such manner, as may be permitted by Applicable Law.

(c) The Borrower hereby irrevocably consents and agrees, for the benefit of the Agents and each Lender, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Collateral Documents, the Notes and the Letters of Instructions may be brought in the courts of Lima - Cercado, Peru, and hereby irrevocably accepts and submits to the exclusive jurisdiction of such courts with respect to any such action, suit or proceeding.

Section 11.15 WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENTS AND THE LENDERS HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 11.16 Judgment Currency. This is an international loan transaction in which the specification of Dollars and payment in New York, New York, U.S. is of the essence, and Dollars shall be the currency of account in all events. The payment obligations of the Borrower under this Agreement stated to be payable in Dollars shall not be discharged by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to Dollars and transferred to New York City under normal banking procedures does not yield the amount of Dollars in New York City due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (in this Section 11.16 (Judgment Currency) called the "second currency") the rate of exchange which shall be applied shall be that at which in accordance with normal banking procedures the respective Lender could purchase Dollars with the second currency on the Business Day next preceding that on which judgment is rendered. The obligation of the Borrower in respect of any such sum due from it to any Lender hereunder shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Lender of any sum adjudged to be due hereunder in the second currency such Lender may in accordance with the normal banking procedures purchase and transfer to Dollars with the amount of the second currency so adjudged to be due; and the Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Lender against, and to pay the Lender on demand, in Dollars, any difference between the sum originally due to such Lender in Dollars and the amount of Dollars so purchased and transferred.

Section 11.17 Severability; Integration. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 11.18 Confidentiality. Each of Agents and each Lender shall keep confidential all information disclosed to it concerning the assets and businesses of the Borrower and its Subsidiaries (including pursuant to Section 8.02 (Reporting Requirements)) and not otherwise publicly available and shall, unless otherwise required by Applicable Law, not disclose any such information without the consent of the Borrower to anyone other than (a) to its bank or parent holding company, Affiliates and its and their respective directors, officers, employees, accountants, consultants, counsel and representatives (provided that each of the Administrative Agent, Collateral Agent or the Lender shall (i) inform such Person of the confidential nature of all information referred to in this Section 11.18 (Confidentiality); and (ii) instruct such Person to keep all such information confidential), (b) to any actual assignee or participant or to any proposed transferee or proposed sub-participant of any Loans (provided such transfer is permissible under this Agreement and that such proposed transferee or proposed sub-participant first agrees in writing to become subject to this Section 11.18 (Confidentiality)), (c) to any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction or to any actual or prospective direct or indirect provider or credit protection, in each case relating to the Loans or the Borrower, (d) in connection with legal or arbitral proceedings or required filings with government agencies or courts or examination by banking regulatory, self-regulatory or supervisory authorities or if required by any rating agency or credit insurer; provided that prior to any such disclosure, such rating agency shall have agreed in writing to maintain the confidentiality of such information, (e) as may otherwise be requested by any Governmental Authority, (f) to any Agent or any other Lender, (g) in connection with the exercise of any remedies under any Loan Document or any action or proceeding relating to any Loan Document or the enforcement of rights hereunder and thereunder, or (h) to the extent such information (i) is or becomes publicly available other than as a result of a breach of this Section 11.18 (Confidentiality), (ii) is or becomes available to the such Agent or such Lender on a non-confidential basis from a source other than the Borrower that is not, to the knowledge of the applicable Agent or the applicable Lender, as the case may be, subject to a confidentiality obligation to the Borrower, or (iii) is independently developed by such Agent or such Lender without reliance on confidential information. In addition, the Agents and the Lenders may disclose the existence (but not the terms) of this Agreement to market data collectors, similar service providers to the lending industry and service providers to any Agent or any Lender in connection with the administration of this Agreement.

Section 11.19 Anti-Money Laundering. Each Lender subject to the provisions of the USA Patriot Act or any other Anti-Money Laundering Laws applicable to such Lender, hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act and/or any other Anti-Money Laundering Laws applicable to it, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the USA Patriot Act and/or any other Anti-Money Laundering Laws applicable to such Lender. In connection therewith, any Lender may from time to time request (and the Borrower agrees to promptly provide) such information (including corporate formation documents or such other forms of identification) as may be necessary for such Lender to comply with the requirements of the USA Patriot Act, applicable "know your customer" requirements and/or any other applicable Anti-Money Laundering Laws.

Section 11.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under any Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 11.21 No Other Duties, Etc. Notwithstanding anything herein to the contrary, Neither the Lenders nor the Agents shall have any powers, duties or responsibilities under this Agreement, except, with respect to the Lenders and the Agents only, in its capacity, as applicable, as the Administrative Agent, Collateral Agent or the Lenders hereunder.

Section 11.22 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof), the Borrower acknowledges and agrees that: (a) (i) the arranging and other services regarding this Agreement provided by the Administrative Agent, Collateral Agent, the Joint Lead Arrangers and the Lenders are arm's-length commercial transactions between the Borrower, on the one hand, and the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers and the Lenders, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby; (b) (i) the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (ii) none of the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers or any Lender has any obligation to the Loan Parties or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein; and (c) the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers or any Lender has any obligation to disclose any of such interests to the Borrower or any of its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.23 Data Protection. In compliance with the provisions of the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the European Council and the Spanish Organic Law on the Protection of Personal Data and the guarantee of digital rights, the Lenders hereby inform each other Party that, such Party's personal data included in this Agreement will be processed by the Lenders for the purpose of managing the contractual relationship, and of maintaining any relationship, with such Party. This processing is necessary and based on the Lenders' legitimate interest and on compliance with legal obligations. Such personal data will not be disclosed to third parties unless there is a legal obligation to do so and will be kept for as long as the contractual relationship remains in effect and thereafter until any liabilities arising therefrom have expired. The Parties may contact the Data Protection Officer of Banco Santander, S.A. at privacidad@gruposantander.es and exercise their rights of access, rectification, erasure, blocking, data portability and restriction of processing (or any other recognized by law) by email to scibprivacy@gruposantander.com. The Parties may also submit any claims or requests relating to the protection of personal data to the Spanish Data Protection Agency at www.aepd.es.

Section 11.24 Information exchange. The Borrower hereby acknowledges the disclosure to other Affiliates of the Lenders of the information provided in the context of the due diligence process or "Know Your Customer", along with any relevant transactions-related information, that allows such companies to comply with (i) the Santander's Financial Crime Compliance internal policies, (ii) the Lenders' legal obligations relating to the anti-money laundering and counter terrorism financing regulations and (iii) their regulatory reporting to the supervisory authorities. In this regard, the Borrower hereby guarantees that the data subjects of the personal data that may be included in the referred information have been duly informed of, and when required by applicable data protection regulation, have expressly consented to, the disclosure of their personal data to that effect.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

AENZA S.A.A., as Borrower

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Loan Agreement]

BANCO DE CRÉDITO DEL PERÚ S.A., as Administrative Agent

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signature Page to Loan Agreement]

BANCO DE CRÉDITO DEL PERÚ S.A., as Collateral Agent

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signature Page to Loan Agreement]

LENDERS:

BANCO BTG PACTUAL S.A. – CAYMAN BRANCH, as a Lender

By: _____

Name:

Title:

[Signature Page to Loan Agreement]

BANCO SANTANDER PERÚ S.A., as a Lender

By: _____

Name:

Title:

[Signature Page to Loan Agreement]

HSBC MÉXICO, S.A., INSTITUCIÓN DE BANCA
MÚLTIPLE, GRUPO FINANCIERO HSBC, as a Lender

By: _____
Name:
Title:

[Signature Page to Loan Agreement]

NATIXIS, NEW YORK BRANCH, as a Lender

By: _____
Name:
Title:

[Signature Page to Loan Agreement]

Lenders and Commitment Amounts

Lender	Fixed Rate Commitment Amounts	Floating Rate Commitment Amount
Banco BTG Pactual S.A. – Cayman Branch		U.S.\$30,000,000
Banco Santander Perú S.A.	-	U.S.\$30,000,000
HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC	-	U.S.\$30,000,000
Natixis, New York Branch	-	U.S.\$30,000,000
Total	U.S.\$0	U.S.\$120,000,000

Schedule 1.01(a)

Applicable Lending Offices

LENDER	LENDING OFFICE
Banco BTG Pactual S.A. – Cayman Branch	Harbour Place 5 th Floor, 103 South Church Street, P.O. Box 1353GT, Grand Cayman, Cayman Islands, KY1-1108
Banco Santander Perú S.A.	Av. Rivera Navarrete 475, 14 th Floor, San Isidro, Lima, Peru
HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC	Av. Paseo de la Reforma 347, Col. Cuauhtémoc, Mexico City, Mexico
Natixis, New York Branch	1251 Avenue of the Americas, New York, NY 10020

Schedule 1.01(b)

Use of Proceeds

No.	Use of Proceeds	Bank Account	Amount (U.S.)
1.	Repayment of Existing Syndicated Facilities	Collection Account	7,400,000.00
2.	Repayment of Cumbra Loan	Collection Account	20,222,510.74
3.	Repayment of vendors and suppliers due	Collection Account	18,800,000.00
4.	Put Option (Morelco S.A.S) and minority shareholders (Vial y Vives - DSD S.A.)	Collection Account	6,000,000.00
5.	Sanctions (Indecopi "Club de la Construcción" case)	Collection Account	13,200,000.00
6.	Restructuring costs of Borrower	Collection Account	18,700,000.00
7.	Convertible Bond	Collection Account	30,000,000.00; and any balance thereof not used to repay the Convertible Bond, applied to general corporate purposes
8.	Repayment Fee (Convertible Bond)	Collection Account	1,800,000.00
9.	Structuring Fee	Collection Account	2,280,000.00
10.	Transaction Costs	Collection Account	1,597,489.26
TOTAL			120,000,000

Schedule 2.06

Litigation

1. Tax Matters

- 1.1. Claim procedures before the Peruvian tax authority (SUNAT), involving tax income results of years 2014 to 2016, disputed amounts that in aggregate represent approximately S/235,055,000, distributed as follows: (i) S/115,175,000 corresponding to the Borrower; (ii) S/78,790,000 corresponding to Cumbra Peru S.A.; (iii) S/21,295,000 corresponding to Cumbra Ingeniería S.A.; (iv) S/10,214,000 corresponding to Consorcio Constructor Ductos del Sur; and (v) S/9,581,000 corresponding to Consorcio Constructor Chavimochic.
- 1.2. Claim procedures before the Peruvian tax authority (SUNAT), involving tax income and VAT results of 2015, disputed amounts that in aggregate represent approximately S/1,126,000, corresponding to Unna Transportes S.A.C.
- 1.3. Appeal before the Peruvian tax courts (Tribunal Fiscal) involving tax income results of years 2009, 2010, 2012 to 2014 and 2016, disputed amounts that in aggregate represent approximately S/144,664,000, distributed as follows: (i) S/108,370,000 corresponding to the Borrower; (ii) S/24,296,000 corresponding to Cumbra Peru S.A.; (iii) S/8,488,000 corresponding to Cumbra Ingeniería S.A.; and (iv) S/3,510,000 corresponding to Viva Negocio Inmobiliario S.A.
- 1.4. Contentious Administrative Process before the Peruvian tax courts (Poder Judicial), disputed amount that in aggregate represents approximately S/63,976,000, distributed as follows: (i) regarding tax income results of years 2011 y 2012, S/54,823,000 corresponding to the Borrower (of which S/35,274,000 have already been paid and registered as a "Other Receivable Account"); and (ii) regarding VAT results of years 1998 to 2002, S/9,153,000 corresponding to Inmobiliaria OPQ S.A.C.

2. Indecopi

- 2.1. Construction Club Case: On February 2020, Cumbra Peru S.A. was notified with the start of an administrative sanctioning procedure for an alleged anti-competitive conduct, consisting of bid rigging within a cartel in the construction market, along with more than 30 other construction companies. On November 17, 2021, Cumbra Peru S.A. was notified with Resolution N° 80-2021/CLC-INDECOPI in which Cumbra Peru S.A. was sanctioned with (i) a reduced fine of S/ 50'171,715, due to its collaboration in a leniency program; and (ii) the implementation of a compliance program. Cumbra has appealed both the fine amount and the compliance program, but not its responsibility within the cartel due to its leniency program commitment.
- 2.2. Non Poaching Case: On February of 2022, Cumbra Peru S.A., and Unna Transportes S.A.C. were notified with Resolution N° 038-2021/DLC-INDECOPI, which initiated an administrative sanctioning procedure for the alleged execution of a horizontal collusive practice in the modality of concerted distribution of suppliers associated with refraining from hiring competitor's employees in the construction sector between 2011 and 2017.

3. Labor Matters

- 3.1. Labor claim initiated by Ruben Escobar Peña on December 18, 2014, against Consortium GYM CONCIVILES, including jointly and severally Borrower and Contugas S.A.C., companies which have incorporated such consortium. Former employee is claiming damages for a total amount of S/ 5,000,000.00.

4. Borrower

- 4.1. SMV Sanctioning Procedure: Through Resolution N° 68-2021-SMV/02 the *Superintendencia del Mercado de Valores* declared inadmissible Borrower's appeal against Resolution N° 38-2021-SMV/11, confirming a fine of 200 *Unidades Impositivas Tributarias* (approximately S/800,000). On October 15, 2021, Aenza filed a judicial action (*proceso contencioso administrativo*) before the Courts of Lima.
- 4.2. SMV Sanctioning Procedure: Through Resolution N° 64-2021-SMV/02 the *Superintendencia del Mercado de Valores* declared inadmissible Borrower's appeal against Resolution N° 209-2018-SMV/11, confirming a fine of 300 *Unidades Impositivas Tributarias* (approximately S/1,200,000). On September 30, 2021, Aenza filed a judicial action (*proceso contencioso administrativo*) before the Courts of Lima.
- 4.3. SMV Sanctioning Procedure: Through Resolution N° 68-2021-SMV/11 the *Superintendencia del Mercado de Valores* imposed a fine of 500 *Unidades Impositivas Tributarias* (approximately S/2,000,000). On September 17, 2021, the Borrower filed an appeal against such fine.
- 4.4. Class Action: As disclosed in the latest 20-F form filed before the Securities and Exchange Commission (SEC) of the United States of America, a class action civil lawsuit was filed in 2017 against our company and certain of our former directors and former and current executive officers in the United States. In February 2020, we executed a term sheet with the plaintiffs that provides the general terms and conditions for a final settlement agreement. On July 2, 2020, we executed a Stipulation and Agreement of Settlement formalizing the terms of the settlement. The settlement received preliminary approval from the U.S. court on August 18, 2020, but remains subject to final approval of the court. The settlement terms stipulate that the civil lawsuit will be fully and finally dismissed in exchange for a total settlement amount of US\$20 million, of which the company is responsible for US\$15 million, and the company recorded provisions of US\$15 million as of December 31, 2020. The remaining US\$5 million was paid by the company's D&O insurers. The company made an initial payment of US\$350,000 into the settlement fund escrow account in September 2020. The settlement terms stipulate that the remaining \$14,650,000, plus interest of 5% per annum running from September 17, 2020, must be paid by the company by June 30, 2021. We have initiated discussions with the plaintiffs regarding a deferral of this payment, but we cannot assure you that an agreement will be reached. No members of the plaintiff class filed objections to the settlement prior to the November 24, 2020 deadline for such objections to be filed. On December 21, 2020, a magistrate judge held a hearing on the motion for final approval of the settlement, which final approval motion remains pending. If the court does not order final approval of the settlement, or the company fails to comply with the terms of the settlement agreement, we would expect the lawsuit to resume.

5. Viva Negocio Inmobiliario S.A.

- 5.1. Civil lawsuit against AP: Involving a Memorandum of Understanding for the development of a future real estate project on the land of Activos Peruanos S.A. Faced with Viva's decision not to continue with the project, Activos Peruanos improperly executed the bond letter issued by Viva. Therefore, Viva has sought compensation for the damage suffered in the amount of \$ 3,200,000.00. For its part, Activos Peruanos has sued Viva for an amount of S/ 89,500,000.00 soles for damages.
- 5.2. Civil lawsuit against MVCS: Viva signed agreements with the *Ministerio de Vivienda, Construcción y Saneamiento* and others for the development of a real estate project on land located in Ancón. However, the project could not be developed for reasons attributable to the MVCS. It is in this context that Viva terminated the contract and filed a lawsuit for damages in the amount of S /116,000,000.
- 5.3. DHMONT Arbitration: DHMONTT alleges that it is the rightful owner of an area of approximately 5,000 m2, located in the lot assigned to Viva considering certain agreements adopted at the beginning of the operation of sale of the land in favor of Viva. The loss of ownership of the 5,000 m2 would imply a loss of approximately \$4,000,000.00 dollars.
- 5.4. Civil lawsuit filed by Almonte against SEDAPAL and MVCS: SEDAPAL has continued to illegitimately occupy land of Almonte since 2001 to date, even though there is a resolution that declared the expiration of the expropriation process by SEDAPAL. Therefore, Almonte requests the payment of compensation for improper use of its property equivalent to S/542,000,000.

6. Tren Urbano de Lima S.A.

- 6.1. Pedestrian Brigdes Case: The Transportation Regulatory Agency (OSITRAN), through Resolution N° 007-2022-GG-OSITRAN, rejected the appeal filed against Resolution N° 136- 2021-GSF-OSITRAN, confirming the fine of 1029.35 Tax Units (approximately \$1,300,000), for the alleged breach by Tren Urbano de Lima S.A. of its obligation to maintain the Pedestrian and Vehicular Walkways of Line 1 of the Lima Metro. To date, the company is preparing the lawsuit against OSITRAN to initiate a contentious-administrative process before the courts of Lima.

7. Unna Energía S.A.

- 7.1. File 2673-2018-OEFA: On February 3, 2021, the Peruvian Environmental Authority (OEFA) began an administrative procedure against Unna Energía S.A. regarding the incorporation of a production water treatment facility not authorized by the corresponding environmental instrument (Estudio de Impacto Ambiental), default to comply with the final treatment of the production water and the corresponding preventive measures. The fine is of S/9,550,998.40 (2,076.30 Tax Units). Unna Energia S.A. has appealed (*reconsideración*) the authority's first instance ruling.
- 7.2. File 0392-2015-OEFA: On October 7, 2016, the Peruvian Environmental Authority (OEFA) began an administrative procedure against Unna Energía S.A. for allegedly using production water evaporation wells without authorization under the corresponding environmental instrument (Estudio de Impacto Ambiental). The fine is of S/8,145,302.80 (1,770.718 Tax Units). Unna Energía S.A. Unna Energia S.A. has appealed the authority's first instance ruling.

- 7.3. File 3249-2018-OEFA: On October 7, 2016, the Peruvian Environmental Authority (OEFA) began an administrative procedure against Consorcio Terminales (associative agreement between UNNA Energia S.A. and Oiltanking Perú S.A.C. whereas each member holds 50% of the project) for allegedly not performing the decontamination of an area affected with the spill of Diesel B5-S50 on August 8, 2016, that took place on Ilo Station Tank N° 12. The fine is of S/9,200,000.00 (2,000 UIT). UNNA Energia S.A. has appealed the authority's first instance ruling.

8. Cumbra Perú S.A.

- 8.1. Labor Claims: Related claims against the company, in the ordinary course of business, with an aggregate amount of S/ 15,000,000 approximately.
- 8.2. Cumbra Perú S.A. v. Técnicas Reunidas Talara S.A.C. (ICC Case N° 23816): The dispute is related to the performance and termination of a subcontract for the provision of construction works in the Talara Refinery overhaul. Cumbra Perú S.A. filed a request for arbitration of the case claiming payment of US\$ 78'141.816.36 plus interest, contending that TRT has breached certain provisions of the subcontract. TRT requested the Tribunal to include a counterclaim against Cumbra Perú S.A. of US\$ 81'360,438.32 plus interest.
- 8.3. Cumbra Perú S.A. v. COTINAVEC (PUCP Case N° 2018-418-48): Arbitration for the termination of the joint venture agreement related to the electromechanical package of Talara Refinery. Cumbra seeks to declare that Navec (parent company) and Cotinavec are both part of the same economic group, so can be declared joint and several responsible for the termination of the contract. In February 2021 the tribunal determined that Navec and Cotinavec belong to the same economic group, so the tribunal declared Navec as part of the arbitration. Cumbra Perú S.A. is claiming the payment of US\$4'000,000.00 approximately (equivalent to 20% of losses) and COTINAVEC through the counterclaim is claiming a payment of US\$19'123,216.29 to Cumbra Perú S.A. for damages derived from the termination of the joint venture agreement.
- 8.4. Cumbra Perú S.A. v. STRACON (AMCHAM Case N° 006-2021): In February 2021 Cumbra Perú S.A. was notified with the request for arbitration filed by STRACON in which they claim payment of S/7'082,874.68 equivalent to the 87.59% of the total tax contingencies payable under the SpA signed in 2015 plus interest.
- 8.5. Consortio Ermitaño. v. SEDAPAL (CCL Case N° 679-2019-CCL): Sedapal requested the Tribunal to declare as invalid, the termination of Contract N° 069-2016-SEDAPAL by Consortio Ermitaño (to which Cumbra Perú S.A. is a part of). On the other hand, the Consortium requests that the validity of the termination of the contract be ratified and the application of penalties imposed be left without effect, being that such amount is of S/ 25,596,271.
- 8.6. Consortio Vial Quinua. v. PROVIAS (Ad Hoc Case N° I247-2019): PROVIAS requested the Tribunal to determine the responsibility of the Consortio Vial Quinua (to which Cumbra Perú S.A. is a part of) for the alleged existence of construction deficiencies or hidden defects in the execution of the Quinua - San Francisco highway, and order the payment of S/ 5,999,359.71.

- 8.7. Consorcio Ítalo Peruano v. Instituto Nacional de Enfermedades Neoplásicas (INEN) (Case N° S-016-2018/SNA-OSCE); The consortium is claiming payment of S/ 4,250,800.93 for the installation of seismic isolators according to the signed contract. INEN has withheld payment for observations related to the suitability of the isolators.

9. Cumbra Ingeniería S.A.

- 9.1. Arbitration before PSI: Involving a public procurement contract (consultancy services) entered into between Cumbra Ingeniería S.A. and *Programa Subsectorial de Irrigaciones* (PSI, for its acronym in Spanish), entity belonging to the Ministry of Agricultural Development and Irrigation. Matter involved: termination of the consultancy services contract, which has been disputed by Cumbra Ingeniería S.A., and for an amount involved of S/ 1,900,000 approximately.

10. Graña y Montero S.A.A. Sucursal Colombia

- 10.1. Civil claim of Graña y Montero SAA Sucursal Colombia (“GMSAA”) against Mota Engil Engenharia e Construção S.A. and Mota Engil Perú S.A. (“Mota Engil”); Case number 11001310303720180047100 before Bogota Civil Circuit Judge 37. Start date: December 19th, 2019. Amount of claim: COP \$13.762.970.493 (aprox. US\$3,500,000). Claims arise from Mota Engil’s breach of contract, in which it was required to pay GMSAA. Judge admitted claim and pronounced in favor of GMSAA with precautionary measures, which GMSAA has asked the Judge to implement directly in Peru against Mota Engil Perú S.A. Judge’s respond is pending.

Compliance with Laws

1. Events disclosed by the Borrower to the *Superintendencia del Mercado de Valores* of Peru, in the *Hecho de Importancia* dated December 27, 2019.
2. Events disclosed by the Borrower to the *Superintendencia del Mercado de Valores* of Peru, in the *Hecho de Importancia* dated May 21, 2021.
3. Events disclosed by the Borrower to the *Superintendencia del Mercado de Valores* of Peru, in the *Hecho de Importancia* dated November 17, 2021.
4. Events disclosed by the Borrower to the *Superintendencia del Mercado de Valores* of Peru, in the *Hecho de Importancia* dated February 7, 2022.
5. Events that are part of or described in the Plea Agreement.
6. Events disclosed in the most recent version of SEC Form 20-F (Form 20-F) that has been filed by the Borrower with the Securities and Exchange Commission of the United States of America.

Sanctions

N/A

Schedule 7.16

Subsidiaries

1. Subsidiaries of Borrower

Subsidiary	Percentage
1. Promotores Asociados de Inmobiliarias S.A.	100%
2. Recaudo Lima S.A.	99%
3. Qualys S.A.	99%
4. Viva Negocio Inmobiliario S.A.	56.218%
5. Concesionaria La Chira S.A.	50%
6. Carretera Sierra Piura S.A.	99.96%
7. Unna Energía S.A.	95%
8. Tren Urbano de Lima S.A.	75%
9. Red Vial 5 S.A.	18.20%
10. Carretera Andina del Sur S.A.C.	99.99%
11. Cumbra Perú S.A.	98.9%
12. Cumbra Ingeniería S.A.	89.4%
13. Concesionaria Via Expresa Sur S.A.	99.98%
14. Unna Transporte S.A.C.	99.998%
15. Inversiones en Autopistas S.A.	0.9993% (Inversión Concesión Vial S.A.C. has the other 99.0007%)
16. Promotora Larcomar S.A.	46%
17. CAM Holding SpA	100%
18. Negocios de Gas S.A.	99%
19. GyM Colombia S.A.S.	100%
20. Agenera S.A.C.	99.0007%
21. Unna Infraestructura S.A.C.	99.90%
22. Inmobiliaria OPQ S.A.C.	--
23. Billetera Electrónica de Transporte Lima S.A.C.	95.5%
24. Inversiones en Ingeniería y Construcción S.A.C.	99.90%
25. Operadores de Infraestructura S.A.C.	99.9%

2. Subsidiaries of Viva Negocio Inmobiliario S.A.

Subsidiary	Percentage
1. Almonte 2 S.A.C.	50%
2. Proyectos Inmobiliarios Consultores S.A.C.	92.42%
3. GMVBS S.A.	50%
4. Las Lomas S.A.	99.9%
5. Inmobiliaria Almonte S.A.C.	50%
6. Inmobiliaria Pezet 417 S.A.C.	99.8%

3. Subsidiaries of Unna Energía S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Transportadora de Gas Natural Comprimido Andino S.A.C.	99.93%
2. Oiltanking Andina Services S.A.C.	50%
3. Planta de Gas Natural de Talara S.A.C.	99.90%
4. Logística Químicos del Sur S.A.C.	50%

Consortiums of Unna Energía S.A.

<u>UNNA ENERGIA S.A.</u>	<u>Percentage</u>
- Consorcio Terminales	50%
- Terminales del Perú	50%

4. Subsidiaries of Cumbra Perú S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Servisel S.A.	99.98%
2. GyM Chile SpA	100%
3. Vial y Vives – DSD S.A.	94.49% (through GyM SpA)
4. Construyendo País S.A.	99.9%
5. Empresa Constructora Puruchuco S.A.C.	99.9%
6. GyM Operaciones Internacionales S.A.C.	50%
7. Perú Piping Spools S.A.C.	33.3%
8. Morelco S.A.S.	69.9%
9. Construcciones y Soluciones Energéticas S.A.C.	85%
10. MGraña y Montero Construcciones y Montajes S.A.	99.71%
11. Inmobiliaria Gold S.A.	--

Consortiums of Cumbra Perú S.A.

<u>Cumbra Perú S.A.</u>	<u>Percentage</u>
- Consorcio Huacho Pativilca	67%
- Consorcio GyM – CONCIVILES	67%
- Consorcio Chicama - Ascope	50%
- Consorcio AMDP – norte	-
- Consorcio Constructor Alto Cayma	50%
- Consorcio Ermitaño	50%
- Consorcio GYM-OSSA	100%
- Consorcio GyM-Stracon	50%
- Consorcio HV GyM	50%
- Consorcio La Chira	50%
- Consorcio Lima Actividades Comerciales Sur	50%
- Consorcio Lima Actividades Sur	50%
- Consorcio Río Urubamba	50%
- Consorcio Alto Cayma	49%
- Consorcio La Gloria	49%
- Consorcio Norte Pachacutec	49%
- Consorcio Italo Peruano	48%
- Consorcio Vial Quinua	46%
- Consorcio Constructor Ductos del Sur	29%
- Consorcio Constructor Chavimochic	27%
- Consorcio Inti Punku	49%
- Consorcio Pasco	1%

5. Subsidiaries of Cumbra Ingeniería S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Ecología y Tecnología Ambiental S.A.C.	99.9%
2. GM Ingeniería Bolivia S.R.L.	98.57%
3. GM Ingeniería y Construcción S.A. de C.V.	99%

Consortiums of Cumbra Ingeniería S.A.

<u>Cumbra Ingeniería S.A.</u>	<u>Percentage</u>
- Consorcio Vial la Concordia	88%
- Consorcio GMI- Haskoningdhv	70%
- Consorcio Supervisor Ilo	55%
- Consorcio Poyry-GMI	40%
- Consorcio Internacional Supervisión Valle Sagrado	33%
- Consorcio Ecotec - GMI - PIM	30%
- Consorcio Ribereño Chinchaycamac	40%
- Consorcio Supervisor GRH	83%
- Consorcio Ecotec - GMI	20%

6. Subsidiaries of Agenera S.A.C.

<u>Subsidiary</u>	<u>Percentage</u>
1. Generación Eléctrica del Norte S.A.C.	50%
2. Operadores de Infraestructura S.A.C.	99.99%

7. Subsidiaries of Unna Infraestructura S.A.C.

<u>Subsidiary</u>	<u>Percentage</u>
1. Inversiones en Infraestructura de Transporte S.A.C.	99.90%

8. Consortiums of Unna Transportes S.A.C.

<u>UNNA Transportes S.A.C.</u>	<u>Percentage</u>
- Consorcio Ancón-Pativilca	-
- Consorcio Peruano de Conservación	50%
- Consorcio Manperán	67%
- Consorcio Vial Sierra	50%
- Consorcio Vial Ayahuaylas	99%
- Consorcio Vial ICAPAL	-
- Consorcio Vial Sullana	99%
- Consorcio Vial del Sur	99%
- Consorcio Obras Viales	99%

Indebtedness

9. Borrower

Lenders	Borrowers	Type of Financing	Total Amount	Outstanding amount/Use of Line	Currency	Execution Date	Due Date	Detail
BBVA / BCP / SCOTIABANK / INTERBANK (Existing Syndicated Facilities)	Borrower, Cumbra Perú S.A., CAM Perú S.A., Concesionaria Via Expresa Sur S.A., Vial y Vives – DSD S.A.	Loan + Credit Line	\$205,675,390.29	\$205,675,390.29	Soles and Dollars	2017	June 2022	Working Capital + Line of Credit + Other Uses

Bondholders	Issuer	Type of Financing	Total Amount	Outstanding amount	Currency	Execution Date	Issuance Date	Date of Final Repayment
Bondholders of the Convertible Bonds (represented by Kallpa Securities Sociedad Agente de Bolsa S.A.)	Borrower	Bonds	\$89,970,000	\$78,970,000	Dollars	2021	2021	2024

10. Viva Negocio Inmobiliario S.A.

Lenders	Projects	Type of Financing	Total Amount	Outstanding amount/Use of Line	Currency	Issuance	Due Date	Detail
BBVA	Comas	Credit Lines / WK/Letter of guarantee	S/56,500,000	S/20,793,729	Soles	Revolving	Revolving	Financing for the Parques de Comas project
BBVA	Comas	Letter of guarantee	\$1,500,000	\$1,500,000	Dollars	Revolving	every 1 year	Guarantee for the development of the Los Parques de Comas project
BCP	Comas	Leasing	S/3,642,073	S/827,859	Soles	2019	2023	Asset purchase
BCP	VARIOUS LANDS	Loan	S/49,624,322	S/34,635,212	Soles	2015	July 2022	For the purchase of land, it is renewed every 6 months
BCP	Centro Comercial Agustino	Leaseback	S/20,627,876	S/5,348,895	Soles	2015	2024	Recovery of WK for the Shopping Center
BCP	Callao	Credit Lines / WK / Land	\$9,505,405	-	Dollars	2021	2024	Development financing for the Parques de Callao project + land.
BanBif	Rancho	Loan	S/18,456,095	S/17,756,095	Soles	2021	2024	Financial Debt related to Rancho Project
IBK	Ancón	Letter of guarantee	S/11,480,759	S/11,480,759	Soles	Revolving	every 90 days	Guarantee for the development of Ancón project
Sunat	Picsa	Loan	S/16,615,178	S/9,755,274	Soles	2019	2027	Taxes
Eldo	Carabaylo	Loan	\$1,000,000	\$174,876	Dollars	2020	2022	Loan was used for urban development in Carabaylo Project
Arce	Paul Harris	Future Asset	\$600,000	\$600,000	Dollars	2015	-	Delivery of a future asset or amount of debt
Inversiones Sur	Almonte	Right to do	\$4,000,000	\$4,000,000	Dollars	2018	2023	Commitment with Almonte partners for Almonte II

- In addition, letters of credit issued or to be issued to serve as letters of credit, bonds or similar instruments in connection with the projects developed by Viva Negocio Inmobiliario S.A., as part of their ordinary course of business, including performance bonds, advance payment bonds, guaranty period bonds, seriousness of bid bonds.

11. Tren Urbano de Lima S.A.

Bondholders	Issuer	Type of Financing	Total Amount	Outstanding amount as of Closing Date	Currency	Execution Date	Issuance Date	Date of Final Repayment
Bondholders (represented by Citibank N.A.)	Tren Urbano de Lima S.A.	Bonds	S/629,000,000	S/ 527,595,035	Soles	February, 2015	February 10, 2015	November 25, 2039

In addition, letters of credit issued or to be issued to serve as letters of credit, bonds or similar instruments in connection with the project related to the "Line 1 metro concession agreement", in which Tren Urbano de Lima S.A. acts as concessionaire:

Lenders	Projects	Type of Financing	Total Amount	Outstanding amount	Use of Line	Currency	Issuance	Due Date
BBVA	Línea 1	Performance bond	S/92,618,185	S/92,618,185	Revolving	Soles	2012	2041
BCP	Línea 1	Performance bond	S/9,118,184	S/9,118,184	Revolving	Soles	2017	2041
Interbank	Línea 1	Performance bond	S/12,145,447	S/12,145,447	Revolving	Soles	2017	2041
Scotiabank	Línea 1	Performance bond	S/9,118,184	S/9,118,184	Revolving	Soles	2017	2041

12. Red Vial 5 S.A.

Bondholders	Issuer	Type of Financing	Total Amount	Outstanding amount as of Closing Date	Currency	Execution Date	Issuance Date	Date of Final Repayment
Bondholders (represented by Scotiabank Peru)	Red Vial 5 S.A.	Bonds	S/365,000,000	S/241,215,500	Soles	July, 2015	July 23, 2015	January 25, 2027

In addition, letters of credit issued or to be issued to serve as letters of credit, bonds or similar instruments in connection with the project related to the "Red Vial 5 concession agreement", in which Tren Urbano de Lima S.A. acts as concessionaire:

Lenders	Projects	Type of Financing	Total Amount	Outstanding amount	Use of Line	Currency	Issuance	Due Date	Detail
BBVA	Red Vial 5	bond letter	S/ 2,017,508.26	S/2,017,508.26	advance guarantee letter	Soles	2016	2022	advance for execution of work: new jersey
BBVA	Red Vial 5	bond letter	S/ 65,235.12	S/65,235.12	advance guarantee letter	Soles	2016	2022	advance for execution of work: El Porvenir
INTERBANK	Red Vial 5	bond letter	\$8,000,000.00	\$8,000,000.00	performance bond letter	Dollars	2003	2028	guarantee for development according to concession contract
SECREX CESCE	Red Vial 5	bond letter	S/ 4,372,275.37	S/4,372,275.37	advance guarantee letter	Soles	2021	2022	advance for execution of work: Paso desnivel Superior km. 148+685

13. Unna Energía S.A.

Lenders	Projects	Type of Financing	Total Amount	Outstanding amount (100% view)	Use of Line	Currency	Issuance	Due Date
BCP	Terminales del Perú	Medium term loan agreement	\$30,000,000	\$18,608,000	To fund committed investments	Dollars	17/12/2015	on a quarterly basis until dec 2027
BCP	Terminales del Perú	Medium term loan agreement	\$70,000,000	\$35,770,000	To fund reimbursable investments	Dollars	17/12/2015	on a quarterly basis until dec 2027
BCP	Terminales del Perú	Medium term loan agreement	\$23,000,000	0	To fund reimbursable investments	Dollars	15/11/2019	on a quarterly basis until dec 2028
BD Capital	Terminales del Perú	Medium term loan agreement	\$23,000,000	\$17,480,000	To fund reimbursable investments	Dollars	15/11/2019	on a quarterly basis until nov 2026

- In addition, letters of credit issued or to be issued to serve as letters of credit, bonds or similar instruments in connection with the projects developed by Unna Energía S.A., as part of their ordinary course of business, including performance bonds, advance payment bonds, guaranty period bonds, seriousness of bid bonds.

14. Cumbra Perú S.A.

Lenders	Borrowers	Type of Financing	Total Amount	Outstanding amount/Use of Line	Currency	Execution Date	Due Date	Detail
BBVA / BCP / SCOTIABANK / INTERBANK (Existing Syndicated Facilities)	Borrower, Cumbra Perú S.A., CAM Perú S.A., Concesionaria Via Expresa Sur S.A., Vial y Vives – DSD S.A.	Loan + Credit Line	\$7,400,000 \$106,171,626.51	\$7,400,000 \$106,171,626.51	Soles and Dollars	2017	June 2022	Working Capital + Line of Credit + Other Uses

Bondholders	Issuer	Type of Financing	Total Amount	Outstanding amount as of Closing Date	Currency	Execution Date	Issuance Date	Date of Final Repayment
Bondholders (represented by Scotiabank Peru)	Cumbra Perú S.A.	Private Bonds	\$7,780,788	\$5,835,588	Dollars	Jan., 2020	Jan., 2020	Dec., 2027

- The outstanding loans and credit facilities set forth in the table below:

Lenders	Type of Financing	Outstanding amount as of Closing Date	Use of Line	Currency	Execution Date	Due Date
BBVA	Syndicated Loan	S/ 15,226,385.47	WK	Soles	2017	March, 2022
BBVA	Syndicated Loan	S/ 13,050,052.73	WK	Soles	2017	March, 2022
BCP	Syndicated Loan	\$306,377.58	WK	Dollars	2017	March, 2022
BCP	Syndicated Loan	S/13,050,052.73	WK	Soles	2017	March, 2022
BCP	Leasing	\$711,747.16	CAPEX	Dollars		April, 2023
BCP	Leasing	\$15,549.98	CAPEX	Dollars		April, 2023
Banco Santander S.A.	Loan Agreement	\$20,222,510.74	Performance bonds execution (Técnicas Reunidas)	Dollars	2020	September, 2022

- The outstanding short-term loans subscribed with affiliates set forth in the table below:

Lenders	Type of Financing	Outstanding amount as of Closing Date	Use of Line	Currency	Issuance	Due Date
Borrower	Short Term Loan	\$950,000	Working Capital	Dollars	2021	2022
Borrower	Short Term Loan	\$2,000,000	Working Capital	Dollars	2021	2022
MORELCO SAS	Short Term Loan	\$903,506	Working Capital	Dollars	2021	2022

- The outstanding Debt Recognition and Payment Agreements subscribed with third parties set forth in the table below:

Creditor	Original Amount	Outstanding amount as of Closing Date	Obligation	Currency	Issuance	Due Date
Andritz Hydro GmbH, Andritz Hydro S. R. L. Unipersonale and Andritz Hydro S.A.	\$21,524,129.70	\$15,611,641.24	Arbitration	Dollars	Feb, 2021	March, 2024
Conduto Perú S.A.C.	\$11,136,000.00	\$5,506,089.70	Obligations arising from the participation in the Consortium (CCDS) - GSP Project.	Dollars	Sep, 2017	June, 2023
SICIM S.P.A. SUCURSAL DEL PERÚ,	\$4,800,000.00	\$17,638,282.92	Obligations arising from the participation in the Consortium (CCDS) - GSP Project	Dollars	Oct, 2017	June, 2022
Inversiones VyV SpA	\$8,362,050.38	\$6,292,050.38	Settlement and Debt recognition (Stocks Purchase Agreement)	Dollars	Dec., 2021	Dec. 2022
(a) Arturo José Serna Henao, (b) Luz Marina Gómez Gordillo, (c) Juan Camilo Serna Gómez, (d) Alejandra Serna Gómez, (e) Alvaro Morales Llanos, (f) María del Rosario Gómez Gordillo, (g) Alvaro José Morales Gómez, y (h) Juan Manuel Morales Gómez.	\$15,411,769.45	\$7,000,000.00	Morelco's Stocks Purchase Agreement	Dollars	Dec., 2021	Dec., 2022

- In addition, letters of credit issued or to be issued to serve as letters of credit, bonds or similar instruments in connection with the projects developed by Cumbra Perú S.A., as part of their ordinary course of business, including performance bonds, advance payment bonds, guaranty period bonds, seriousness of bid bonds.

Environmental Matters

Plaintiff	Defendant	Process	Project	File	Contingency Amount (Soles)	Infraction
OEFA	UNNA ENERGÍA S.A	Administrative Procedure (inspection stage)	LOT V	076-2021-OEFA/DFAI/PAS	to be determined	No re-injecting production water from Yacimiento Calamar to well EA 13618 in accordance to the corresponding environmental instrument (Instrumento de Gestión Ambiental); no performing preventive maintenance to tank 512 and tank 97, battery 323, well API battery 320 and battery 323, well 12803, well 7396, well EA 2428E, well 5944; no performing the final production water disposal; ignoring to establish preventive measures regarding evaporating pools of the battery 320 and battery 323 and well 6694; ignoring to establish a containment-collection-treatment of leaking and filtering of hydrocarbons system regarding well 6829, well 1172, well PB 285, well PB 278, well 6932; no delivering information required by the corresponding supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT V	0482-2019-OEFA/DFAI/PAS	324,001.00	Ignoring preventive measures to avoid environmental effects regarding 64 m2 with impregnated hydrocarbons, inappropriate storage of hazardous and non hazardous solid waste nearby Well 285, Well 7398, Well 6696 and battery 320; not performing maintenance of a fluid line according to the corresponding Environmental Management Program (PAMA) between Well 6639 and Battery 320, manifold and pipe connected to Battery 320 (filtering); no incorporating containment-collecting and treatment system for filtering and leak for well 1587 PL, well 6696 PUG, well 6716 PUG, well 285 PUG, manifold of the battery 323 and battery 320 and manifolds MC 1246 y MC-001; no delivering the corresponding Environmental Emergency Preliminary Report; incorporating components to Battery 320 and Battery 323 no authorized by the corresponding Environmental Instrument (Instrumento de Gestión Ambiental)

OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT III	203-2020-OEFA/DFAI/PAS	2,437,287.00	Ignoring preventive measures regarding hydrocarbons leak on line connected to Battery 8014; no incorporating containment-collecting-treatment system to 10 wells, innapropriate storage of hazardzous and non hazardous solid waste; incorporating 17 facilities not authorized by the corresponding environmental instrument (Instrumento de Gestión Ambiental); ignore preventive measures and no decontamination regarding the petroleum outcropping from well 4839 in Yacimiento Portachuelo; no deliveryng of information required by hte corresponding Supervision Minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT IV	2673-2018-OEFA/DFAI/PAS	9,550,998.40	Incorporating a pilot production water treatment plant not authorized by the corresponding environmental instrument (Instrumento de Gestión Ambiental); no performing the final treatment to production water with injecting wells according to applicable law; ignore preventive measures regarding filtering and leaking regarding 20 meters of the Battery 205 manifold and 15 meters of the Battery 209 manifold

OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT IV	3287-2018-OEFA/DFAI/PAS	408,061.40	Ignoring preventive measures in 5 areas of the lot; inappropriate storage of hazardous and not hazardous solid waste in Pariñas Substation; no delivering information required by supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT I	1741-2019-OEFA-DFAI/PAS	246,362.20	Ignoring preventive measures regarding a leak in a road nearby Pumping Station 201; inappropriate storage of chemical products in Compressing Station 17 and Compressing Station 210; incorporating 92 facilities not authorized by the corresponding environmental instrument (Instrumento de Gestión Ambiental); no delivering information required.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT III	0488-2019-OEFA/DFAI/PAS	71,603.60	Ignoring to establish management and storage measures by no executing regular maintenance programs; ignoring to establish preventive measures regarding filtering and leaking and no delivering of information required in the corresponding supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT III	1306-2019-OEFA/DFAI/PAS	286,897.40	No delivering the environmental emergency preliminary report regarding an incident that took place on August 2018 on well 13162D (gas leaking); no delivering the final report of such incident; ignoring to establish preventive measures and taking actions to control and decrease impacts in accordance to the corresponding contingency plan; no delivering information required by the corresponding supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT IV	0491-2020-OEFA/DFAI/PAS	130,603.20	Ignoring to establish preventive measures regarding the fluid filtering with hydrocarbons traces in well 13703; no delivering information required by the corresponding supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT IV	1508-2019-OEFA/DFAI/PAS	535,679.20	Ignoring to establish preventive measures regarding an area with hydrocarbon traces nearby an evaporating pool un Pariñas substation; no noticing the environmental authority (OEFA) about the final status of the wells afterward the production campaign; incorporating facilities no authorized by the corresponding environmental instrument (Instrumento de Gestión Ambiental); inappropriate management and storage of chemicals products in the chemical storage located in Base Alvarez.

OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT III	0153-2019-OEFA/DFAI/PAS	50,020.40	No deliveryng environmental emergency final report regarding a production fluid filtering in well 13146; ignoring to establish preventive measures and immediate measures regarding such filtering; no deliveryng the information required by the corresponding supervision minute.
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT IV	0242-2019-OEFA/DFAI/PAS	87,257.40	Ingoring to establish preventive measures regarding petroleum leaking in line of well 12678; no deliveryng the environmentl emergency final report
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	LOT I	0392-2015-OEFA/DFSAI/PAS	8,145,302.80	Use of production water evaporating pool not authorized by the corresponding environmental impact report
OEFA	UNNA ENERGÍA S.A	Administrative Procedure	Planta de Abastecimiento Pariñas	1158-2020-OEFA/DFAI/PAS	39,123.00	No deliveryng of industrial effluent monitoring report of 2017 first semester, 2018 first semester and 2018 second semester; no performing certain quality, noise and effluent monitoring on such periods; deliveryng an incomplete Annual Environmental Report regarding 2017, 2018 and 2019

OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL CALLAO	0169-2019-OEFA-DFAI/PAS	71,617.40	Ignoring to establish preventive measures regarding filtering and leaking occurred during production processes on Terminal Callao; exceeding the authorized benchmark of hydrocarbons by environmental instrument regarding hte monitoring facilities M-09 y MOBIL
OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL CHIMBOTE	1318-2019-OEFA/DFAI/PAS	129,646.40	Terminales del Perú no adoptó medidas de prevención a fin de evitar la generación de impactos ambientales negativos producto de la fuga de diésel B5 S-50, ocurrido el 8 de marzo del 2019, en el Tanque N° 14 ubicado en la zona estanca N° 2 del Terminal Chimbote, generando daño potencial a la fauna Multa: 28.184 UIT
OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL SALAVERRY	1612-2019-OEFA/DFAI/PAS	29,463.00	Ignoring to establish preventive measures regarding a fue grade alcohol leaking in Terminal Salaverry Base 1 (Zona Estanca 1)
OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL CALLAO	1287-2018-OEFA/DFAI/PAS	No pecuniary sanction	Ignoring to establish preventive measures regarding its activities on certain areas with hydrocarbons traces
OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL CHIMBOTE	2003-2017-OEFA-DFSAI-PAS	No pecuniary sanction	Exceeding benchmark authorized for industrial effluents on monitoring facilities
OEFA	TERMINALES DEL PERÚ	Administrative Procedure	TERMINAL SALAVERRY	1695-2017-OEFA/DFSAI/PAS	No pecuniary sanction	Exceeding benchmark authorized for industrial effluents on monitoring facilities
OEFA	CONSORCIO TERMINALES	Administrative Procedure	TERMINAL ILO	3249-2018-OEFA/DFAI/PAS	9,200,000.00	No decontaminating certain area with diesel B5-S50 traces regarding a leaking occurred on Tank 12 Terminal Ilo
OEFA	OEFA	Administrative Procedure	TERMINAL ILO	2327-2017-OEFA/DFSAI/PAS	No pecuniary sanction	Ignoring preventive measures and corrective measures regarding leaking of 25,206 Diesel B5-S50 gallons in areas of 770 m2 and 550 m2 on Tank 12 Terminal Ilo.
OEFA	TERMINALES DEL PERÚ	Administrative Procedure (inspection stage)	TERMINAL SUPE	0157-2021-OEFA/DFAI/PAS	to be determined	Ignoring to establish preventive measures regarding filtering and leaking occurred in 3 areas of Terminal Supe

Insurance

Company	Concept	Insurance Policy	Insurance Company	Insurance Period (start)	Insurance Period (termination)	Insured Amount	Asset Insured	Coverage	Net Premium
AENZA GROUP	Multirisk	1301-533151	Rimac	30.09.2021	30.09.2022	\$ 35,000,000	Offices, Furniture and Equipments	Covers against All Risks, Fire, Earthquake, Political Risks, Rain and Floods, etc	\$103,562.63
AENZA GROUP	3-D	1505-510362	Rimac	30.09.2021	30.09.2022	\$ 500,000	Only payroll personnel	Dishonesty, unlawful appropriation of workers	\$18,000.00
AENZA GROUP	Civil Liability	1201-532676	Rimac	30.09.2021	30.09.2022	\$ 2,000,000	Third party damages, whether physical or material	Damages caused to third parties, per subsidiary	\$15,800.00
AENZA GROUP	TREC	3301-506944	Rimac	30.09.2021	30.09.2022	\$ 35,000,000	Construction Machinery and Equipment	Construction machinery and equipment, "yellow line", front loader, blackhoe, tractor, crane, tripper, etc	\$153,316.14
AENZA GROUP	Transportation	3003-508120	Rimac	30.09.2021	30.09.2022	\$ 1,500,000	Construction Machinery and Equipment, as well as materials	Transport of material and equipment, nationwide	\$3,500.00
AENZA S.A.A.	Vehicles	2101-1082955	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$2,498.47
CUMBRA PERU S.A.	Vehicles	2101-1082945	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$10,731.87
CUMBRA PERU S.A.	Vehicles	2101-1083018	Rimac	30.09.2021	30.09.2022	According to list	Trucks	Personal damage and civil liability	\$1,507.00
CUMBRA INGENIERIA S.A.	Vehicles	2101-1082999	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$1,918.60
UNNA ENERGIA S.A.	Vehicles	2101-1082967	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$1,850.88
UNNA TRANSPORTE S.A.C.	Vehicles	2101-1084987	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$5,456.64

Company	Concept	Insurance Policy	Insurance Company	Insurance Period (start)	Insurance Period (termination)	Insured Amount	Asset Insured	Coverage	Net Premium
VIVA NEGOCIO INMOBILIARIO S.A.	Vehicles	2101-1082814	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$678.34
INMOBILIARIA ALMONTE S.A.C.	Vehicles	2101-1082842	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$197.67
OILTANKING	Vehicles	2101-1082850	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$403.51
TERMINAL DEL PERU	Vehicles	2101-1082902	Rimac	30.09.2021	30.09.2022	According to list	Trucks/Vans	Personal damage and civil liability	\$1,822.05
TREN URBANO LIMA S.A.	Vehicles	2101-1082833	Rimac	30.09.2021	30.09.2022	BBT475/BBS590	2 Vans	Personal damage and civil liability	\$457.01

Schedule 7.24

Existing Liens¹

	Property	Type of Lien	Indebtedness Secured by Lien	Currency
1.	10,034,813 Class "A" shares owned by the Borrower in Red Vial 5 S.A.	Pledge	<ul style="list-style-type: none"> Agreement: Share Pledge Agreement ("<i>Participación Mínima</i>" – Class A Shares), dated June 18, 2015, among the Borrower and JJC Contratistas Generales S.A., as grantors, Scotiabank Peru S.A.A. as Collateral Agent, with the participation of Norvial S.A. (as amended and supplemented). Current Secured Obligations: The repayment of the bonds issued by Norvial within a Bond Program ("<i>Primer Programa de bonos Corporativos Norvial</i>") up to S/.365,000,000.00, in order to finance the second phase of the <i>Ancon Huacho Pativilca</i> highway located in <i>Panamericana Norte</i>. 	Soles
2.	25,026,250 Class "A" Shares and 50'052,500 Class "B" Shares, owned by the Borrower in Tren Urbano de Lima	Pledge	<ul style="list-style-type: none"> Agreement: Share Pledge Agreement, dated February 9, 2015, among the Borrower and Ferrovías Participaciones S.A., as pledgors, Citibank N.A. as Indenture Trustee, with the participation of Tren Urbano de Lima, as issuer, and Citibank del Perú S.A., as Collateral Agent. Secured obligations: Payment of principal, interest, and amounts in respect of obligations under the Series 2039 Notes issued by Tren Urbano de Lima, which were offered in accordance with Regulation S under the U.S. Securities Act of 1933 and other "Senior Secured Debt" as defined in the Indenture, dated February 10, 2015, between GyM Ferrovias, as Issuer, and Citibank N.A., as Indenture Trustee. 	Soles

¹ GyM Ferrovias S.A. is now Tren Urbano de Lima S.A.
Norvial is now Red Vial 5 S.A.
GyM S.A. is now Cumbra Perú S.A.
Viva GyM S.A. is now Viva Negocio Inmobiliario S.A.
GMP S.A. is now Unna Energía S.A.
CONCAR S.A. is now Unna Transportes S.A.C.

3.	Rights over the Concession Agreement entered into by Tren Urbano de Lima and the Ministry of Transport and Communication for the operation of the Line 1 of the Lima Metro	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated January 26, 2015, among Tren Urbano de Lima and CONCAR S.A., as settlors, and Citibank del Perú S.A., as Trustee, as amended. • Secured obligations: Payment of principal, interest, among and other amounts in respect of obligations under the Series 2039 Notes issued by Tren Urbano de Lima, which were offered in accordance with Regulation S under the U.S. Securities Act of 1933 and other "Senior Secured Debt" as defined in the Indenture, dated February 10, 2015 between GyM Ferrovias, as Issuer, and Citibank N.A., as Indenture Trustee. 	Soles
4.	50.45% of the equity shares (owned by Viva Negocio Inmobiliario S.A.) representing the capital stock of Inversiones Almonte S.A.C. and 30.45% of the equity shares of Almonte 2 S.A.C. (entities that own land for industrial/residential development located south of Lima).	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement dated March 11, 2016, between Viva Negocio Inmobiliario, as Trustor, La Fiduciaria S.A., as Trustee, and CS Credit Suisse AG, Cayman Islands Branch, as beneficiary and acting as administrative agent (as amended and supplemented). • Current Secured Obligations: (i) in first order, obligations related to Sicim S.P.A. Sucursal Del Perú; and (ii) in second order, the Existing Syndicated Facilities. 	Dollars and Soles

5.	Rights over the Borrower's dividends proceeds generated by Tren Urbano de Lima S.A., Adexus S.A., Red Vial 5 S.A. and Unna Energía S.A.	Trust	<ul style="list-style-type: none"> ● Agreement: Trust Agreement dated July 31, 2019, between the Borrower, as Trustor, La Fiduciaria S.A., as Trustee, and CS Peru Infrastructure Holdings LLC, as beneficiary (as amended and supplemented). Reference under the Loan Agreement: "<i>Cash Flow Trust Agreement</i>". ● Current Secured Obligations: (i) in first order, the Convertible Bond obligations; (ii) in second order, the Existing Syndicated Facilities; and (iii) in third order, the Cumbra Loan. 	Dollars and Soles
6.	100% of the equity shares of Viva Negocio Inmobiliario S.A., owned by the Borrower and Cumbra Peru S.A.	Trust	<ul style="list-style-type: none"> ● Agreement: Trust Agreement dated October 26, 2020, between the Borrower and Cumbra Perú S.A., as Trustors, La Fiduciaria S.A., as Trustee, and La Fiduciaria S.A., as beneficiary and acting as administrative agent (as amended and supplemented), with the participation of Luis Francisco Díaz Olivero, Viva Negocio Inmobiliario S.A. y Rolando Martín Ponce Vergara.. Reference under the Loan Agreement: "<i>Asset Trust Agreement</i>". ● Current Secured Obligations: (i) in first order the Existing Syndicated Facilities; (ii) in second order, the Convertible Bond obligations; and (iii) in third order, the Cumbra Loan. 	Dollars and Soles
7.	100% of the equity shares of Unna Energía S.A. owned by Aenza	Pledge	<ul style="list-style-type: none"> ● Share Pledge Agreements: <ul style="list-style-type: none"> ○ First Lien: Share Pledge Agreement dated August 12, 2021, between the Borrower and Kallpa Securities Sociedad Agente de Bolsa S.A. acting as representative of the bondholders of the Convertible Bonds, with the intervention of Unna Energía S.A. ○ Second Lien: Share Pledge Agreement dated August 12, 2021, between the Borrower and La Fiduciaria S.A., acting as administrative agent, with the intervention of Unna Energía S.A. and Kallpa Securities Sociedad Agente de Bolsa S.A. ○ Third Lien: Share Pledge Agreement dated October 4, 2021, between the Borrower and Banco Santander, S.A., with the intervention of Unna Energía S.A. and Kallpa Securities Sociedad Agente de Bolsa S.A. and La Fiduciaria S.A. ● Current Secured Obligations: (i) in first order, the Convertible Bond obligations; (ii) in second order, the Existing Syndicated Facilities; and (iii) in third order, the Cumbra Loan. 	Dollars and Soles

8.	Offices of the Borrower located at Surquillo: Public Entry No. 41776862 of the Real Estate Registry of the Public Registry of Lima.	Trust	<ul style="list-style-type: none"> ● Agreement: Trust Agreement dated June 27, 2017, between the Borrower as Trustor, La Fiduciaria S.A., as Trustee, Credit Suisse AG, Cayman Islands Branch, as beneficiary (first lien) and acting as administrative agent, Natixis, New York Branch, as beneficiary (second lien) and acting as administrative agent (as amended and supplemented). ● Current Secured Obligations: The Existing Syndicated Facilities. 	Dollars and Soles
9.	Net proceeds cash flows from the sale of the Surquillo Office owned by the Borrower.	Trust	<ul style="list-style-type: none"> ● Agreement: Trust Agreement dated October 18, 2017, between the Borrower, Viva GyM S.A. and CAM Holding SpA as Trustors, La Fiduciaria S.A., as Trustee, Credit Suisse AG, Cayman Islands Branch, as beneficiary (first lien) and acting as administrative agent, Natixis, New York Branch, as beneficiary (joint second lien) and acting as administrative agent, Chubb Perú S.A. Compañía de Seguros y Reaseguros, as beneficiary (joint second lien), and La Fiduciaria S.A., as beneficiary (third lien) and acting as administrative agent (as amended and supplemented). ● Current Secured Obligations: The Existing Syndicated Facilities. 	Dollars and Soles

10.	99.9% of the shares (owned by Borrower) representing the capital stock of Cumbra Perú S.A. and 99.81% of the shares (owned by Borrower) representing the capital stock of Unna Transportes S.A.C.		<ul style="list-style-type: none"> • Agreement: Trust Agreement dated June 27, 2017, between the Borrower as Trustor, La Fiduciaria S.A., as Trustee, Credit Suisse AG, Cayman Islands Branch, as beneficiary (first lien) and acting as administrative agent, Natixis, New York Branch, as beneficiary (second lien) and acting as administrative agent (as amended and supplemented). • Current Secured Obligations: The Existing Syndicated Facilities. 	Dollars and Soles
11.	Borrower's collection rights over Gasoducto Sur Peruano S.A. (GSP)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement dated February 26, 2019, among the Borrower as Trustor, the Administrative Agent and the Collateral Trustee providing for (i) the irrevocable transfer of all of the Borrowers GSP claims in favor of the trust estate and; (ii) the payments of all GSP claims to the trust estate for the benefit of the Lenders (as amended and supplemented). • Current Secured Obligations: The Existing Syndicated Facilities. 	Dollars and Soles
12.	Shares issued by Cumbra Ingeniería S.A. owned by Borrower	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement dated February 26, 2019, among the Borrower as Trustor, Corfid Corporación Fiduciaria S.A. as Trustee and the Peruvian Government as beneficiary, securing repayment of the civil reparation in connection with certain criminal cases (as amended and supplemented). • A new trust to be constituted in order to transfer additional shares of Cumbra Ingeniería S.A. owned by Borrower, among the Borrower as Trustor, Corfid Corporación Fiduciaria S.A. as Trustee and the Peruvian Government as beneficiary, securing repayment of the civil reparation in connection with certain criminal cases • Secured Party: The Peruvian Government (acting through the Ministry of Justice). 	Soles

13.	Shares issued by Cumbra Ingeniería S.A. owned by Borrower	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement dated February 26, 2019, among the Borrower as Trustor, Corfid Corporación Fiduciaria S.A. as Trustee and the Peruvian Government as beneficiary, securing repayment of the civil reparation in connection with certain (as amended and supplemented). • Current Secured Obligations: The Peruvian Government (acting through the Ministry of Justice). 	Soles
14.	Land/facility where the Gas Plant of Unna Energía S.A. is located	Mortgages	<ul style="list-style-type: none"> • Mortgage Agreements dated September 12, 2008 and August 27, 2012. • Current Secured Obligations: The outstanding obligations incurred in connection with a corporate financing of GMP by Citibank N.A. 	Dollars
15.	Rights and cash flows over the ordinary course of business of Cumbra Perú S.A.	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement dated July 31, 2017, between Cumbra Perú S.A. as Trustor, La Fiduciaria S.A., as Trustee, and La Fiduciaria S.A. as beneficiary (first lien) and acting as administrative agent (as amended and supplemented). • Current Secured Obligations: The Existing Syndicated Facilities. 	Dollars and Soles
16.	35,602 Shares owned by Unna Energía S.A. in Oil Tanking Andina Services S.A.	Pledge	<ul style="list-style-type: none"> • Share Pledge Agreement dated November 28th 2017 (as amended and supplemented). • Secured obligations: Performance bond issued by BBVA Banco Continental to guarantee the performance of the obligations of the operator under the eight amendment of the Marine Berth Operations and Emergency Response Service Contract. as described in the Article 21 . 	Dollars

17.	Unna Energía S.A.'s net proceeds cash flows from the revenues of Terminales del Perú	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated December 18, 2015 (as amended and supplemented). • Secured obligations: BCP and BD Capital medium term facility 	Dollars
18.	Viva Negocio Inmobiliario's land / Monetary flows / collection rights / building and habilitation works in the Parques de Comas Project – Jacarandá	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement signed on July 30, 2020, among Viva Negocio Inmobiliario S.A. as Trustor, Corfid Corporación Fiduciaria S.A. as trustee, Banco BBVA del Perú as beneficiary, with the participation of Besco S.A.C. (as amended and supplemented). • Secured obligations: Each and every one of the obligations assumed by Viva Negocio Inmobiliario S.A. towards Banco BBVA under the credit line agreement and, of those contained in the joint venture agreement, as defined in the Administration and Guarantee Trust Agreement signed on December 30, 2020. 	Soles
19.	Viva Negocio Inmobiliario's land / Monetary flows / collection rights / building and habilitation works in Parque de Comas Project	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement signed on September 24, 2010, having Viva Negocio Inmobiliario S.A. as Trustor, La Fiduciaria S.A. as trustee, Banco BBVA del Perú and Ministerio de Vivienda, Construcción y Saneamiento as beneficiary and with the intervention of BESCO S.A.C, incorporated by Addendum dated January 26, 2018 (as amended and supplemented). • Secured obligations: Each and every one of the obligations assumed by Viva Negocio Inmobiliario S.A. in its capacity as developer, linked to the development, construction fulfillment of the project strictly respecting the technical specifications of works, the real estate development contract and the sale contract before the Ministry, the obligations towards BBVA under the credit line agreement and, of those contained in the joint venture agreement as defined in the Trust Agreement in Administration and Guarantee signed on September 24, 2010. 	Soles

20.	Viva Negocio Inmobiliario's land / Monetary flows / collection rights / building and habilitation works in the Parques del Callao Project	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement in Administration Guarantee and Trust Agreement of Flows, signed on December 2, 2015, and its subsequent addenda, among Viva Negocio Inmobiliario S.A. as Trustor, La Fiduciaria S.A. as trustee, BCP as senior beneficiary and Terranum Peru III (Canada) LP and Terranum Capital Colombia I as junior beneficiary (as amended and supplemented). • Secured obligations: Obligations assumed by Viva Negocio Inmobiliario S.A. towards BCP under the credit line agreement and, of those contained in the joint venture agreement, as defined in the Trust Agreement in Administration Guarantee and Flow Trust Agreement, signed on December 2, 2015. 	Soles
21.	Viva Negocio Inmobiliario's land / Monetary flows / right of collection / building work and habilitation in the Alameda de Ancón Project	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreements signed on September 29, 2015, among Viva Negocio Inmobiliario S.A. as Trustor, La Fiduciaria S.A. as trustee, Banco Internacional del Perú S.A.A as senior beneficiary and Fondo Mivivienda S.A. as junior beneficiary (as amended and supplemented). • Secured obligations: Each and every one of the obligations assumed by Viva Negocio Inmobiliario S.A. in its capacity as developer, for the development of the project, in strict compliance with the terms of reference and bases, as well as the real estate development contract with Fondo Mivivienda, the obligations towards Interbank under the credit facilities, in addition to the letter of guarantee, as defined in the Trust Agreement in Flow Management and Guarantee Contract, both signed on September 29, 2015. 	Soles

22.	Viva Negocio Inmobiliario's land / monetary flows / right to collect Bills of the Carabayllo and Huancayo Projects in favor of Eldo	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement signed on October 16, 2020, among Viva Negocio Inmobiliario S.A. as Trustor, Corfid Corporación Fiduciaria S.A. as trustee, Eldo Perú S.A.C. as beneficiary (as amended and supplemented). • Secured obligations: Each and every one of the obligations assumed by Viva Negocio Inmobiliario S.A. towards Eldo Perú S.A.C., under the financing documents, as defined in the Trust Agreement in Administration and Guarantee of Flows, signed on October 16, 2020. 	Dollars
23.	Viva Negocio Inmobiliario's Cash flows / collection rights on: i) sale of the land of the Paul Harris project, ii) profits of the Jaus project, and iii) bills of exchange issued by the clients of the Carabayllo and Huancayo projects in favor of BANBIF	Trust / Pledge	<ul style="list-style-type: none"> • Agreement: Trust Agreement in Administration and Pledge over cash flows, signed on August 24, 2021, among Viva Negocio Inmobiliario S.A. as Trustor, Corfid Corporación Fiduciaria S.A. as trustee, Inter-American Bank of Finance as beneficiary (as amended and supplemented). • Secured obligations: Each and every one of the sums of money owed or that could be owed by Viva Negocio Inmobiliario S.A. against BANBIF, indicated in the financing documents, as defined in the Trust Agreement in Administration and Guarantee of Flows, signed on August 24, 2021. 	Dollars

24.	Viva Negocio Inmobiliario's Guarantee for the purchase of land in favor of BCP	Stand By Guarantee	<ul style="list-style-type: none"> • Agreement: Stand-by document granted by Bancolombia in favor of Viva Negocio Inmobiliario S.A. to support obligations with BCP (as amended and supplemented). • Secured obligations: Guarantees for the granting of a loan for the purchase of assets. 	Dollars
25.	Collection rights of income received by Viva Negocio Inmobiliario S.A. in Centro Comercial Agustino (leases)	Pledge	<ul style="list-style-type: none"> • Agreement: Pledge Agreement signed on November 28, 2012, between Viva Negocio Inmobiliario S.A. as pledgor and Banco BCP as beneficiary (as amended and supplemented). • Secured obligations: Obligations of Viva Negocio Inmobiliario S.A. before BCP arising from the Leaseback Agreement dated November 28, 2012 between Viva Negocio Inmobiliario S.A. and BCP. 	Soles
26.	Viva Negocio Inmobiliario's land in Carabayllo in support of Sunat	Mortgage	<ul style="list-style-type: none"> • Resolution of Intendancy No. 0210170022836, by which Sunat approved the fractioning of tax debt of Promotores Inmobiliarios S.A.C (as amended and supplemented). • Secured obligations: Fractioned tax obligations. 	Soles
27.	Cumbra Peru's collection rights, cash flows and balances credited to the trust accounts	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated July 31, 2017, among Cumbra Peru S.A. as Trustor, La Fiduciaria S.A. as Trustee and Administrative Agent of the Peruvian Local Banks (BCP, BBVA, Scotiabank and Interbank) - as amended and supplemented. • Secured obligations: The Existing Syndicated Facilities. 	Dollars

28.	Cumbra Perú's machinery, vehicles, and equipment (insurance policies and cash flows)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated July 21, 2017, with Scotiabank Perú S.A.A. (as amended and supplemented). • Secured obligations: Existing Syndicated Facilities. 	Dollars
29.	Cumbra Perú's machinery and equipment	Pledge	<ul style="list-style-type: none"> • Agreement: Security Interest Agreement, dated May 17, 2018, with Banco Santander Perú S.A. acting as beneficiary (as amended and supplemented). • Secured obligations: All debts and obligations of charge of Cumbra Perú (to date or in the future in favor of the bank). 	Dollars
30.	Cumbra Perú's Project: 1844 Obras Electromecánicas Refinería de Talara (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated August 2, 2017, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee and Técnicas Reunidas de Talara (Client) as Beneficiary (as amended and supplemented). • Secured Obligations: Administration of project's funds and all rights according to the Construction Contract. 	Dollars
31.	Cumbra Perú's Project: 1867 - K148A Movimiento de Tierras Masivos Área Planta - Quellaveco (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated June 11, 2018, between Consortium GyM-Stracon (Cumbra Perú S.A. 50% and Stracon S.A. 50%) as Trustor, BCP Negocios Fiduciarios as Trustee (as amended and supplemented). <p>Secured Obligations: Administration of project's funds according to processes agreed with the Client (Anglo American).</p>	Dollars

32.	Cumbra Perú's Project: 1874 - Planta de Óxidos Mina Justa – Marcobre (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated December 19, 2018, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios S.A. as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Marcobre). 	Dollars
33.	Cumbra Perú's Project: 1878 - K-143 Túnel Transportador Terrestre - Quellaveco (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated February 22, 2019, between Consortium GyM-Ossa (Cumbra Perú S.A. 99.99% and Obras Subterráneas S.A. 0.1%), BCP Negocios Fiduciarios S.A. as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Anglo American). 	Dollars
34.	Cumbra Perú's Project: 1877 - K-172 Planta Concentradora Norte - Quellaveco (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated April 2, 2019, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios S.A. as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Anglo American). 	Dollars
35.	Cumbra Perú's Project: 1875 - Hotel Iberostar Miraflores (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated April 15, 2019, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Inmobiliaria Selaya S.A.C.). 	Soles

36.	Cumbra Perú's Project: 1880 - Hoteles Vistamar (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated July 15, 2019, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Inmobiliaria Vistamar S.A.C.). 	Soles
37.	Cumbra Perú's Project: 1888 - EPC Construcción Gasoducto Piura (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated September 18, 2020, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Gases del Norte del Perú S.A.C.). 	Dollars
38.	Cumbra Perú's Project: 1889 - <i>Servicios para absolver puntos punch list categoría D y E, terminaciones y reparaciones en los procesos C3-C4 de Mina Justa</i> (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated February 8, 2021, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee (as amended and supplemented). <p>Secured Obligations: Administration of project's funds according to processes agreed with the Client (Marcobre).</p>	Dollars
39.	Cumbra Perú's Project: 1868 - EPC Edificios UA – PMRT & 1870 - EPC Captación Agua Mar y Efluentes UA - PMRT (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated September 17, 2018, between Cumbra Perú S.A. as Trustor, BCP Negocios Fiduciarios as Trustee, La Fiduciaria S.A. as Trustee (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Cobra Perú S.A.) 	Dollars

40.	Cumbra Perú's Project: 1869 - EPC Planta Hidrógeno UA - PMRT (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated October 24, 2018, between Cumbra Perú S.A. as Trustor, La Fiduciaria S.A. as Trustee, BTG Pactual S.A. as beneficiary (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (Cobra Perú S.A.). All obligations in favor of BTG Pactual related to the SBLCs issued for this project (Performance Bond and Cash in Advance guarantees). 	Dollars
41.	Cumbra Perú's Project: 1887 - Ampliación Aeropuerto Jorge Chavez - WP 2.2 (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated December 1, 2020, between Consortium Inti Punku (Cumbra Perú S.A. 49%, Sacyr Perú 51%) as Trustor, La Fiduciaria S.A. as Trustee, Lima Airport Partners S.R.L. (LAP) as beneficiary (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (LAP). 	Dollars
42.	Cumbra Perú's Project: 1893 - Ampliación Aeropuerto Jorge Chavez - WP 3 (collection rights, cash flows and balances credited to the trust accounts)	Trust	<ul style="list-style-type: none"> • Agreement: Trust Agreement, dated October 28, 2021, between Consortium Inti Punku (Cumbra Perú S.A. 49%, Sacyr Perú 51%) as Trustor, La Fiduciaria S.A. as Trustee, Lima Airport Partners S.R.L. (LAP) as beneficiary (as amended and supplemented). • Secured Obligations: Administration of project's funds according to processes agreed with the Client (LAP). 	Dollars

43.	Cumbra Perú's Parent Company Guaranty	Guaranty	<ul style="list-style-type: none"> • Agreement: <i>Contrato de Fianza Solidaria</i>, dated November 10, 2020 (as amended and supplemented). • Secured Obligations: All obligations of Vial y Vives - DSD S.A. in favor of Avla Seguros de Crédito y Garantía S.A., regarding two projects: MAPA Project (Client: Celulosa Arauco y Constitución S.A.) and Spence Ripios Reprocessing Project (Client: Minera Spence S.A. - BHP Chile) 	Dollars
44.	Cumbra Peru and Aenza Joint and Several Guaranty	Guaranty	<ul style="list-style-type: none"> • Agreement: Joint Collateral Agreement, dated September 29, 2021, between Aenza S.A.A. (guarantor), Cumbra Perú S.A. (debtor) and Andritz Hydro S.r.L Unipersonale, Andritz Hydro GmbH and Andritz Hydro S.A. (secured creditors) - as amended and supplemented. • Secured Obligations: All obligations arising from a settlement agreement signed on September 29, 2021, between debtor and secured creditors, with intervention of Aenza S.A.A.. 	Dollars

Excluded Subsidiaries

15. Subsidiaries of Borrower

<u>Subsidiary</u>	<u>Percentage</u>
1. Promotores Asociados de Inmobiliarias S.A.	100%
2. Recaudo Lima S.A.	99%
3. Promotora Larcomar S.A.	46%
4. CAM Holding SpA	100%
5. Negocios de Gas S.A.	99%
6. Agenera S.A.C.	99.0007%
7. Inmobiliaria OPQ S.A.C.	--
8. Billetera Electrónica de Transporte Lima S.A.C.	95.5%

16. Subsidiaries of Viva Negocio Inmobiliario S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Proyectos Inmobiliarios Consultores S.A.C.	92.42%
2. GMVBS S.A.	50%
3. Las Lomas S.A.	99.9%

17. Subsidiaries of Unna Energía S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Transportadora de Gas Natural Comprimido Andino S.A.C.	99.93%

18. Subsidiaries of Cumbra Perú S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. Servisel S.A.	99.98%
2. Construyendo País S.A.	99.9%
3. Empresa Constructora Puruchuco S.A.C.	99.9%
4. GyM Operaciones Internacionales S.A.C.	50%
5. Perú Piping Spools S.A.C.	33.3%
6. Construcciones y Soluciones Energéticas S.A.C.	85%
7. Graña y Montero Construcciones y Montajes S.A.	99.71%
8. Inmobiliaria Gold S.A.	--

19. Subsidiaries of Cumbra Ingeniería S.A.

<u>Subsidiary</u>	<u>Percentage</u>
1. GM Ingeniería Bolivia S.R.L.	98.57%
2. GM Ingeniería y Construcción S.A. de C.V.	99%

20. Subsidiaries of Agenera S.A.C.

<u>Subsidiary</u>	<u>Percentage</u>
1. Generación Eléctrica del Norte S.A.C.	50%
2. Operadores de Infraestructura S.A.C.	99.99%

21. Subsidiaries of Unna Infraestructura S.A.C.

<u>Subsidiary</u>	<u>Percentage</u>
1. Inversiones en Infraestructura de Transporte S.A.C.	99.90%

22. All consortiums of the Subsidiaries, as set forth in Schedule 7.17 of the Loan Agreement.

Permitted Dispositions

1. SALE AND/OR TRANSFER OF THE CORPORATE BUILDING OF THE BORROWER (CURRENTLY IN A TRUST FOR THE BENEFIT OF THE LENDERS OF THE EXISTING SYNDICATED FACILITIES), LOCATED IN AVENIDA PASEO DE LA REPÚBLICA N° 4667-4675-4681-4685-4691-4699, JR. CONTRALMIRANTE MONTERO N° 500-502, AV. GENERAL RECAVARREN N° 901-905-907-909-911-915-925, DISTRICT OF SURQUILLO, PROVINCE AND DEPARTMENT OF LIMA, DULLY INCORPORATED IN ELECTRONIC ENTRY N° 41776862 OF LIMA'S REAL ESTATE PUBLIC REGISTRY.
2. SALE AND/OR TRANSFER OF ACCOUNTS RECEIVABLE OF THE BORROWER AND OWED BY GASODUCTO SUR PERUANO S.A., CURRENTLY TRANSFERRED IN TRUST FOR THE BENEFIT OF THE LENDERS OF THE EXISTING SYNDICATED FACILITIES, AT ANY VALUE DEEMED APPROPRIATE BY THE BORROWER.
3. SALE AND/OR TRANSFER AND/OR REDUCTION AND/OR INCREASE OF EQUITY INTEREST IN SUBSIDIARIES LISTED IN SCHEDULE 8.01 (B), AT ANY VALUE DEEMED APPROPRIATE BY THE BORROWER.

Restricted Agreements

1. EXISTING INDEBTEDNESS OF TREN URBANO DE LIMA S.A., AS SET FORTH IN SCHEDULE 7.18 TO THE LOAN AGREEMENT.
2. EXISTING INDEBTEDNESS OF RED VIAL 5 S.A., AS SET FORTH IN SCHEDULE 7.18 TO THE LOAN AGREEMENT.
3. EXISTING INDEBTEDNESS OF CONSORCIO TERMINALES DEL PERÚ (UNNA ENERGÍA S.A.), AS SET FORTH IN SCHEDULE 7.18 TO THE LOAN AGREEMENT.
4. EXISTING INDEBTEDNESS OF CUMBRA PERÚ S.A., AS SET FORTH IN SCHEDULE 7.18 TO THE LOAN AGREEMENT.

Notices

If to the Borrower:

Borrower	ADDRESS FOR NOTICES
Aenza S.A.A.	HQ: Avenida Petit Thouars 4957, district of Miraflores, Lima 15046, Peru André Mastrobuono – CEO andre.mastrobuono@aenza.com.pe Dennis Gray Febres – CFO dgray@aenza.com.pe Daniel Urbina Pérez – CLO daniel.urbina@aenza.com.pe Wu Yong Le – Head of Restructuring wu.yong@aenza.com.pe Fredy Chalco Aguilar – Head of Corporate Finance fredy.chalco@aenza.com.pe Oscar Pando Mendoza – Controller oscar.pando@aenza.com.pe

If to any Lender:

LENDER	ADDRESS FOR NOTICES
Banco BTG Pactual S.A. – Cayman Branch	Harbour Place 5 th Floor, 103 South Church Street, P.O. Box 1353GT, Grand Cayman, Cayman Islands, KY1-1108 Daniel Valencia Daniel.valencia@btgpactual.com Sebastián Arango Sebastian.arango@btgpactual.com OL-CnS-LATAM@btgpactual.com Catherine Pavez Catherine.pavez@btgpactual.com OL-CRC-chile@btgpactual.com Lais Bianco Lais.bianco@btgpactual.com OL-apoio-credito-offshore@btgpactual.com Mariana Anchieta Mariana.anchieta@btgpactual.com OL-Legal-Credit-Cayman@btgpactual.com Karim Abuid Karim.abuid@btgpactual.com

LENDER	ADDRESS FOR NOTICES
<p style="text-align: center;">Banco Santander Perú S.A.</p>	<p>Av. Rivera Navarrete 475, 14th Floor, San Isidro, Lima, Peru</p> <p>Diego Raffo Townsend draffo@santander.com.pe</p> <p>Ricardo Jimenez rjimenez@santander.com.pe</p> <p>Rodrigo Quiñones rquinones@santander.com.pe</p> <p>Martin Rodriguez MRodriguezf@santander.com.pe</p>
<p style="text-align: center;">HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC</p>	<p>Av. Paseo de la Reforma 347, Col. Cuauhtémoc, Mexico City, Mexico</p> <p>Ricardo Galarza Valdez ricardo.galarza@hsbc.com.mx</p>
<p style="text-align: center;">Natixis, New York Branch</p>	<p>1251 Avenue of the Americas, New York, NY 10020</p> <p>Luis Bas Luis.bas@natixis.com +51 1 500 0250</p> <p>Maria Kahn Maria.kahn@natixis.com +51 1 500 0253</p> <p>Federico Fiorentini Federico.fiorentini@natixis.com +1 212 872 5180</p> <p>Gabriela Davies Gabriela.davies@natixis.com +1 212 891 6205</p> <p>uscibdealclosing@natixis.com</p> <p>uscibcollateral@natixis.com</p> <p>uscibbroadridgelendingsupport@natixis.com</p>

If to Administrative Agent:

Administrative Agent	ADDRESS FOR NOTICES
Banco de Crédito del Perú	Av. el Derby 055, Torre 4 Piso 7, Santiago de Surco, Lima, Perú Marcia Mónica Rojas Gameros mrojasg@credicorcapital.com Roberto Balarezo Medina rbalarezo@bcp.com.pe

If to Collateral Agent:

Collateral Agent	ADDRESS FOR NOTICES
Banco de Crédito del Perú	Av. el Derby 055, Torre 4 Piso 7, Santiago de Surco, Lima, Perú Marcia Mónica Rojas Gameros mrojasg@credicorcapital.com Roberto Balarezo Medina rbalarezo@bcp.com.pe

Exhibit A
Form of Borrowing Notice

BORROWING NOTICE

[_____] , [_____] ²

BANCO DE CRÉDITO DEL PERÚ, as Administrative Agent
for the Lenders parties to the Loan
Agreement referred to below

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement dated as of March 17, 2022 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, Banco de Crédito del Perú, as Administrative Agent, and Banco de Crédito del Perú, as Collateral Agent, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Loan Agreement, that the undersigned hereby wishes to make the borrowing of the Loans, and in that connection sets forth below the information relating to the borrowing of the Loans:

- (a) The aggregate amount of the borrowing is U.S.\$[_____] as provided below:
 - 1. U.S.\$[_____] of Floating Rate Loans; and,
 - 2. U.S.\$[_____] of Fixed Rate Loans.
- (b) The requested borrowing date is [_____] , [_____] (the "Borrowing Date"), which is a Business Day that is at least three (3) Business Days after the date hereof.
- (c) [The fixed interest rate (the "Fixed Rate") applicable to the Fixed Rate Loans (as communicated by the Fixed Rate Lenders to the Borrower) is: (i) [...] ³% *per annum* plus (ii) the Applicable Margin.]
- (d) The initial Interest Period with respect to the requested borrowing shall commence on (and include) the Borrowing Date and end on (and exclude) the date that is three (3) months after the Borrowing Date.
- (e) The proceeds of the requested Loans are to be remitted by the Administrative Agent as follows:
 - (i) To the Collection Account:
 - Bank Name: [____]
 - ABA #: [____]
 - Account #: [____]
 - Account Name: [____]
 - Reference: [____]
 - Contact Name: [____]
 - Telephone number: [____]

² **NTD**: To be delivered no later than 11.00am New York time, on the date that is at least three (3) Business Days prior to the requested Borrowing Date.

³ **NTD**: To be calculated by the Fixed Rate Lenders, and informed to the Borrower, to be equivalent to the interest rate under the Floating Rate Loans.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

AENZA S.A.A.

By: _____

Name:

Title:

Exhibit A

**Exhibit B
Form of Notes**

PAGARÉ

Monto Total: US\$ _____

Fecha de Vencimiento: _____

En virtud del presente Pagaré (el "Pagaré"), emitido de conformidad con el artículo 10 de la Ley de Títulos Valores, Ley No. 27287 (la "Ley de Títulos Valores") [y de la Circular No. G-0090-2001]⁴, el cual será completado de conformidad con el "Acuerdo para el Llenado de Pagaré" suscrito entre el DEUDOR y el ACREEDOR (conforme estos términos se encuentran definidos más adelante) con fecha [●] de [●] de 2022 (en adelante, el "Acuerdo de Llenado"), nosotros, AENZA S.A.A. (en adelante, el "DEUDOR"), una sociedad constituida y existente de acuerdo a las leyes de la República del Perú, identificada con Registro Único de Contribuyente No. 20332600592, con domicilio para estos efectos en Av. Petit Thouars Nro. 4957, Distrito de Miraflores, Provincia y departamento de Lima, debidamente representada por [●], identificado con Documento Nacional de Identidad No. [●], con poderes debidamente inscritos en el asiento [●] de la Partida Registral No. 11028652 del Registro de Personas Jurídicas de la Oficina Registral de Lima debemos y pagaremos en forma incondicional mediante fondos disponibles de inmediato a la orden y disposición de [*Incluir Banco*] o a quien éste hubiese transferido este Pagaré por endoso o por cualquier otro medio permitido por la ley (en adelante, el "ACREEDOR"), en la fecha que sea presentado para su pago indicada en la parte superior de este Pagaré (en adelante, la "Fecha de Vencimiento"), contra la presentación del original de este Pagaré debidamente completado, el monto indicado en la parte superior de este Pagaré (en adelante, el "Monto Total") ascendente a US\$ _____ (_____).

El DEUDOR se obliga a efectuar el pago del Monto Total, mediante transferencia bancaria a la cuenta abierta en una entidad del sistema financiero nacional o del exterior que indique el ACREEDOR por escrito, o en la dirección que el ACREEDOR de este Pagaré le indique por escrito.

El DEUDOR se obliga a efectuar el pago del Monto Total a su primera presentación para el pago (siempre que sea en o después de la Fecha de Vencimiento) en el domicilio que el DEUDOR ha señalado en el presente Pagaré. El Monto Total deberá ser pagado por el DEUDOR al ACREEDOR necesaria y obligatoriamente en Dólares de los Estados Unidos de América, moneda de curso legal en los Estados Unidos de América, en fondos de disponibilidad inmediata, de conformidad con lo establecido por el artículo 50 de la Ley de Títulos Valores y el segundo párrafo del artículo 1237 del Código Civil, constituyendo este acuerdo pacto en contrario a lo establecido en el artículo 1237 del Código Civil.

En el supuesto de que en el futuro se dictase cualquier norma o disposición legal que impida la realización de pagos en la moneda de este pagaré, el DEUDOR no quedará eximido del pago del Monto Total indicado en este Pagaré, y pagará, en la oportunidad que corresponda, el Monto Total en moneda nacional, de manera tal que el importe que reciba el ACREEDOR sea suficiente para adquirir la cantidad de Dólares de los Estados Unidos de América que corresponda para efectuar el pago total del Monto Total en esta moneda.

Se deja establecido que el solo hecho que el DEUDOR no cumpla con pagar el Monto Total adeudado según este Pagaré en la Fecha de Vencimiento determinará que el DEUDOR incurra en mora en forma automática a partir del día siguiente a la Fecha de Vencimiento, sin necesidad de requerimiento o intimación adicional alguna por parte del ACREEDOR.

⁴Nota: Aplicable únicamente a Bancos peruanos, de ser el caso.

De conformidad con lo establecido por el artículo 52° de la Ley de Títulos Valores, este Pagaré no requiere ser protestado. Sin embargo, el tenedor podrá protestarlo por falta de pago si así lo estimase conveniente, caso en el que el DEUDOR asumirá los gastos de tal diligencia notarial o de la formalidad sustitutoria correspondiente. El protesto podrá ser efectuado mediante notificación que se curse al domicilio del DEUDOR consignado en este Pagaré.

El DEUDOR se obliga a pagar al ACREEDOR los siguientes intereses sobre el Monto Total (i) un interés compensatorio equivalente a ___% (_____ por ciento) nominal anual (la "Tasa de Interés Compensatorio"), el cual se devengará a partir de la Fecha de Vencimiento y hasta que el mismo sea pagado en su integridad y (ii) un interés moratorio equivalente a [2% (dos por ciento) anual] aplicable sobre los importes en mora, el cual se devengará en forma automática a partir del día siguiente a la Fecha de Vencimiento del presente Pagaré (la "Tasa de Interés Moratorio") hasta la que el mismo sea pagado en su integridad y en forma adicional a la Tasa de Interés Compensatorio.

Adicionalmente, el DEUDOR se obliga de manera incondicional a pagar al ACREEDOR todas las comisiones, gastos administrativos, notariales, honorarios de abogados, gastos de cobranza judicial y/o extrajudicial y demás costos y gastos, razonables y debidamente documentados y sustentados, en que el ACREEDOR incurra en razón de la ejecución de este Pagaré, obligándose a pagar sobre dichos conceptos la misma Tasa de Interés Moratorio pactada en este Pagaré, a partir del Día Hábil siguiente a la fecha en la que dichos conceptos hayan sido puestos a cobro por parte del ACREEDOR sin que el DEUDOR los haya pagado, hasta su total cancelación. Para efectos del presente Pagaré, el término "Día Hábil" significa cualquier día que no sea sábado, domingo o cualquier otro día en que los bancos están autorizados u obligados por ley a cerrar en [la ciudad de Nueva York, Estado de Nueva York, Estados Unidos de América, la ciudad de Lima, Perú o la ciudad de São Paulo, Brasil].

El pago de este Pagaré se efectuará sin deducción alguna por concepto de tributos, impuestos, costos, gastos, gravámenes, tasas, derechos u otros recargos vigentes a la fecha de pago, o que sean establecidos con posterioridad a esta fecha (las "Deducciones"). Sin perjuicio de ello, en el supuesto caso en que sea exigible alguna Deducción, pagaremos al ACREEDOR cantidades tales que permitan que, luego de efectuar tal Deducción, el ACREEDOR reciba un monto igual al monto que hubiera recibido si dichas Deducciones no hubieran sido realizadas.

Una vez que este Pagaré sea cancelado, será de aplicación lo dispuesto en el numeral 17.1 del artículo 17 de la Ley de Títulos Valores.

El DEUDOR expresamente autoriza al ACREEDOR a completar el presente Pagaré de acuerdo con el Acuerdo de Llenado, conforme lo permite el artículo 10 de la Ley de Títulos Valores. En este acto, el DEUDOR declara haber recibido copia de este Pagaré así como del Acuerdo de Llenado, a su completa y entera satisfacción.

Queda establecido que las obligaciones en virtud de las cuales se emite este Pagaré no se extinguirán aun cuando por culpa del ACREEDOR se hubiese perjudicado este Pagaré, constituyendo el presente acuerdo pacto en contrario a lo dispuesto por el artículo 1233 del Código Civil.

En aplicación de lo dispuesto por el artículo 49 de la Ley de Títulos Valores, el DEUDOR autoriza expresamente al ACREEDOR para que pueda prorrogar la fecha de vencimiento del presente Pagaré, sin requerirse de la expresa suscripción del DEUDOR. Bastará que la prórroga sea anotada en este mismo documento sin que sea necesario para su plena validez que el DEUDOR lo suscriba nuevamente. Sin perjuicio de lo señalado, el ACREEDOR deberá informar de manera oportuna y por escrito la nueva fecha de vencimiento al DEUDOR.

Nos sometemos a la competencia de los Jueces y Tribunales del Distrito Judicial del Cercado de Lima para todos los actos, efectos y consecuencias que se deriven de la emisión, interpretación, pago, ejecución y cobranza del Monto Total representado por el presente Pagaré, así como de los intereses, comisiones y gastos que se originen con relación al mismo.

Señalamos como nuestro domicilio para cualquier notificación, comunicación o requerimiento que deba efectuarse en relación al presente Pagaré, sea de carácter judicial o extrajudicial, aquel ubicado en [●], lugar donde se nos reputará siempre presentes para todos los efectos del presente Pagaré, hasta el momento en que cumplamos con pagar la integridad del Monto Total representado en el mismo, así como de los intereses, comisiones y gastos que se originen con relación al mismo.

El presente Pagaré se encuentra regulado y deberá ser interpretado conforme a las disposiciones legales aplicables que se encuentran vigentes en la República del Perú. En particular, sin que la presente enumeración tenga carácter limitativo, serán aplicables al presente pagaré las disposiciones contenidas en la Ley de Títulos Valores, el Código Civil y el Código Procesal Civil, así como las disposiciones legales que las sustituyan en el futuro, salvo aquellas disposiciones de carácter supletorio que fuesen inconsistentes con el texto expreso del mismo.

El DEUDOR reconoce y acepta que el Pagaré podrá ser endosado y/o los derechos derivados del mismo podrán ser cedidos de conformidad con lo indicado en el Acuerdo de Llenado, renunciando expresamente el DEUDOR a que el Pagaré sea “no negociable”.

Este Pagaré no podrá ser modificado y no se podrá renunciar al mismo excepto por documento escrito suscrito por el ACREEDOR.

Este Pagaré es emitido en la ciudad de Lima, Perú, a los [●] días del mes de [●] de 2022.

Este Pagaré consta en dos (2) páginas en una sola hoja, constituyendo un solo instrumento.

Aenza S.A.A.

RUC No. 20332600592

Dirección: [●]

Nombre del Representante: [●]

DNI No. [●]

Datos de Inscripción de Poderes: Asiento No. [●] de la Partida Registral No. 11028652 del Registro de Personas Jurídicas de la Oficina Registral de Lima

Exhibit B-1
Form of Letter of Instructions

ACUERDO PARA EL LLENADO DE PAGARÉ

Lima, [●] de [●] de 2022

Señores
[●]
Presente.-

De nuestra consideración:

Nos referimos al pagaré incompleto emitido por AENZA S.A.A. (en adelante, el "DEUDOR") a la orden de [*Insertar Banco*] (en adelante, el "ACREEDOR"), con fecha [●] de [●] de 2022 (en adelante, el "Pagaré") de conformidad con el contrato de préstamo ("*Loan Agreement*") de fecha [●] de [●] de 2022, celebrado entre AENZA S.A.A., como prestatario ("*Borrower*"), Banco de Crédito del Perú, como agente administrativo ("*Administrative Agent*") y como agente de garantías ("*Collateral Agent*"), y ciertas instituciones financieras en calidad de prestamistas indicadas en dicho documento (en adelante, el "CONTRATO").

Al respecto, por medio del presente Acuerdo para el Llenado de Pagaré, los autorizamos irrevocablemente, conforme al artículo 10 de la Ley de Títulos Valores (Ley No. 27287), a completar el Pagaré conforme a lo siguiente:

1. El Pagaré será completado por ustedes ante la configuración de un Evento de Incumplimiento (*Event of Default*, según este término es definido en el CONTRATO) y que, según los términos y condiciones de la Sección 9.01 del CONTRATO, se hayan acelerado los plazos y, por ende, se dé la exigibilidad de las obligaciones de pago contraídas por el DEUDOR frente al ACREEDOR bajo el CONTRATO, o cuando, según los términos y condiciones de la Sección 9.01 del CONTRATO, dichos montos se hagan exigibles automáticamente y deban ser cancelados al ACREEDOR sin necesidad de declaración de aceleración alguna.
2. La fecha a completar en la sección referida a "Fecha de Vencimiento" deberá ser la misma fecha o fecha posterior al día en el cual el ACREEDOR declare, según los términos y condiciones de la Sección 9.01 del CONTRATO, que las obligaciones de pago del DEUDOR bajo el CONTRATO han devenido en exigibles o cuando, según los términos y condiciones del CONTRATO, dichas obligaciones se hagan exigibles automáticamente y deban ser canceladas sin necesidad de declaración de aceleración alguna, de conformidad con lo señalado en el numeral 1 anterior.
3. El monto a completar en la sección referida a "Monto Total" del Pagaré deberá ser el monto que se derive de la liquidación que efectúe el ACREEDOR, según los términos y condiciones del CONTRATO, del íntegro de nuestra deuda para con dicho ACREEDOR al momento de la declaración de vencimiento y exigibilidad de los montos pendientes de pago bajo el CONTRATO, a la Fecha de Vencimiento que se haya completado según el numeral 2 anterior.
4. La Tasa de Interés Compensatorio a ser completada en el Pagaré será la tasa denominada [*Fixed Rate/Floating Rate*] según dicho término se define en el CONTRATO. La Tasa de Interés Compensatorio y la Tasa de Interés Moratorio serán calculadas sobre la base de un año de 360 días calendario, en función a los días efectivamente transcurridos (incluyéndose el primer día pero excluyéndose el último día).

Exhibit B-1

5. Para efectos de completar el Pagaré bastará, exclusivamente, lo establecido en el presente Acuerdo para el Llenado de Pagaré, no siendo necesario para ello aprobación o consentimiento, ni pronunciamiento o resolución alguna por parte de cualquier autoridad judicial, administrativa o de cualquier otra naturaleza, sea previo, simultáneo o posterior.
6. El DEUDOR declara de manera expresa que entiende y conoce los mecanismos de protección que la ley otorga para la emisión o aceptación de títulos valores incompletos. En caso el Pagaré fuera transferido por el ACREEDOR a un tercero, según los términos y condiciones del CONTRATO, antes de ser completado, dicho tercero quedará sujeto a las instrucciones aplicables al ACREEDOR establecidas en el presente documento y deberá adherirse al presente Acuerdo de Llenado. Para tales efectos, las partes dejan constancia que el Pagaré podrá ser cedido cuando el ACREEDOR ceda total o parcialmente sus derechos o su posición contractual bajo el CONTRATO según los términos y condiciones del mismo.
7. [El DEUDOR renuncia expresamente a la inclusión de una cláusula que impida o limite la libre negociación del Pagaré incompleto, de conformidad con lo señalado en el numeral 2.3 de la Circular No. G-0090-2001.]⁵
8. El ACREEDOR entregará al DEUDOR una copia de este Acuerdo de Llenado suscrito y se dejará constancia de la entrega con la suscripción del presente documento.

El presente Acuerdo de Llenado se rige por las leyes de la República del Perú y se extiende de conformidad con lo señalado en el artículo 10 de la Ley de Títulos Valores.

Las partes se someten a la competencia de los jueces y tribunales del distrito judicial del Cercado de Lima, a cuyo efecto renuncian al fuero de sus domicilios.

Sírvanse firmar y devolver una copia firmada por ustedes como evidencia de su acuerdo con lo anterior.

Sin otro particular, quedamos de ustedes.

Atentamente,

Hoja de Firmas del ACUERDO PARA EL LLENADO DE PAGARÉ a continuación

⁵ Nota: Aplicable únicamente para los pagarés a ser emitidos, de ser el caso, a Bancos peruanos.

Hoja de Firma del ACUERDO PARA EL LLENADO DE PAGARÉ

Suscrito por el DEUDOR:

AENZA S.A.A.

RUC No. 20332600592

Dirección: [●]

Nombre del Representante: [●]

DNI No. [●]

Datos de Inscripción de Poderes: Asiento No. [●] de la Partida Registral No. 11028652 del Registro de Personas Jurídicas de la Oficina Registral de Lima.

Exhibit B-1

Hoja de Firma del ACUERDO PARA EL LLENADO DE PAGARÉ

Suscrito por el ACREEDOR:

[Nombre del Banco]
[RUC / Tax ID] No. [●]
Dirección: [●]
Nombre del Representante: [●]
[DNI / Pasaporte] No. [●]

Exhibit B-1

**Exhibit C
Form of Process Agent Acceptance Letter**

APPOINTMENT OF AGENT FOR SERVICE OF PROCESS AGREEMENT

Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168, hereby accepts its irrevocable appointment as agent for service of process relating to any suit, action, or proceeding originating in the state and federal courts of New York on behalf of the Appointing Party for the Appointment Term in accordance with the terms of the Operative Agreements (the "Appointment"):

Appointing Party: **AENZA S.A.A.**
 Appointment Term:
 Commencement Date: **March __, 2022**
 Termination Date: **March __, 2025**

Operative Agreements:

Name of Operative Agreement	Principal Parties	Agreement Date
Loan Agreement	<ul style="list-style-type: none"> ● AENZA S.A.A. ● Lenders from time to time party thereto ● Banco de Crédito del Perú S.A., as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent") 	Commencement Date
Fee Letter	<ul style="list-style-type: none"> ● AENZA S.A.A. ● Lenders party to the Loan Agreement 	Commencement Date
Expense Reimbursement and Indemnity Agreement	<ul style="list-style-type: none"> ● AENZA S.A.A. ● Lenders from time to time party thereto ● Administrative Agent ● Collateral Agent 	Commencement Date
Take-Out Engagement Letter	<ul style="list-style-type: none"> ● AENZA S.A.A. ● Banco BTG Pactual S.A. – Cayman Branch ● Banco Santander Perú S.A. ● HSBC Securities (USA) Inc. ● Natixis Securities Americas LLC 	Commencement Date

The Appointment shall be in full force and effect upon the execution by Cogency Global Inc. and the Appointing Party of this Appointment of Agent for Service of Process Agreement (the "Appointment Agreement") as of the Commencement Date and shall remain valid (i) until the Termination Date; or (ii) until terminated by Cogency Global Inc. for non-payment of the fee agreed to as set forth below.

The Appointing Party hereby agrees that the responsibility of Cogency Global Inc. under this Appointment Agreement and under the Operative Agreements shall be limited to the receipt and forwarding of legal process received during the Appointment Term. Upon receipt of legal process, Cogency Global Inc. will send by e-mail an electronic copy of the legal process received to the contact listed on Schedule I of this Appointment Agreement and if requested, forward the original legal process document by a recognized international express courier service.

The Appointing Party will provide a completed Schedule I and notify Cogency Global Inc., in writing, with any changes to its address. In the event that Cogency Global Inc. is not advised of a change of address and is unable to deliver the legal process, it will use all reasonable efforts to locate the Appointing Party. If after reasonable efforts to locate the Appointing Party, Cogency Global Inc. is still unable to obtain a deliverable address, it shall contact the parties listed in the Operative Agreements for further instructions. Cogency Global Inc. shall have no liability for any loss, damage, cost or expense attributable to its inability to locate the Appointing Party and deliver the legal process.

The Appointing Party agrees to pay Cogency Global Inc. the sum of Two Hundred Dollars (\$200.00) for the first year of the Appointment, and One Hundred Twenty-Five Dollars (\$125.00) for each additional year of the Appointment Term payable in advance for a total amount of Four Hundred Fifty Dollars (\$450.00, the "Fee"). The Fee is not refundable, in full or in part, for any reason, including the premature ending of the Appointment. The Appointment is hereby irrevocable and unconditional during the Appointment Term. The Fee shall be due no later than 30 days from the above-referenced Commencement Date. Representation by Cogency Global Inc. is contingent upon the Fee being paid as set forth above.

The Appointing Party represents that neither it, nor any person on whose behalf the Appointing Party is acting with respect to any of the services contemplated under the Appointment Agreement to be provided by Cogency Global Inc., is a person to whom it cannot provide such services pursuant to economic, financial, or any other sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, or any other government entity or actor.

Cogency Global Inc. hereby agrees and acknowledges that in order to carry out its duties pursuant to this Appointment, it may, from time to time, be provided with certain confidential information. Cogency Global Inc. agrees that it will not divulge any such information unless required by law or official court order.

This Appointment Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely in such State and without giving effect to principles of conflicts of law.

[SIGNATURE PAGE TO FOLLOW]

Exhibit C

Dated as of the Commencement Date set forth above.

AENZA S.A.A.

COGENCY GLOBAL INC.

By: _____
Name:
Title:

By: _____
Name:
Title: Assistant Secretary

Exhibit C

SCHEDULE I

Contact for delivery of Process, Summons or Complaints:

Name and Title of Contact: []
Name of Company: AENZA S.A.A.
Address: Av. Paseo de la Republica 4675, Lima 15047, Peru
Phone: +51(1) 213-6565
Email Address: []
Department Email Address (if available):

Contact responsible for payment of invoice:

Name and Title of Contact: John L. Murphy, Esq.
Name of Company: Baker & McKenzie LLP
Address: 1111 Brickell Ave, Suite 1700, Miami, FL 33131
Phone: 305-789-8964
Email Address: John.L.Murphy@bakermckenzie.com
Department Email Address (if available):

With copies to (optional):

Name and Title of Contact: John L. Murphy, Esq.
Name of Company: Baker & McKenzie LLP
Address: 1111 Brickell Ave, Suite 1700, Miami, FL 33131
Phone: 305-789-8964
Email Address: John.L.Murphy@bakermckenzie.com
Department Email Address (if available):

Exhibit C

Exhibit D-1
Form of Opinion of Peruvian Counsel to the Borrower

PART I

**DRAFT FOR DISCUSSION
PURPOSES ONLY**

[] de [] de 2022

Banco BTG Pactual S.A., Cayman Branch
Harbour Place 5th Floor, 103 South Church Street,
P.O. Box 1353GT, Grand Cayman,
Cayman Islands, KY1-1108

HSBC Mexico, S.A., Institución de Banca Múltiple,
Grupo Financiero HSBC
Av. Paseo de la Reforma 347,
Col. Cuauhtémoc, Mexico City, Mexico

Natixis, New York Branch
1251 Avenue of the Americas,
New York, NY 10020

Banco Santander Perú S.A.
Av. Rivera Navarrete 1475
San Isidro, Lima, Peru

Banco de Crédito del Perú
Av Centenario 156
La Molina, Lima 12, Peru

Aenza S.A.A. Loan Agreement

Dear Ladies and Gentlemen,

We have acted as special counsel to Aenza S.A.A., a *sociedad anónima abierta* incorporated under the laws of Peru (the “**Borrower**”), in connection with that certain Loan Agreement, dated as of [March [●], 2022], by and among the Borrower and each of Banco BTG Pactual S.A., Cayman Branch, Banco Santander Peru S.A., Natixis, New York Branch, and HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, as lenders, and Banco de Crédito del Perú, as Administrative Agent and Collateral Agent (the “**Agreement**”). This letter is being rendered pursuant to [Section 6.03(h)(i)]⁶ of the Agreement. Unless otherwise defined herein, each capitalized term used herein that is defined in the Agreement has the meaning given such term in the Agreement.

In reaching the opinions set forth herein, we have reviewed the Agreement and the documents referred to in paragraphs (a), (b), (d), (e), and (g) through (k) below (the “**Peruvian Transaction Documents**” and, together with the Agreement, the “**Transaction Documents**”):

9. the Notes,

⁶ NTD - Reference to be updated

10. the Letters of Instruction,

- (a) the Trust Agreement, dated October 26, 2020, entered into by and among, the Borrower, Cumbra Perú S.A. (“**Cumbra Perú**”), La Fiduciaria S.A. (“**Onshore Trustee**”) as trustee, and the Onshore Trustee as collateral agent of the Existing Syndicated Facility, with the intervention of Luis Francisco Díaz Olivero as depositary, Viva Negocio Inmobiliario S.A. (“**Viva Negocio Inmobiliario**”) as company, and Rolando Martin Ponce Vergara as minority shareholder in respect of 99.54% of the share capital of Viva Negocio Inmobiliario, as amended on (i) August, 12, 2021 pursuant to an agreement entered into by and among the Borrower, Cumbra Perú, the Onshore Trustee as trustee, the Onshore Trustee as collateral agent of the Existing Syndicated Facility, and the Convertible Bond Indenture Trustee, with the intervention of Luis Francisco Díaz Olivero as depositary, Viva Negocio Inmobiliario, and Rolando Martin Ponce Vergara as minority shareholder, and (ii) November 16, 2021 pursuant to an agreement entered into by and among the Borrower, Cumbra Perú, the Onshore Trustee as trustee, the Onshore Trustee, as collateral agent of the Existing Syndicated Facility, and the Convertible Bond Indenture Trustee and Banco Santander, S.A., with the intervention of Daniel René Urbina Pérez as depositary, Viva Negocio Inmobiliario, and Rolando Martin Ponce Vergara as minority shareholder (the “**Original Asset Trust Agreement**”),
- (b) an agreement and public deed of the third amendment to the Trust Agreement (*Tercera Adenda al Contrato de Fideicomiso*), dated [the date hereof], entered into by and among, the Borrower, Cumbra Perú, the Onshore Trustee as trustee, the Collateral Agent and the Onshore Trustee, as collateral agent of the Existing Syndicated Facility, with the intervention of Viva Negocio Inmobiliario, Rolando Martin Ponce Vergara as minority shareholder, Daniel René Urbina Pérez as depositary, the Convertible Bond Indenture Trustee and Banco Santander, S.A., in respect of 99.54% of the share capital of Viva Negocio Inmobiliario (the “**Asset Trust Agreement**”),
- (c) an agreement and public deed of the Share Pledge Agreement over the shares issued by Unna Energía (“**Unna Energía**”) (*Contrato de Constitución y Preconstitución de Garantía Mobiliaria Sobre Acciones representativas del capital social de Unna Energía sujeta a Condición Suspensiva*), dated [the date hereof], entered into by and among the Borrower and the Collateral Agent, with the intervention of Unna Energía, and the Onshore Trustee, as collateral agent of the Existing Syndicated Facility (the “**Share Pledge Agreement**”),
- (d) the cash flow trust agreement (*Contrato de Fideicomiso*), dated July 31, 2019, entered into by and among the Borrower, CS Peru Infrastructure Holdings LLC, the Onshore Trustee as trustee, and the Convertible Bond Indenture Trustee, with the intervention of Daniel René Urbina Pérez, as amended (i) on August 12, 2021 pursuant to an agreement entered into by and among the Borrower, CS Peru Infrastructure Holdings LLC, the Onshore Trustee as trustee and the Convertible Bond Indenture Trustee, with the intervention of Daniel René Urbina Pérez, (ii) on August 12, 2021 pursuant to an agreement entered into by and among the Borrower, CS Peru Infrastructure Holdings LLC, the Onshore Trustee as trustee, the Onshore Trustee as collateral agent of the Existing Syndicated Facility and Convertible Bond Indenture Trustee, with the intervention of Daniel René Urbina Pérez, and (iii) on October 4, 2021, pursuant to an agreement entered into by and among the Borrower, the Onshore Trustee as trustee, the Onshore Trustee as collateral agent of the Existing Syndicated Facility, Convertible Bond Indenture Trustee and Banco Santander, S.A., with the intervention of Daniel René Urbina Pérez (the “**Original Cash Flow Trust Agreement**”),
- (e) an agreement and public deed of the Fourth Amendment to the Cash Flow Trust Agreement (*Cuarta Adenda al Contrato de Fideicomiso*), dated [the date hereof], entered into by and among the Borrower, the Onshore Trustee as trustee, the Onshore Trustee as collateral agent of the Existing Syndicated Facility and the Collateral Agent, with the intervention of Daniel René Urbina Pérez, the Convertible Bond Indenture Trustee and Banco Santander, S.A. (the “**Cash Flow Trust Agreement**”),

- (f) an agreement and public deed of the Repayment Trust Agreement (*Contrato de Fideicomiso de Administración*), dated [the date hereof], entered by and among the Borrower, the Collateral Agent, the Convertible Bond Indenture Trustee and the Onshore Trustee, with the intervention of Daniel René Urbina Pérez (the “**Repayment Trust Agreement**”),
- (g) an agreement and public deed of the Release Share Pledge Agreement (*Contrato de Levantamiento*) of the pre-constituted share pledge agreement (*Contrato de Preconstitución de Garantía Mobiliaria sobre Acciones*) over share capital of Unna Energía, dated August 12, 2021, by and between, inter alios, the Borrower and the Convertible Bond Indenture Trustee, with the intervention of Unna Energía, as amended,
- (h) an agreement and public deed of the Release Share Pledge Agreement (*Contrato de Levantamiento*) of the subordinated share pledge agreement (*Contrato de Garantía Mobiliaria Subordinada sobre Acciones*) over share capital of Unna Energía, dated October 4, 2021, by and between, inter alios, the Borrower and Banco Santander, S.A. with the intervention of Unna Energía, the Convertible Bond Indenture Trustee and the Onshore Trustee, as amended, and
- (i) the irrevocable power of attorney issued by the Borrower in respect of the Share Pledge Agreement, dated as of [●] [●], 2022.

We have also reviewed the (i) by-laws of the Borrower, Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía, (ii) resolutions of the board of directors of the Borrower, dated February 25, 2022, and, except as set forth below, such other agreements, certificates of public officials and officers of the Borrower, records, documents, and matters of law that we have deemed relevant. We have, where relevant facts were not independently verified or established, relied upon the representations and warranties made by the Borrower and Cumbra Perú in the agreements to which each is a party and certificates of officers and representatives of the Borrower and Cumbra Perú. In rendering the opinions hereinafter expressed, we have, with your consent, relied only upon our examination of the foregoing documents and certificates, and we have made no independent verification of the factual matters set forth in such documents or certificates.

Based on and subject to the foregoing and subject further to the assumptions, exceptions, limitations and qualifications hereinafter stated, we are of the opinion that:

- 11. The Borrower is a validly existing corporation (*sociedad anónima abierta*) and in good standing under the laws of Peru. Each of Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía is a validly existing corporation (*sociedad anónima*) and in good standing under the laws of Peru.
- 12. Each of the Borrower, Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía has the corporate power and authority to execute, deliver, and perform its obligations under each Transaction Document to which it is a party.
- 13. The Original Asset Trust Agreement and the Original Cash Flow Trust Agreement were, as of their respective dates of execution, were duly authorized by all necessary corporate action on the part of the Borrower, Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía S.A., as the case may be.

14. The execution and delivery of, and performance by the Borrower, Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía of their respective obligations under each Transaction Document to which it is a party, have been duly authorized by all necessary corporate action on the part of the Borrower, Cumbra Perú, Viva Negocio Inmobiliario or Unna Energía S.A as the case may be.
15. The Notes, the Letters of Instruction and the Repayment Trust Agreement executed by the Borrower has been duly executed and delivered by the Borrower and constitute the valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms.
16. Each Peruvian Transaction Document (other than the Notes, the Letters of Instructions and the Repayment Trust Agreement) executed by the Borrower has been duly executed and delivered by the Borrower and, upon execution and delivery of the Effectiveness Statements by the Convertible Bond Trustee and Banco Santander, S.A., each such Peruvian Transaction Document will constitute the valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms.
17. The Asset Trust Agreement executed by Cumbra Perú has been duly executed and delivered by Cumbra Perú and, upon execution and delivery of the Effectiveness Statements by the Collateral Agent and the Onshore Trustee, the Asset Trust Agreement will constitute the valid and binding agreement of Cumbra Perú enforceable against Cumbra Perú in accordance with its terms.
18. The execution and delivery of, and performance by the Borrower or Cumbra Perú of its agreements in, each of the Transaction Documents do not result in any violation by the Borrower or Cumbra Perú of (a) their respective Bylaws as presently in effect, (b) any statute, or (c) any judgment, decree, or order of any court or any other agency of government known to us that is applicable to the Borrower, Cumbra Perú or their respective properties.
19. No approval or authorization by, or filing with, any governmental authority of Peru is required in connection with the execution and delivery by the Borrower or Cumbra Perú of, and their performance and compliance as of the date hereof with the terms of, the Transaction Documents except for such as have been duly obtained or made other than those information filings required under the Peruvian securities laws.
20. Each of the Borrower and Cumbra Perú is subject to civil and commercial law with respect to its obligations under the Transaction Documents to which it is a party and the execution and delivery by the Borrower and Cumbra Perú of the Transaction Documents to which it is a party constitutes private and commercial acts rather than public or governmental acts. Neither the Borrower nor Cumbra Perú is entitled to sovereign immunity from any legal action, suit or proceeding, from jurisdiction of any court under the laws of Peru in respect of their respective obligations under the Transaction Documents.
21. Each Transaction Document is in proper legal form under the laws of Peru for the enforcement thereof against the Borrower in a Peruvian court, and to ensure the validity or admissibility in evidence of the Transaction Documents in a Peruvian court, except that in order to be admitted as evidence before a Peruvian court, any documents executed in a language other than Spanish must be officially translated into Spanish by a translator registered in Peru at the time of such presentation and certified with an "*Apostille (Convention de La Haya du 5 octobre 1961)*" pursuant to the *Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents* ("**Hague Apostille Convention**"). Except as provided in Paragraph [13] hereof, it is not necessary that any Transaction Document or any other document be filed or recorded with any court or other authority in Peru or that any stamp, transaction, registration, documentary or similar tax be paid on or in respect of any Transaction Document.

22. No exchange control authorization or any other authorization, approval, consent or license of any governmental authority or agency is required for the payment of any amounts payable under the Transaction Documents in accordance with the terms thereof; all such payments may be paid in U.S. dollars that may be converted into another currency and freely transferred out of Peru, without the necessity of obtaining any governmental authorization in Peru or any political subdivision or taxing authority thereof or therein.
23. Pursuant to the terms of the Agreement, the Borrower has duly submitted to the exclusive jurisdiction of any state or federal court in the state of New York in which the relevant suit or proceeding may be instituted. Any final judgment for a fixed or readily calculable sum of money rendered in any state or federal court in the state of New York having jurisdiction in respect of any suit, action or proceeding against the Borrower based upon the Agreement or the transactions contemplated thereby would be declared enforceable against the Borrower by the courts of Peru without reexamination of the merits of the cause of action in respect of which the original judgment was given or retrial of the matters adjudicated upon or payment of any stamp, registration or similar tax or duty, provided that the following requirements are met: (i) such judgment is not related to matters under the exclusive jurisdiction of Peruvian courts (such as matters involving real estate property); (ii) the issuing court had jurisdiction under its own conflicts of law rules and under general principles of international law on jurisdiction; (iii) the defendant was adequately served and was guaranteed due process under the laws of the jurisdiction of the issuing court; (iv) the judgment is *res judicata* under the laws of the jurisdiction of the issuing court; (v) there is no pending litigation in Peru between the same parties for the same cause of action, which has been initiated before the commencement of the proceedings that concluded with such judgment; (vi) such judgment is not incompatible with a prior rendered foreign judgment that fulfills the requirements of recognition and enforceability established by Peruvian law; (vii) such judgment is not contrary to Peruvian national sovereignty, public order (*orden público*) or good morals (*buenas costumbres*); (viii) it has not been proven that the issuing court has denied enforcement of Peruvian judgments or engaged in a review of the merits thereof; (ix) such judgment has been (a) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are parties to the Hague Apostille Convention, or (b) certified by Peruvian consular authorities, in case of jurisdictions that are not parties to the Hague Apostille Convention, and is accompanied by a certified and officially translated copy of such judgment into Spanish; and (x) the applicable court taxes or filing fees have been paid. As of the date hereof, there is no treaty between Peru and the United States of America on the enforcement of judgments rendered by U.S. courts, including U.S. federal and New York state courts. However, we have no reason to believe that any obligation under Agreement would be contrary to Peruvian public policy and international treaties to which Peru is subject or generally accepted principles of international law.
24. The Borrower has the power to submit, designate, appoint and empower, and has validly designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under the Agreement, in any federal courts of the United States of America located in the City and County of New York or the courts of the State of New York in each case located in the City and County of New York.
25. The choice of law of the State of New York as the governing law of the Agreement is valid choice of law under the laws of Peru and will be recognized by the courts of Peru, except as may be limited by article 2049 of the Peruvian Civil Code, which states that a foreign law shall be excluded if its application is incompatible with international public policy (*orden público internacional*) or good morals (*buenas costumbres*), in which case, the laws of Peru would will apply in its place.
26. Upon satisfaction of the conditions for effectiveness contained in the Cash Flow Trust Agreement, the Share Pledge Agreement and the Asset Trust Agreement, such agreements will create a valid security interest in the collateral described in the Cash Flow Trust Agreement, the Share Pledge Agreement and Asset Trust Agreement and such collateral will become perfected (*oponible a terceros*) against third parties (i) in the case of the Asset Trust Agreement and the Cash Flow Trust Agreement, upon registration of such agreements with the *Registro Mobiliario de Contratos* and (ii) in the case of the Share Pledge Agreement, upon registration of such agreement in the stock ledger of Unna Energía and the *Registro Mobiliario de Contratos*.

27. Each of the Notes and their applicable Letter of Instructions are in proper legal form under Peruvian law and entitle the holder of such Notes to initiate a *proceso único de ejecución* before the competent courts in Peru against the Borrower in accordance with the Peruvian Code of Civil Procedure (*Código Procesal Civil*) for the enforcement thereof; provided that, the Notes are completed in accordance with the provisions of the Letter of Instructions, as set forth by Article 10 of the Peruvian Securities Law – Law No. 27287 (*Ley de Títulos Valores*).
28. It is not necessary under the laws of Peru (i) to enable any Secured Party (other than Onshore Trustee and the Agents) to enforce its rights under the Transaction Documents, or (ii) solely by reason of the execution, delivery or performance of Transaction Documents, that any Secured Party (other than Onshore Trustee and the Agents) be resident, domiciled, licensed, qualified or entitled to carry on business in Peru.
29. All payments to be made by the Borrower on or by virtue of the execution delivery, performance or enforcement of the Agreement and all interest, principal, premium, if any, additional amounts, if any, and other payments under the Agreement, under the current laws and regulations of each taxing jurisdiction, will not be subject to withholding, duties, levies, deductions, charges or other taxes under the current laws and regulations of the taxing jurisdiction and without the necessity of obtaining any governmental authorization in the taxing jurisdiction; and are otherwise payable free and clear of any other withholding, duty, levy, deduction, charge or other tax in the taxing jurisdiction; except for a withholding for Peruvian Income Tax (*Impuesto a la Renta*) purposes of 4.99% (if conditions established on subsection a) of article 56 for the Peruvian Income Tax Law are met) or 30%, applicable on interest, fees and commissions paid by the Borrower to Lenders that are not domiciled in Peru.
30. Payments made by the Borrower in accordance with Section 4.01 of the Agreement will not result in a breach by the Lenders of the restriction applicable to the Borrower to transfer funds outside of Peru as set forth under Law No. 30737 (*Ley que asegura el pago inmediato de la reparación civil a favor del Estado Peruano en casos de corrupción y delitos conexos*) and the regulations enacted thereunder, as approved by Supreme Decree No. 096-2018-EF.
31. The opinions expressed above are subject to the following assumptions, exceptions, and qualifications:

We have assumed that (i) all information contained in all documents reviewed by us is true and correct, each of the representations and warranties of each party other than the Borrower and Cumbra Perú in the Transaction Documents are true and correct, (ii) all signatures on all documents reviewed by us are genuine, (iii) all documents submitted to us as originals are true and complete, (iv) all documents submitted as copies are true and complete copies of the originals thereof, (v) the parties to the Transaction Documents other than the Borrower and Cumbra Perú (the “**Other Parties**”) have all power and authority to execute, deliver, and perform their obligations under the Transaction Documents, have been duly and validly authorized, executed, and delivered by each of the Other Parties, and each of the Transaction Documents is the valid and binding obligation of each of the Other Parties who is a party thereto, enforceable against such Other Party in accordance with its terms, (vi) each natural person signing any document reviewed by us had the legal capacity to do so and to perform their obligations thereunder, (vii) each person signing in a representative capacity any document reviewed by us had authority to sign in such capacity, (viii) the laws of any jurisdiction other than Peru that govern any of the documents do not modify the terms that appear in any such document, (ix) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence, (x) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Transaction Documents, and (xi) that any wire transfers, drafts or checks tendered by any Other Party will be honored.

We are admitted to practice in Peru. The opinions expressed above are limited to the laws of Peru and we express no opinion with respect to the effect or application of any other laws.

The opinions expressed above are subject to (i) laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, liquidation, moratorium, and other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy, and (v) concepts of comity.

We express no opinion with respect to (i) the enforceability of provisions in the Transaction Documents relating to delay or omission of enforcement of rights or remedies, or waivers of defenses, or waivers of benefits of appraisal, valuation, stay, extension, moratorium, redemption, statutes of limitation, or other non-waivable benefits bestowed by operation of law; (ii) the lawfulness or enforceability of exculpation clauses, confession of judgment clauses, clauses relating to releases of unmatured claims, clauses purporting to waive unmatured rights, severability clauses, and clauses similar in substance or nature to the foregoing clauses insofar as any of the foregoing are contained in the Transaction Documents; (iii) the enforceability of the indemnification provisions to the extent they purport to relate to liabilities resulting from or based upon negligence; or (iv) the right of any person or entity to institute or maintain any action in any court or upon matters respecting the jurisdiction of any court.

In rendering the opinion set forth in Paragraph ([1]) above, we have relied solely on the public records of the Borrower ~~and~~ Cumbra Perú, Viva Negocio Inmobiliario and Unna Energía S.A, registered with the *Registros Públicos de Lima* in Peru as of the date hereof.

Whenever an opinion herein is qualified by "known to us," "to our knowledge," or similar phrase, we have relied exclusively, without independent investigation, on one or more certificates from one or more officers of the Borrower with respect to the matters set forth in such opinion. We have made no independent investigation as to the accuracy or completeness of any of the information contained in such certificate(s). However, in the course of rendering the legal services described in the introductory paragraph of this letter, no facts or circumstances have come to the attention of the attorneys in our firm who have given substantive attention to rendering such legal services that gave us current actual knowledge that any such information is incorrect in any material respect.

In rendering the opinion set forth in Paragraph ([5]) above, we have neither reviewed nor conducted any analysis of, and we express no opinion on, (i) numeric or financial standards, covenants or similar provisions requiring financial calculations or determinations or (ii) provisions relating to the occurrence of a "material adverse event" or words of similar import. In addition, our opinion relating to such agreements is subject to the effect of judicial decisions which may permit the introduction of extrinsic evidence to interpret the terms of written contracts or allow non-written modifications of written contracts. Moreover, to the extent that any of such material agreements are governed by the laws of any jurisdiction other than Peru, our opinion relating to those agreements is based solely upon the plain meaning of their language without regard to interpretation or construction that might be indicated by the laws governing those agreements.

In rendering the portions of the foregoing opinions that involve a concept of materiality, we have relied exclusively on the officers of the Borrower in determining materiality.

We note that various issues concerning matters of New York law are addressed in the opinion of Baker McKenzie LLP, separately provided to you, and we express no opinion with respect to those matters.

Although we have acted as counsel to the Borrower in connection with certain matters, our engagement is limited to certain matters as to which we have been consulted. Consequently, there exist matters of a factual or legal nature involving the Borrower or its subsidiaries in connection with which we have not been consulted and have not represented the Borrower.

This opinion letter is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated. This opinion may not be relied upon by any person or entity other than you, quoted in whole or in part or otherwise referred to in any report or document, furnished to any other person or entity (other than your legal counsel and employees) or relied upon for any purpose other than in connection with consummating the transactions described herein without our prior written approval; provided, however, that this opinion letter may also be furnished or disclosed to, but may not be relied upon by, (i) your auditors and regulators in connection with their audit and regulatory functions related to you, (ii) potential permitted assignees of, or participants in, an interest in the Agreement and their professional advisors, and (iii) any other person to the extent required by law or court order or any governmental, regulatory or judicial authority.

This opinion is rendered as of the date hereof and we undertake no, and disclaim any, duty to advise you regarding any changes in, or to otherwise communicate with you with respect to, the matters and opinions set forth herein.

Yours sincerely,

ESTUDIO ECHECOPAR SRL, a member firm of Baker McKenzie International

Yours sincerely,

Exhibit D-1

PART II

**DRAFT FOR DISCUSSION
PURPOSES ONLY**

[] de [] de 2022

Banco BTG Pactual S.A., Cayman Branch
Harbour Place 5th Floor, 103 South Church Street,
P.O. Box 1353GT, Grand Cayman, Cayman Islands, KYI-1108

HSBC Mexico, S.A., Institución de Banca Múltiple,
Grupo Financiero HSBC
Av. Paseo de la Reforma 347,
Col. Cuauhtémoc, Mexico City, Mexico

Natixis, New York Branch
1251 Avenue of the Americas,
New York, NY 10020

Banco Santander Perú S.A.
Av. Rivera Navarrete 1475
San Isidro, Lima, Peru

Banco de Crédito del Perú
Av Centenario 156
La Molina, Lima 12, Peru

Aenza S.A.A. Loan Agreement

Dear Ladies and Gentlemen,

We have acted as special counsel to Aenza S.A.A., a *sociedad anónima abierta* incorporated under the laws of Peru (the “**Borrower**”), in connection with that certain Loan Agreement, dated as of [March [●], 2022], by and among the Borrower and each of Banco BTG Pactual S.A., Cayman Branch, Banco Santander Peru S.A., Natixis, New York Branch, and HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, as lenders, and Banco de Crédito del Perú, as Administrative Agent and Collateral Agent (the “**Agreement**”). This letter is being rendered pursuant to [Section 8.19(e)]⁷ of the Agreement. Unless otherwise defined herein, each capitalized term used herein that is defined in the Agreement has the meaning given such term in the Agreement.

In reaching the opinions set forth herein, we have reviewed the Agreement and the following documents (the “**Transaction Documents**”):

1. the Notes,
2. the Letters of Instruction,

⁷ NTD - Reference to be updated

3. an agreement and public deed of the third amendment to the Trust Agreement (*Tercera Adenda al Contrato de Fideicomiso*), dated [the date hereof], entered into by and among, the Borrower, Cumbra Perú S.A., the Onshore Trustee, the Collateral Agent and La Fiduciaria S.A., as collateral agent of the [Existing Syndicated Facility], with the intervention of Viva Negocio Inmobiliario S.A., Rolando Martin Ponce Vergara, Daniel René Urbina Pérez the Convertible Bond Indenture Trustee and Banco Santander, S.A., in respect of 99.54% of the share capital of Viva Negocio Inmobiliario S.A. (the “**Asset Trust Agreement**”),
4. an agreement and public deed of the Share Pledge Agreement over Unna Energía S.A.’s shares (*Contrato de Constitución y Preconstitución de Garantía Mobiliaria Sobre Acciones representativas del capital social de Unna Energía S.A. sujeta a Condición Suspensiva*), dated [the date hereof], entered into by and among the Borrower and the Collateral Agent, with the intervention of Unna Energía S.A., and La Fiduciaria S.A., as collateral agent of the Existing Syndicated Facility (the “**Share Pledge Agreement**”),
5. an agreement and public deed of the Fourth Amendment to the Cash Flow Trust Agreement (*Cuarta Adenda al Contrato de Fideicomiso*), dated [the date hereof], entered into by and among the Borrower, the Onshore Trustee, La Fiduciaria S.A. as collateral agent of the Existing Syndicated Facility and the Collateral Agent, with the intervention of Daniel René Urbina Pérez, the Convertible Bond Indenture Trustee and Banco Santander, S.A. (the “**Cash Flow Trust Agreement**”),
6. an agreement and public deed of the Repayment Trust Agreement (*Contrato de Fideicomiso de Administración*), dated [the date hereof], entered by and among the Borrower, the Collateral Agent, the Convertible Bond Indenture Trustee and the Onshore Trustee, with the intervention of Daniel René Urbina Pérez (the “**Repayment Trust Agreement**”),
7. the public deed of the Release Share Pledge Agreement (*Contrato de Levantamiento*) of the pre-constituted share pledge agreement (*Contrato de Preconstitución de Garantía Mobiliaria sobre Acciones*) over share capital of Unna Energía, dated August 12, 2021, by and between, inter alios, the Borrower and the Convertible Bond Indenture Trustee, with the intervention of Unna Energía, as amended,
8. the public deed of the Release Share Pledge Agreement (*Contrato de Levantamiento*) of the subordinated share pledge agreement (*Contrato de Garantía Mobiliaria Subordinada sobre Acciones*) over share capital of Unna Energía, dated October 4, 2021, by and between, inter alios, the Borrower and Banco Santander, S.A. with the intervention of Unna Energía, the Convertible Bond Indenture Trustee and the Onshore Trustee, as amended, and
9. the Effectiveness Statements, dated [●], relating to the Share Pledge Agreement, the Cash Flow Trust Agreement and the Repayment Trust Agreement, executed by the Collateral Agent or the Onshore Trustee, as applicable (the “**Effectiveness Statements**”).

We have also reviewed the (i) by-laws of the Borrower and Cumbra Peru, (ii) resolutions of the board of directors of the Borrower, dated February 25, 2022, and, except as set forth below, such other agreements, certificates of public officials and officers of the Borrower and Cumbra, records, documents, and matters of law that we have deemed relevant. We have, where relevant facts were not independently verified or established, relied upon the representations and warranties made by the Borrower and Cumbra Peru in the agreements to which each is a party and certificates of officers and representatives of the Borrower and Cumbra Peru. In rendering the opinions hereinafter expressed, we have, with your consent, relied only upon our examination of the foregoing documents and certificates, and we have made no independent verification of the factual matters set forth in such documents or certificates.

Based on and subject to the foregoing and subject further to the assumptions, exceptions, limitations and qualifications hereinafter stated, we are of the opinion that (i) the Cash Flow Trust Agreement and the Share Pledge Agreement have created a valid first priority security interest in the collateral described in the Cash Flow Trust Agreement and the Share Pledge Agreement, and (ii) the Asset Trust Agreement has created a valid second priority security interest in the collateral described in the Asset Trust Agreement; and each such collateral will become perfected (*oponible a terceros*) against third parties upon registration of such agreements with the *Registro Mobiliario de Contratos*.

The opinions expressed above are subject to the following assumptions, exceptions, and qualifications:

We have assumed that (i) all information contained in all documents reviewed by us is true and correct, each of the representations and warranties of each party other than the Borrower and Cumbra Peru in the Transaction Documents are true and correct, (ii) all signatures on all documents reviewed by us are genuine, (iii) all documents submitted to us as originals are true and complete, (iv) all documents submitted as copies are true and complete copies of the originals thereof, (v) the parties to the Transaction Documents other than the Borrower and Cumbra Peru (the "**Other Parties**") have all power and authority to execute, deliver, and perform their obligations under the Transaction Documents, have been duly and validly authorized, executed, and delivered by each of the Other Parties, and each of the Transaction Documents is the valid and binding obligation of each of the Other Parties who is a party thereto, enforceable against such Other Party in accordance with its terms, (vi) each natural person signing any document reviewed by us had the legal capacity to do so and to perform their obligations thereunder, (vii) each person signing in a representative capacity any document reviewed by us had authority to sign in such capacity, (viii) the laws of any jurisdiction other than Peru that govern any of the documents do not modify the terms that appear in any such document, (ix) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence, (x) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Transaction Documents, and (xi) that any wire transfers, drafts or checks tendered by any Other Party will be honored.

We are admitted to practice in Peru. The opinions expressed above are limited to the laws of Peru and we express no opinion with respect to the effect or application of any other laws.

The opinions expressed above are subject to (i) laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, liquidation, moratorium, and other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy, and (v) concepts of comity.

We express no opinion with respect to (i) the enforceability of provisions in the Transaction Documents relating to delay or omission of enforcement of rights or remedies, or waivers of defenses, or waivers of benefits of appraisal, valuation, stay, extension, moratorium, redemption, statutes of limitation, or other non-waivable benefits bestowed by operation of law; (ii) the lawfulness or enforceability of exculpation clauses, confession of judgment clauses, clauses relating to releases of unmatured claims, clauses purporting to waive unmatured rights, severability clauses, and clauses similar in substance or nature to the foregoing clauses insofar as any of the foregoing are contained in the Transaction Documents; (iii) the enforceability of the indemnification provisions to the extent they purport to relate to liabilities resulting from or based upon negligence; or (iv) the right of any person or entity to institute or maintain any action in any court or upon matters respecting the jurisdiction of any court.

Although we have acted as counsel to the Borrower in connection with certain matters, our engagement is limited to certain matters as to which we have been consulted. Consequently, there exist matters of a factual or legal nature involving the Borrower or its subsidiaries in connection with which we have not been consulted and have not represented the Borrower.

This opinion letter is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated. This opinion may not be relied upon by any person or entity other than you, quoted in whole or in part or otherwise referred to in any report or document, furnished to any other person or entity (other than your legal counsel and employees) or relied upon for any purpose other than in connection with consummating the transactions described herein without our prior written approval.

This opinion is rendered as of the date hereof and we undertake no, and disclaim any, duty to advise you regarding any changes in, or to otherwise communicate with you with respect to, the matters and opinions set forth herein.

ESTUDIO ECHECOPAR SRL, a member firm of Baker McKenzie International

Yours sincerely,

Exhibit D-1

Exhibit D-2
Form of Opinion of New York Counsel to the Borrower

Draft - Subject to Opinion Committee approval

_____, 2022

To the Lenders, the Administrative Agent and the Collateral Agent parties to the Loan Agreement referred to below on the date hereof
c/o Banco de Crédito del Perú S.A.,
as Administrative Agent

Re: AENZA S.A.A.

Ladies and Gentlemen:

We have acted as special New York counsel for AENZA S.A.A., a company (*sociedad anónima abierta*) existing under the laws of the Republic of Peru (the "**Borrower**"), in connection with the preparation, execution and delivery of the Loan Agreement, dated as of _____, 2022 (the "**Loan Agreement**"), among the Borrower, the financial institutions named therein as lenders (the "**Lenders**"), and Banco de Crédito del Perú S.A., as administrative agent (the "**Administrative Agent**") and as collateral agent (the "**Collateral Agent**"). This opinion letter is being delivered pursuant to Section 6.03(h)(ii) of the Loan Agreement. Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement has the meaning given such term in the Loan Agreement.

I. Documents reviewed and definitions

In rendering the opinions set forth in this opinion letter, we have (a) reviewed (i) the Loan Agreement, (ii) the Expense Reimbursement and Indemnity Agreement, dated as of _____, 2022 (the "**Indemnity Agreement**") and, together with the Loan Agreement, the "**Credit Documents**"), among the Borrower, the Lenders, the Administrative Agent and the Collateral Agent, (iii) the Loan Agreement, dated as of July 31, 2019 (as amended, supplemented and/or otherwise modified pursuant to that certain Amendment, Waiver and Consent, dated as of February 28, 2020, Limited Consent to Loan Agreement, dated as of October 26, 2020, and Second Waiver and Consent to the Loan Agreement, dated as of December 23, 2020, the "**Gramercy Loan Agreement**"), between the Borrower, as borrower, and CS Peru Infrastructure Holdings LLC, as lender, and (b) also examined and relied on other agreements, certificates of public officials and officers of the Borrower and others, records, documents and matters of law that we have deemed relevant. As to matters of fact (but not legal conclusions), we have relied upon certificates of officers of the Borrower, including an Opinion Letter Backup Certificate, dated as of _____, 2022, a copy of which is attached hereto as Annex I, and we have, with your consent, relied upon our examination of the foregoing certificates as to such factual matters, and we have made no independent verification of such factual matters.

II. Opinions rendered

Based on and subject to the foregoing and subject further to the assumptions, exceptions, limitations and qualifications hereinafter stated, we are of the opinion that:

1. Each of the Credit Documents constitutes the valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms.

2. The execution and delivery by the Borrower of, and the consummation by the Borrower of the transactions contemplated by, each of the Credit Documents do not result in any violation by the Borrower of (a) any statute or governmental rule or regulation (including Regulations T, U and X of the Board of Governors of the Federal Reserve System) applicable to it or (b) the Gramercy Loan Agreement.
3. No approval or authorization by, or filing with, any governmental authority of the United States of America or the State of New York is required in connection with the execution and delivery by the Borrower of, and the consummation by the Borrower of the transactions contemplated by, each of the Credit Documents.
4. The Borrower is not required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

III. Assumptions

The opinions expressed above are subject to the following assumptions:

(a) We have assumed that (i) as to factual matters (but not legal conclusions) relevant to the opinions expressed herein, each of the representations and warranties of the Borrower in each of the Credit Documents and in any related schedules or exhibits is true and correct, (ii) all certificates and other statements, documents and records reviewed by us are accurate and complete, (iii) all signatures on all documents reviewed by us are genuine, (iv) all documents submitted to us as originals are true and complete, (v) all documents submitted as copies are true and complete copies of the originals thereof, (vi) each natural person signing any document reviewed by us had the legal capacity to do so and to perform his or her obligations thereunder, (vii) the laws of any jurisdiction other than the State of New York that govern any of the documents do not modify the terms that appear in any such document, (viii) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence and (ix) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of any of the Credit Documents and the Gramercy Loan Agreement.

(b) We have assumed that: (i) the execution and delivery of each of the Credit Documents are within the power and authority of, and have been duly authorized by all necessary organizational proceedings on the part of, all parties to each such document, (ii) each of the Credit Documents has been duly executed and delivered by all such parties, (iii) each of the Credit Documents constitutes the valid and binding obligation of all such parties (other than the Borrower to the extent covered in paragraph II.1 above), enforceable against such parties in accordance with their respective terms and (iv) the status of each of the Credit Documents as the legally valid and binding obligations of each of the parties thereto is not affected by any (A) breach of, or default under, any agreement or instrument, (B) violation of any statute, rule, regulation or court or governmental order (other than, with respect to the Borrower, to the extent covered in paragraph II.2 above) or (C) failure to obtain any required consent, approval or authorization from, or make any required registration, declaration or filing with, any governmental authority (other than, with respect to the Borrower, to the extent covered in paragraph II.3 above).

(c) We have assumed that the Borrower will comply with the covenants in the Loan Agreement as to the application of proceeds.

(d) In rendering the opinion set forth in paragraph II.2(b) above, we have neither reviewed nor conducted any analysis of, and we express no opinion on, (i) numeric or financial standards, covenants or similar provisions requiring financial calculations or determinations or (ii) provisions relating to the occurrence of a "material adverse event" or words of similar import. In addition, our opinion relating to such agreement is subject to the effect of judicial decisions which may permit the introduction of extrinsic evidence to interpret the terms of written contracts or allow non-written modifications of written contracts. Moreover, to the extent that such agreement is governed by the laws of any jurisdiction other than the State of New York, our opinion relating to such agreement is based solely upon the plain meaning of its language without regard to interpretation or construction that might be indicated by the laws governing such agreement.

IV. Limitations and qualifications

The opinions expressed above are subject to the following exceptions and qualifications:

(a) We are admitted to practice in the State of New York. The opinions expressed above are limited to the internal laws of the State of New York and the federal laws of the United States of America, and we express no opinion with respect to the effect or application of any other law; provided that the laws covered by this opinion letter do not include federal or state securities or blue sky laws (except to the extent covered in (x) paragraph II.2 above to the extent such paragraph addresses Regulations T, U and X of the Board of Governors of the Federal Reserve System and (y) paragraph II.4 above to the extent such paragraph addresses the Investment Company Act of 1940, as amended), the Commodities Exchange Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the USA Patriot Act of 2001, tax laws, antitrust laws, environmental laws, pension laws or laws relating to foreign assets control, or, in each case any rules, regulations or orders thereunder or relating thereto. In addition, our opinions in paragraphs II.2 and II.3 above as to violations of law and governmental consents, filings, registrations and the like cover only laws that in our experience are customarily applicable to transactions of the type contemplated by the Credit Documents and involving unregulated entities.

(b) The opinions expressed above are subject to (i) laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, liquidation, moratorium and other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), including but not limited to principles limiting the availability of specific performance and injunctive relief, and concepts of materiality, reasonableness, good faith and fair dealing and (iii) possible judicial action giving effect to governmental actions or foreign laws affecting creditors' rights and remedies. Without limiting the generality of the foregoing, we note that a court might hold that a technical and nonmaterial default under the Credit Documents does not give rise to a right of the Administrative Agent or the Lenders to exercise certain remedies including, without limitation, acceleration.

(c) We express no opinion regarding any provision of the Credit Documents that purports to (1) require a premium or make-whole payment in connection with a prepayment, (2) impose penalties or forfeitures, late payment charges or an increase in interest rate upon delinquency in payment or the occurrence of a default or event of default, (3) require payment of attorney's fees, except to the extent a court determines such fees to be reasonable, (4) appoint any person as the attorney-in-fact of any other person, (5) provide that all rights or remedies of any party are cumulative and may be enforced in addition to any other right or remedy and that the election of a particular remedy does not preclude recourse to one or more remedies, (6) permit setoff in the absence of mutuality between the parties, (7) confer subject matter jurisdiction on a federal court to adjudicate any controversy in any situation in which such court would not have subject matter jurisdiction, (8) waive the right to jury trial or any right to object to the laying of venue or any claim that an action or proceeding has been brought in an inconvenient forum, (9) waive illegality as a defense to the performance of contract obligations, (10) provide for any indemnity against loss in converting into a specified currency the proceeds or amount of a court judgment in another currency or (11) provide for the severability, if invalid, of provisions to the foregoing effect. We express no opinion with respect to provisions purporting to indemnify, release, exculpate, hold harmless or exempt any person or entity from liability for its own gross negligence, recklessness, willful misconduct or unlawful conduct or to the extent that such provisions are otherwise against public policy.

(d) We express no opinion as to the effect of the law of any jurisdiction (other than New York) wherein the Administrative Agent or any Lender may be located or wherein the enforcement of any of the Credit Documents may be sought that limits the rates of interest legally chargeable or collectible.

(e) We express no opinion as to the effect of any law relating to the tax, legal or regulatory status of the Administrative Agent or any Lender or the involvement by any such Person in the transactions contemplated by any of the Credit Documents.

(f) Our opinion with respect to the enforceability of the choice of law and choice of forum provisions of each of the Credit Documents is rendered in reliance on Sections 5-1401 and 5-1402 of the New York General Obligations Law and Section 327(b) of the New York Civil Practice Law and Rules and is subject to the qualifications that such enforceability (i) may be limited by public policy considerations of any jurisdiction, other than the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought, (ii) does not apply to the extent provided in Section 1-301(c) of the Uniform Commercial Code as in effect in New York and (iii) may be subject to limitations under the Constitution of the United States of America. Accordingly, we express no opinion as to the effect of the law of any jurisdiction (other than the State of New York) as to the choice of law in any of the Credit Documents (including, without limitation, whether any court outside the State of New York would honor the choice of New York law as the governing law of each of the Credit Documents).

(g) We express no opinion as to the attachment, perfection or priority of any lien, security interest or pledge purported to be granted or created by any of the Credit Documents.

(h) To the extent that the Borrower is now an agency or instrumentality of a foreign state that is entitled to immunity from jurisdiction of any court or from legal process with respect to itself or its property, any waiver by the Borrower of such immunity is subject to the limitations imposed by the United States Foreign Sovereign Immunities Act of 1976. Further, we express no opinion as to the enforceability of any such waiver if the Borrower is not now such an agency or instrumentality, but becomes one at some time in the future.

(i) We express no opinion as to the enforceability of Section 11.14 of the Loan Agreement or Section 11 of the Indemnity Agreement, in each case to the extent that a court may decline to give effect to the forum selection clause therein because enforcement would be unreasonable or unjust under the principles enunciated in the decision of the U.S. Supreme Court in *M/S Bremen & Unterweser Reederei, GmbH v. Zapata Off-Shore Co.*, 402 U.S. 1 (1972) and in related cases, including that it would contravene a strong public policy of the State of New York.

This opinion letter has been prepared and given in accordance with the customary practice of those lawyers licensed to practice law in the State of New York who regularly give opinions of the kind, type and nature as those matters contained herein. The addressees hereof have agreed that the interpretation of this opinion letter shall be based upon the customary practice of those lawyers licensed to practice law in the State of New York who regularly give opinions of the kind, type and nature as those matters contained herein.

This opinion letter is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated. This opinion letter may not be relied upon by any person or entity other than the named addressees hereof, quoted in whole or in part or otherwise referred to in any report or document, furnished to any other person or entity (other than your employees) or relied upon for any purpose other than in connection with consummating the transactions described herein without our prior written approval in each instance.

Notwithstanding the foregoing, at your request, we consent to reliance on this opinion letter by any future assignee of your interest in the loans under the Loan Agreement; provided the assignment is made and consented to in accordance with the provisions of Section 12.07 of the Loan Agreement. Our consent to reliance on this opinion letter by any future assignee is also on the condition and understanding that: (i) in no event shall any assignee have any greater rights with respect hereto than the original addressees of this opinion letter on the date hereof nor, in the case of any additional lender that becomes a lender by assignment, any greater rights than its assignor; (ii) in furtherance of and not in limitation of the foregoing, our consent to such reliance shall in no event constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof; (iii) we have no responsibility or obligation to update this opinion letter, to consider its applicability or correctness to any assignee other than the named addressee hereof or to take into account changes in law, facts or any other developments of which we may later become aware; and (iv) any such reliance by an assignee also must be actual and reasonable under the circumstances existing at the time of assignment, including any circumstances relating to changes in law, facts or any other developments known to or reasonably knowable by the assignee at such time. All rights hereunder may be asserted only in a single proceeding by and through the Administrative Agent or the Majority Lenders.

Notwithstanding the foregoing, each of the named addressees hereof may furnish a copy of this opinion letter: (a) to any applicable rating agency involved with, or institution providing credit enhancement, liquidity support or reinsurance in connection with, the transactions contemplated by the Credit Documents (the "**Transactions**"); (b) to the independent auditors of such addressee and lawyers advising such addressee in connection with the Transactions; (c) to any governmental authority having regulatory authority over such addressee; (d) to the permitted participants (both actual and prospective) of such addressee under the Loan Agreement; or (e) pursuant to court order or legal process of any court or governmental agency or as otherwise required by applicable law; provided that none of the foregoing may rely on this opinion letter (unless specifically authorized to do so herein) or further circulate, quote or otherwise refer to this opinion letter (except with our prior written consent in each instance or as otherwise required pursuant to any court order or legal process of any court or governmental agency or pursuant to applicable law).

This opinion letter is rendered as of the date hereof and we undertake no, and disclaim any, duty to advise you regarding any changes in, or to otherwise communicate with you with respect to, the matters and opinions set forth herein after the date hereof.

Very truly yours,

BAKER & MCKENZIE LLP

Exhibit D-3
Form of Opinion of Peruvian Counsel to the Lenders

J&A Garrigues Perú, Sociedad Civil de Responsabilidad Limitada. Domicilio social: Av. Víctor Andrés Belaúnde, 332, oficina 701, San Isidro, Lima, Perú. RUC: 20555113499

[●] [●], 2022

To: Each of the Parties Listed in Schedule 1 hereto (each of them, an “Addressee”)

Ladies and Gentlemen:

We have acted as Peruvian counsel to the Lenders in connection with the Loan Agreement dated as of [●] [●], 2022 (the “Loan Agreement”) between Aenza S.A.A., as borrower (the “Borrower”), the Lenders party thereto, [●], as Administrative Agent (the “Administrative Agent”) and [●], as Collateral Agent (the “Collateral Agent”).

Capitalized terms used but not otherwise defined herein have the meanings assigned thereto in (including by reference in) the Loan Agreement. This opinion is delivered pursuant to Section [6.02.(g)(iii)]⁸ of the Loan Agreement.

In connection with this opinion, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the Loan Agreement;
- (b) the Trust Agreement dated [●] [●], as amended and restated by the Third Amendment (*Tercera Adenda al Contrato de Fideicomiso*) dated [●] [●], 2022 by and among, the Borrower, Cumbra Perú S.A. (“Cumbra”), the Onshore Trustee, the Collateral Agent and La Fiduciaria S.A., as collateral agent of the Existing Syndicated Facility, with the intervention of Viva Negocio Inmobiliario S.A. (“Viva”), Rolando Martin Ponce Vergara, Daniel René Urbina Pérez the Convertible Bond Indenture Trustee and Banco Santander, S.A., [in respect of all current and future share capital of Viva] (the “Asset Trust Agreement”);
- (c) the Share Pledge Agreement over Unna Energía S.A.’s shares (*Contrato de Constitución y Preconstitución de Garantía Mobiliaria Sobre Acciones representativas del capital social de Unna Energía S.A. sujeta a Condición Suspensiva*) dated [●] [●], 2022 entered by and among the Borrower and the Collateral Agent, with the intervention of Unna Energía S.A. (“Unna” and together with Cumbra and Viva, the “Peruvian Subsidiaries”), and La Fiduciaria S.A., as collateral agent of the Existing Syndicated Facility] (the “Share Pledge Agreement”);
- (d) the Cash Flow Trust Agreement, as amended and restated by the Fourth Amendment to the Cash Flow Trust Agreement (*Cuarta Adenda al Contrato de Fideicomiso*) dated [●] [●], 2022 by and among the Borrower, the Onshore Trustee, La Fiduciaria S.A. as collateral agent of the Existing Syndicated Facility and the Collateral Agent, with the intervention of Daniel René Urbina Pérez, the Convertible Bond Indenture Trustee and Banco Santander, S.A. (the “Cash Flow Trust Agreement”);
- (e) the Repayment Trust Agreement (*Contrato de Fideicomiso de Administración*) dated [●] [●], 2022 entered by and among the Borrower, the Collateral Agent, the Convertible Bond Indenture Trustee and the Onshore Trustee, with the intervention of Daniel René Urbina Pérez (the “Repayment Trust Agreement”)⁹;

⁸ Note: Subject to final version of the Loan Agreement.

⁹ Note: Participation of the Convertible Bond Indenture Trustee in this agreement is still subject to confirmation.

- (f) the Notes;
- (g) the Letters of Instruction;
- (h) the irrevocable power of attorney issued by the Borrower in respect of the Share Pledge Agreement, dated as of [●] [●], 2022 (the “Irrevocable Power of Attorney” and together with the Asset Trust Agreement, the Share Pledge Agreement, the Cash Flow Trust Agreement, the Repayment Trust Agreement, the Notes and the Letters of Instruction, the “Peruvian Opinion Documents”); and,
- (i) [[General shareholders’ meeting] minutes dated [●] [●], [●] of the Borrower, in relation to the corporate authorizations for the execution of the Opinion Documents (as defined below).] / [[Powers of attorney] granted by the Borrower on [●] [●], [●] registered on [●] [●], [●] under entry No. [●], Docket No. [●] of the Corporations Public Registry - Lima Office in relation to the corporate authorizations for the execution of the Opinion Documents (as defined below)]¹⁰.
- (j) [[Powers of attorney] granted by the Peruvian Subsidiaries [registered on [●] [●], [●] under entry No. [●], Docket No. [●] of the Corporations Public Registry - Lima Office in relation to the corporate authorizations for the execution of the Opinion Documents (as defined below)]¹¹.

We have reviewed all such other corporate documents and instruments and such certificates or comparable documents of public officials and of officers and representatives of the Borrower and have made such investigations of law as we have deemed necessary or appropriate as a basis for the opinion expressed below.

The Loan Agreement and the Peruvian Opinion Documents are collectively referred to herein as the “Opinion Documents.”

23. Assumptions

In rendering this legal opinion we have assumed, without conducting any independent investigation or verification of any kind:

- 23.1. The authenticity of all signatures, stamps and seals on any of the Opinion Documents.
- 23.2. The authenticity of all documents and records presented to us as originals.
- 23.3. The conformity with the authentic originals of all documents and records presented to us as photostatic or faxed copies, legalized copies or in “PDF” form.

¹⁰ Note: Authorizations and powers of attorney pending to be received.

¹¹ Idem.

- 23.4. The Opinion Documents have been or will be, as applicable, duly authorized, executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to the Opinion Documents, other than the Borrower and the Peruvian Subsidiaries.
- 23.5. All signatories to the Opinion Documents have been duly authorized to execute and deliver such documents, other than the Borrower and the Peruvian Subsidiaries.
- 23.6. The legal capacity and competence of all signatories to the Opinion Documents.
- 23.7. All of the parties to the Opinion Documents are duly organized and validly existing and have the power and authority (corporate, partnership or other) to execute, deliver and perform the Opinion Documents, other than the Borrower and the Peruvian Subsidiaries.
- 23.8. Each party to the Opinion Documents will perform its obligations thereunder acting reasonably and in good faith when taking any action, exercising any discretion and making any determination thereunder.
- 23.9. Insofar as any obligation established in the Opinion Documents needs to be performed in any jurisdiction outside of Peru, such performance will not be illegal, ineffective or invalid by virtue of the laws of that jurisdiction.
- 23.10. The Opinion Documents which are expressed to be governed by the laws other than those of Peru, as matter of said laws, constitute the legal, valid and binding obligations of each of the parties thereto enforceable against such party under laws of the respective jurisdiction and, as matter of said law, will be in full force and effect according to their terms and conditions.
- 23.11. The Opinion Documents are executed for *bona fide* commercial reasons by each of the parties thereto and do not contravene domestic public order (*orden público*).
- 23.12. There exists no other agreement or instrument between the parties which is inconsistent with, or amends, the Opinion Documents.
- 23.13. According to Section [4.01(f)] of the Loan Agreement, payments by the Borrower to the Administrative Agent's Peruvian bank accounts under the Loan Agreement will constitute a legal, valid and binding payment as it was made to the Lenders, discharging the Borrower from its payment obligation and having "*efectos cancelatorios*" for such purpose.

24. Opinions

Based upon the foregoing and subject to the qualifications specified below, we are of the opinion that:

- 24.1. The Borrower is a *sociedad anónima abierta* duly organized and validly existing under the laws of Peru. Each of the Peruvian Subsidiaries is a *sociedad anónima* duly organized and validly existing under the laws of Peru.
- 24.2. The execution, delivery and performance by the Borrower and the Peruvian Subsidiaries of their respective obligations under each Opinion Document to which each of them is a party have been duly authorized by all necessary corporate action on the part of the Borrower and the Peruvian Subsidiaries.

- 24.3. Each of the Peruvian Opinion Documents to which the Borrower and each Peruvian Subsidiary is a party thereto has been duly executed by the Borrower and each Peruvian Subsidiary, as applicable.
- 24.4. The Peruvian Opinion Documents (other than the Notes, the Letters of Instructions and the Repayment Trust Agreement) to which the Borrower and each Peruvian Subsidiary is a party thereto, upon satisfaction of the conditions for effectiveness contained therein and execution of their corresponding Effectiveness Statement, will constitute legal, valid and binding obligations of the Borrower and each Peruvian Subsidiary, in each case enforceable against the Borrower and each Peruvian Subsidiary, as applicable, in accordance with their terms.
- 24.5. The Repayment Trust Agreement constitutes legal, valid and binding obligations of the Borrower, in each case enforceable against the Borrower in accordance with its terms.
- 24.6. Upon satisfaction of the conditions for effectiveness contained in the Share Pledge Agreement and execution of the corresponding Effectiveness Statement, it will create a valid security interest over the assets expressed to be subject thereto in favor of the Collateral Agent for the benefit of the “*Partes Garantizadas Senior*” referred therein, subject to such rights, interests, indebtedness and liabilities of certain persons as are preferred as a matter of law.
- 24.7. Upon satisfaction of the conditions for effectiveness contained in the Asset Trust Agreement and execution of the corresponding Effectiveness Statement, it will create a valid trust estate (*patrimonio fideicometido*) over the assets expressed to be subject thereto.
- 24.8. Upon satisfaction of the conditions for effectiveness contained in the Cash Flow Trust Agreement and execution of the corresponding Effectiveness Statement, it will create a valid trust estate (*patrimonio fideicometido*) over the assets expressed to be subject thereto.
- 24.9. The provisions of the Share Pledge Agreement, Asset Trust Agreement and Cash Flow Trust Agreement shall be opposable *vis-à-vis* third parties (*oponible a terceros*) upon its registration before the applicable Peruvian Public Registries and subject to (i) in the case of the Share Pledge Agreement, its recording in Unna’s share ledger book and in the corresponding shares certificates, (ii) in the case of the Asset Trust Agreement, its recording in Viva’s share ledger book and in the corresponding shares certificates and, (iii) in the case of the Cash Flow Trust Agreement, the delivery of the notices set forth therein.
- 24.10. No approval or authorization by, or filing with, any governmental authority of Peru is required in connection with the execution and delivery by the Borrower or the Peruvian Subsidiaries of, and their performance and compliance as of the date hereof with the terms of, the Opinion Documents to which each of them is a party, except for such as have been duly obtained or made other than those information filings required under the Peruvian securities laws.
- 24.11. When issued, executed and delivered by the Borrower, each Note will (i) be considered as a *pagaré incompleto* in accordance with Law N° 27287 (as amended), (ii) once completed pursuant to its corresponding Letter of Instructions (*acuerdo de llenado de pagaré*), be in proper legal form under the laws of Peru for the enforcement thereof against the Borrower through a summary legal proceeding (*proceso único de ejecución*) initiated in accordance with the Peruvian Code of Civil Procedure (*Código Procesal Civil*), and (iii) constitute legal, valid and binding obligations of the Borrower and, once completed pursuant to its corresponding Letter of Instructions, enforceable against it in accordance with the terms thereof.

Since each Note is a “*título valor causado*” (linked to the Loan Agreement) as defined by Peruvian law, in case of enforcement of the obligations represented in such Note, provided that its corresponding Letter of Instructions (*acuerdo de llenado de pagaré*) includes references to the Loan Agreement, it is probable that an officially translated version into Spanish of the Loan Agreement may be required to be submitted to the competent judicial authority if the Borrower challenges in court the enforcement of such Note

- 24.12. The execution, delivery and performance by the Borrower and the Peruvian Subsidiaries of each Opinion Document to which the Borrower and each Peruvian Subsidiary is a party thereto does not (i) conflict with its organizational documents (*Pacto Social y Estatutos*) (ii) violate any law, rule or regulation in Peru; or (iii) any judgment, decree, or order of any court or any other agency of government known to us that is applicable to the Borrower, the Peruvian Subsidiaries or their respective properties.
- 24.13. The Borrower and the Peruvian Subsidiaries are subject to civil and commercial law with respect to its obligations under each of the Opinion Documents, and the execution, delivery and performance by them of the Opinion Documents constitute private and commercial acts rather than public or governmental acts.
- 24.14. The choice of New York law to govern the Loan Agreement is a valid and effective choice of law under the laws of Peru, and courts sitting in Peru would give effect to such choice of law, and such document will be construed in accordance with, and will be treated as being governed by New York law, except for the limitations contained in (i) Article 2049 of the Peruvian Civil Code, under which provisions of foreign law shall not be applicable if they are incompatible with international public order (*orden público*) or with good morals, (ii) Article 2088 of the Peruvian Civil Code, under which the creation, content and extinction of real rights (which include security interests) on tangible assets is governed by the law of the place where the respective assets are located and (iii) article 2.1 of Law No. 27809 (*Ley General del Sistema Concursal*), according to which any insolvency, bankruptcy, moratorium, fraudulent conveyance or transfer involving entities domiciled in Peru shall be governed by Peruvian law; *provided, however*, that we have no reason to believe that any obligation under the Loan Agreement violates Articles 2049 or 2088 of the Peruvian Civil Code.
- 24.15. The submission by the Borrower to the exclusive jurisdiction of the federal or state courts located in the State of New York is a legal, valid and binding choice of jurisdiction and will be recognized by the courts of Peru, except as for the limitations of (i) the application of Law N° 27809 (*Ley General del Sistema Concursal*), under which any insolvency and bankruptcy proceedings against debtors domiciled in Peru shall be subject to the jurisdiction of the competent courts of Peru; and, (ii) article 2060 of the Peruvian Civil Code, which provides that the submission to a foreign jurisdiction is enforceable in Peru so long as (x) no exclusive Peruvian jurisdiction matters are at stake (i.e., actions related to *in rem* rights over tangible assets located in Peru as established in article 2058 paragraph 1 of the Peruvian Civil Code), (y) no abuse of law (*abuso de derecho*) is involved, and (z) it is not contrary to public order (*orden público*) or good morals. As of the date hereof, we are not aware of any reason why the submission by the Borrower to the jurisdiction of any United States federal or state court located in the State of New York will constitute an abuse of law (*abuso de derecho*) under Peruvian laws or be considered contrary to Peruvian public order (*orden público*). The Borrower’s consent to service of process and appointment of an agent for delivery of service of process as set forth in the Loan Agreement is valid and effective under the laws of Peru.

- 24.16. A final non-appealable judgment for a fixed and final sum obtained against the Borrower in any foreign court having jurisdiction in respect of any suit, action or proceeding for the enforcement of any of its obligations under the Loan Agreement will, upon request, be deemed valid and enforceable in Peru through an *exequatur* judiciary proceeding (which does not involve the reopening of the case); provided that (a) there is a treaty in effect between the country where such foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or, (b) in the absence of such a treaty, the original judgment is recognized by Peruvian Courts (*Cortes de la República del Perú*); provided further, that the following conditions and requirements are met:
- (i) such judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts;
 - (ii) the court rendering such judgment had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
 - (iii) service of process was effected in accordance with the laws of the jurisdiction in which the proceeding took place and a reasonable opportunity to appear before such foreign court and due process rights were granted;
 - (iv) such judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
 - (v) no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
 - (vi) such judgment is not incompatible with another enforceable judgment in Peru unless such foreign judgment was rendered first;
 - (vii) such judgment is not contrary to Peruvian public order (*orden público*) or good morals;
 - (viii) it is not proven that the court rendering such judgement denies enforcement of Peruvian judgments or engages in a review of the merits thereof.
 - (ix) such judgment has been (a) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are party to the Hague Apostille Convention and have not opposed to Peru's accession thereto, or (b) certified by Peruvian consular authorities, in case of jurisdictions that are not party to the Hague Apostille Convention or have opposed to Peru's accession thereto; and, is accompanied by a certified and officially translated copy of such judgment into Spanish by a Peruvian certified translator; and,

- (x) the applicable court taxes and fees have been paid.

As of the date hereof, there is no treaty between Peru and the United States of America on the enforcement of foreign judicial resolutions. However, we have no reason to believe that any obligation under the Loan Agreement would be contrary to Peruvian public policy and international treaties to which Peru is subject or generally accepted principles of international law.

- 24.17. Subject to our construction of Law No. 30737, Law that ensures immediate payment of civil reparation in favor of the Peruvian State in cases of corruption and related crimes (*Ley que asegura el pago inmediato de la reparación civil a favor del Estado Peruano en casos de corrupción y delitos conexos*) and its Regulations approved by Supreme Decree No. 096-2018-EF, the execution of the payments obligations by the Borrower under Section 4.01 of the Loan Agreement in accordance with the terms thereof will not result in a breach by the Lenders of the restriction to transfer funds by the Borrower outside of Peru provided by such law.

25. Qualifications

The foregoing opinion is subject to the following additional qualifications:

- 25.1. The opinions expressed in this letter are subject to, (x) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws relating to, or affecting the rights of creditors generally (and to the possible judicial application of foreign laws or governmental action affecting the rights of creditors generally), and (y) the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including without limitation, (i) the possible unavailability of specific performance, injunctive relief or other equitable remedies and (ii) concepts of materiality, reasonableness, good faith, abuse of law (*abuso de derecho*) and fair dealing.
- 25.2. As to matters with respect to which our opinion is stated to be “to the best of our knowledge”, “known to us” or words of similar effect, we have not undertaken any independent examination of facts, but have based our opinion in sole reliance upon matters of which the attorneys in our Firm who have devoted time to this matter or have done substantive work for the Borrower or the Peruvian Subsidiaries have actual current knowledge.
- 25.3. The term “enforceable” means that the obligations assumed by the Borrower or each Peruvian Subsidiary under the Opinion Documents are of a type that the courts of Peru normally enforce, except as may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, liquidation, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally.
- 25.4. A Peruvian court may refuse to give effect or to enforce a contractual provision subject to Peruvian law on the grounds that such provision conflicts with Peruvian public policy (*orden público*) or good morals; however, we have no reason to believe that any obligation under the Opinion Documents would be incompatible with such public policy or good morals.
- 25.5. Where obligations under any of the Opinion Documents are to be performed in a jurisdiction other than Peru, they may not be enforceable in Peru to the extent that such obligations or their performance would be illegal under the laws of that other jurisdiction.

- 25.6. The admissibility into evidence and enforceability before a Peruvian court or authority of any document executed in a language other than Spanish (including judgments) requires such document to be (i) officially translated to Spanish and certified by a duly authorized public translator in Peru; (ii) if issued in any country other than in Peru (x) which is a signatory country of the Hague Apostille Convention that has not opposed Peru's accession thereto, prior legalization by apostille before the competent authority in the country wherein it was issued, or (y) which is not a signatory country of the Hague Apostille Convention or has opposed Peru's accession thereto, legalized before a notary public, the Ministry of Foreign Affairs of such country, the competent Peruvian consulate and before the Peruvian Ministry of Foreign Affairs (*Ministerio de Relaciones Exteriores del Perú*); and, (iii) applicable court fees are paid. Prior to the institution of any proceedings in the city of Lima (other than executor proceedings such as the enforcement in Peru of a judgment obtained abroad), the claim must be subject to a conciliation pursuant to Law No. 26872 and its regulatory Decree No. 014-2008-JUS (as amended) and, if no settlement is reached at such conciliation, the minutes of such failed conciliation must be filed with the relevant court. Also, the party seeking enforcement must pay court taxes at a rate that will depend upon the jurisdiction where enforcement is sought.
- 25.7. Where any party to the Opinion Documents is vested with a right or discretionary power or may determine a matter in its sole opinion or discretion, Peruvian law may require that such right or discretionary power is exercised in good faith. In this sense, courts may not grant enforcement in the event that they deem that a right of this nature has not been exercised in good faith or such right has been abused (*abuso de derecho*).
- 25.8. We express no opinion on any section of the Opinion Documents requiring a party to indemnify any other party against any loss incurred as a result of any judgment or order being given or made in a currency other than the currency in which payment is due under any of the Opinion Documents.
- 25.9. In accordance with general principles of Peruvian Civil Procedural laws, the rules of evidence in any judicial proceeding cannot be modified by agreement of the parties. Consequently, any provision whereby the rules of evidence agreed by the parties are said to be conclusive in the absence of manifest error, may not be upheld by a Peruvian court.
- 25.10. We express no opinion regarding the financial, accounting or economic reasonableness of the Opinion Documents.

We are licensed to practice law in Peru, and we do not hold ourselves as being conversant with, and express no opinion as to, the laws of any jurisdiction other than those of Peru.

The opinions expressed herein are solely for your benefit and may not be relied on by or furnished to any other person or used, circulated, quoted or otherwise referred to for any other purpose by any other person without our prior written consent. Notwithstanding the aforementioned, you may, however, deliver a copy of this opinion letter on a non-reliance basis to your affiliates and the officers, employees, auditors and professional advisors of either you or your affiliates, to governmental regulatory agencies having jurisdiction over you and to your successors and permitted assignees of the Loans (as defined in the Loan Agreement) in connection with such assignment and to participants in connection with their purchase of a participation interest in the Loans and, upon becoming a Lender, such assignees (but not such participants) may rely on this opinion letter to the same extent as if it were addressed and had been delivered to them on the date of this opinion letter, unless statements in this opinion letter would be affected by the status of the assignee.

This opinion letter is valid as of the date hereof. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereinafter come to our attention or any change in the laws, rules, regulations or court decisions which may hereinafter occur.

Very truly yours,

**J&A Garrigues Perú Sociedad Civil de
Responsabilidad Limitada**

SCHEDULE 1

LENDERS

10. Banco BTG Pactual S.A., Cayman Branch
11. Natixis, New York Branch
12. Banco Santander Perú S.A.
13. HSBC México, S.A. Institución de banca Múltiple, Grupo Financiero HSBC

Exhibit D-3

Exhibit D-4
Form of Opinion of New York Counsel to the Lenders

To the Lenders that are parties to the
Loan Agreement referred to below
and Banco de Crédito del Perú, as Administrative Agent
for such Lenders (the "Administrative Agent")

Ladies and Gentlemen:

We have acted as special New York counsel to the Joint Lead Arrangers in connection with the Loan Agreement dated as of March [...], 2022 (the "Loan Agreement") between Aenza S.A.A. (the "Borrower"), the financial institutions referred to as "Lenders" in the Loan Agreement (the "Lenders"), the Administrative Agent and Banco de Crédito del Perú as collateral agent. Terms defined in the Loan Agreement have the same respective defined meanings when used herein. "Applicable Law" means, collectively, any Federal law of the United States and any law of the State of New York and any of them that, in each case, in our experience is customarily recognized to apply to transactions of the kind contemplated by the Loan Agreement.

In rendering the opinions expressed below, we have examined an executed counterpart of the Loan Agreement. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. As to various questions of fact relevant to the opinions expressed herein, we have relied upon representations made in or pursuant to the Loan Agreement or representations and certifications by officers and representatives of the Borrower and other appropriate persons. We have also assumed that the Loan Agreement has been duly authorized, executed and delivered by, and (except, to the extent set forth below, as to the Borrower) constitutes a legal, valid, binding and enforceable obligation of, all of the parties thereto, that all signatories thereto have been duly authorized and that all such parties are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform the same, and that all authorizations, approvals or consents of (including without limitation all foreign exchange control approvals), and all filings or registrations with, any governmental or regulatory authority or agency of any applicable jurisdiction (including the central bank of Peru) required for the making and performance by the Borrower of the Loan Agreement have been obtained or made and are in effect.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that:

(1) the Loan Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, and subject to the possible judicial application of foreign laws or governmental action affecting the rights of creditors generally, and except as the enforceability of the Loan Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(2) The execution and delivery by the Borrower of the Loan Agreement does not (i) violate any Applicable Law, or (ii) require approval from or any filings with any governmental authority under any Applicable Law, except such as have been duly obtained or made and are in full force and effect.

The foregoing opinions are also subject to the following comments and qualifications:

(A) The enforceability of provisions in the Loan Agreement to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(B) Our opinion does not address any provision, however expressed, providing for (i) a limitation on reliance, exculpation, disclaimer, limitation or extension of liability, limitation or exclusion of remedies, contribution, indemnification, or waiver, or (ii) the shortening or lengthening of the period that a suit otherwise could be brought under the applicable statute of limitations.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located (other than New York) that limits the interest, fees or other charges it may impose for the loan or use of money or other credit, (ii) Section 4.01(d) (*Payments*) of the Loan Agreement, (iii) Section 4.05 (*Sharing of Payments, Etc.*) of the Loan Agreement, (iv) the first sentence of Section 11.14(a) (*Consent to Jurisdiction*) of the Loan Agreement insofar as such sentence relates to the subject-matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Loan Agreement, (v) the waiver of inconvenient forum set forth in Section 11.14(a) (*Consent to Jurisdiction*) of the Loan Agreement with respect to proceedings in the United States District Court for the Southern District of New York or (vi) Section 11.16 (*Judgment Currency*) of the Loan Agreement.

(D) We express no opinion as to (1) Section 11.10 (*No Immunity*) of the Loan Agreement to the extent it relates to immunity acquired after the date of execution and delivery of the Loan Agreement, (2) Section 11.14(c) (*Consent to Jurisdiction*) of the Loan Agreement insofar as such provision relates to the jurisdiction of any court outside the United States, or (3) any Note or Letter of Instructions provided for in the Loan Agreement.

(E) We express no opinion as to any Federal or state securities laws or export control, foreign assets control, sanctions, anti-money laundering and anti-terrorism laws and regulations (without limiting other laws, regulations or rules excluded by customary practice).

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the law of any other jurisdiction. Without limiting the foregoing, we do not hold ourselves out as experts on, or purport to advise on, the laws of Peru.

This opinion letter is provided to you by us as special New York counsel to the Joint Lead Arrangers pursuant to Section 6.03(h)(iv) (*Legal Opinions*) of the Loan Agreement and may not be relied upon by any other person or for any purpose other than in connection with the transactions contemplated by the Loan Agreement without our prior written consent in each instance.

Very truly yours,

[CTA/JER]

Exhibit E
Form of Assignment and Assumption Agreement

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹² Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each]¹³ Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]¹⁴ hereunder are several and not joint.]¹⁵ Reference is made to the Loan Agreement, dated as of March 17, 2022 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among AENZA S.A.A. (the "Borrower"), the lenders from time to time party thereto, Banco de Crédito del Perú, as Administrative Agent, and Banco de Crédito del Perú, as Collateral Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement, receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]:

2. Assignee[s]:

[Assignee is an Affiliate of [*identify Lender*]]

¹² For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

¹³ For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

¹⁴ Select as appropriate.

¹⁵ Include bracketed language if there are either multiple Assignors or multiple Assignees.

3. Borrower: AENZA S.A.A.

4. Administrative Agent:

5. Collateral Agent:

6. Loan Agreement: U.S.\$120,000,000 Loan Agreement, dated as of March 17, 2022, among the Borrower, the lenders from time to time party thereto, Banco de Crédito del Perú, as Administrative Agent, and Banco de Crédito del Perú, as Collateral Agent, as amended, supplemented or otherwise modified from time to time.

7. Assigned Interest[s]:

Assignor[s] ¹⁶	Assignee[s] ¹⁷	Aggregate Amount of Commitment/ Loans for all Lenders ¹⁸	Amount of Commitment/ Loans Assigned ⁸	Percentage Assigned of Commitment/ Loans ¹⁹	Date on Which Loans Were Initially Made
		U.S.\$	U.S.\$	%	
		U.S.\$	U.S.\$	%	
		U.S.\$	U.S.\$	%	

¹⁶ List each Assignor, as appropriate.

¹⁷ List each Assignee, as appropriate.

¹⁸ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

¹⁹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Trade Date: _____] ²⁰

Effective Date: _____, 20____ [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S] ²¹

[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S] ²²

[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

²⁰ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

²¹ Add additional signature blocks as needed.

²² Add additional signature blocks as needed.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other Loan Document or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Loan Agreement or any other Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Loan Agreement or any other Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement, (ii) it meets all the requirements to be an assignee under Section 11.08 (*Assignments and Participations*) of the Loan Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date referred to in this Assignment and Assumption, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Loan Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 8.02(a) or (b) (*Reporting Requirements*) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to this Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it shall, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (ii) it shall perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (iii) it appoints and authorizes the Administrative Agent to take such action on its behalf and exercise such powers under the Loan Agreement and the other Loan Documents as are delegated to or otherwise conferred upon the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts that have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts that have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Exhibit F
Form of Subordination Terms Letter

To the addressees listed on Schedule A

Ladies and Gentlemen:

We are writing to you in connection with the Loan Agreement, dated as of March 17, 2022 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among AENZA S.A.A., a *sociedad anónima abierta* organized under the laws of Peru (the "Aenza"), Banco de Crédito del Perú, as Administrative Agent (together with its successors and permitted assigns, in such capacity, the "Administrative Agent"), Banco de Crédito del Perú, as Collateral Agent (together with its successors and permitted assigns, in such capacity, the "Collateral Agent"), and collectively with the Administrative Agent, the "Agents"), and the lenders from time to time party thereto.

For all purposes of this letter agreement:

"Administrative Agent" means the Administrative Agent referred to in the preceding paragraph and any administrative agent appointed by lenders from time to time under any Senior Secured Loan Agreement;

"Senior Secured Lenders" means the lenders under the Loan Agreement and any other lender that is made a beneficiary of this letter agreement in accordance with the preceding paragraph;

"Senior Secured Loan Agreement" means the Loan Agreement;

"Subordinated Debt" means the debt incurred pursuant to any agreement set forth on Schedule B and any other unsecured indebtedness of the Borrower held by a Subordinated Lender, whether presently outstanding or hereafter created, incurred or assumed, that is expressed to rank in respect of payment and upon liquidation junior to the Loans issued under the Senior Secured Loan Agreement and is expressed to be subordinate to such Loans on the terms set forth in Appendix A hereto; and

"Subordinated Lenders" means any lender that shall agree to subordinate loans made by it to the Borrower in accordance with the terms of this letter agreement.

For all purposes of this letter agreement, capitalized terms used but not otherwise defined in this letter agreement shall have the meanings assigned to such terms in Appendix A.

1. *Subordination.* For good and valuable consideration, each of the Subordinated Lenders agrees that the Subordinated Debt of the Borrower held by it from time to time is and shall be subordinate to the amounts owing to the Senior Secured Lenders and the Agents under the Senior Secured Loan Agreement (such amounts under the Senior Secured Loan Agreement being referred to hereinafter as the "Loans"), to the extent, and in the same manner, *mutatis mutandis*, provided in Appendix A hereto. This letter agreement and Appendix A hereto shall, taken together, constitute a subordination agreement of, and be enforceable against, each of the undersigned.

2. *APPLICABLE LAW.* THIS LETTER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Exhibit F

3. *WAIVER OF JURY TRIAL.* THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, EACH SENIOR SECURED LENDER, THE BORROWER AND EACH SUBORDINATED LENDER HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT, THE LOANS OR THE RELATIONSHIPS ESTABLISHED HEREUNDER.

4. *Consent to Jurisdiction.*

(a) The Administrative Agent, the Collateral Agent, each Senior Secured Lender, the Borrower and each Subordinated Lender hereby irrevocably consents and agrees, for the benefit of each other party hereto, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this letter agreement may be brought in any Federal or State court located in the Borough of Manhattan, The City of New York, and hereby irrevocably accepts and submits to the non-exclusive jurisdiction of each such court with respect to any such action, suit or proceeding. The Administrative Agent, the Collateral Agent, each Senior Secured Lender, the Borrower and each Subordinated Lender hereby waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings, brought in any such court and hereby further waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought therein has been brought in an inconvenient forum.

(b) Each of the Borrower and the Subordinated Lenders appoints [...], with offices at the date of this Agreement at [...] New York, NY [...], United States of America, as its authorized agent on which any and all legal process may be served in any such action, suit or proceeding brought in any Federal or State court located in the Borough of Manhattan, The City of New York. Each of the Borrower and the Subordinated Lenders agrees that service of process in respect of it upon such agent, together with written notice of such service given to it in the manner provided below, shall be deemed to be effective service of process upon it in any such action, suit or proceeding. Each such party agrees that the failure of such agent to give notice to it of any such service shall not impair or affect the validity of such service or any judgment rendered in any action, suit or proceeding based thereon. If for any reason such agent shall cease to be available to act as such, each of the Borrower and the Subordinated Lenders agrees to designate a new agent in the Borough of Manhattan, The City of New York, on the terms and for the purposes of this clause (b). Nothing herein shall be deemed to limit the ability of any Administrative Agent, Collateral Agent or any Senior Secured Lender to serve any such legal process in any other manner permitted by applicable law or to obtain jurisdiction over any of the undersigned, or bring actions, suits or proceedings against them in such other jurisdictions, and in such manner, as may be permitted by applicable law.

(c) To the extent that any of the Borrower or the Subordinated Lenders has or hereafter may acquire, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this letter agreement, any immunity from jurisdiction, legal proceedings, attachment (whether before or after judgment), execution, judgment or set-off, each of the Borrower and the Subordinated Lenders hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

5. *Notices.* All notices and other communications provided under this letter agreement to any party hereto shall be in writing, and shall be mailed, delivered by courier or sent by facsimile or e-mail and addressed, delivered or transmitted to such party at its address, facsimile number or e-mail address set forth below, or at such other address, facsimile number or e-mail address as may be designated by such party in a notice to the other parties. Any notice or other communication, if mailed by certified or registered mail or by pre-paid courier service, shall be deemed given when received; any notice or other communication, if transmitted by facsimile or e-mail, shall be deemed given when transmitted.

If to the Borrower, at

Attention:
Telephone:
Email:

If to the Administrative Agent for the lenders listed on Schedule A, at

Attention:
Telephone:
Email:

If to the Collateral Agent, at

Attention:
Telephone:
Email:

If to any of the Subordinated Lenders, at

Attention:
Telephone:
Email:

If to any Senior Secured Lender, at its address indicated on Schedule A hereto, or at such other address as may be designated by such Senior Secured Lender by notice in writing to the Borrower and, if applicable, to the Administrative Agent and the Collateral Agent.

6. *Expenses.* The Borrower agrees to pay (or cause to be paid), on demand, all reasonable and documented out-of-pocket costs and expenses (including reasonable and documented fees and disbursements of legal counsel) incurred by the Senior Secured Lenders and each Agent in connection with the administration and any enforcement of this letter agreement.

7. *Counterparts.* This letter agreement may be executed and delivered (by facsimile, e-mail or otherwise), in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this letter agreement by signing any such counterpart.

8. *Entire Agreement; Prior Agreements.* This letter agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject of this letter agreement and supersedes any and all prior written and oral contracts, arrangements, letters, writings, agreements and communications relating to such subject.

If the foregoing is in accordance with your understanding, please execute a counterpart of this letter agreement, whereupon it shall become the binding and enforceable agreement of the parties as of the date first above written.

Very truly yours,

AENZA S.A.A., as Borrower

By: _____
Name:
Title:

By: _____
Name:
Title:

[], as Subordinated Lender

By: _____
Name:
Title:

[], as Subordinated Lender

By: _____
Name:
Title:

Accepted and agreed:

[...], as Administrative Agent
on behalf of the Senior Secured Lenders

By: _____
Name:
Title:

[...], as Collateral Agent

By: _____
Name:
Title:

Exhibit F

Schedule A

Lender	Notice Address
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]

Exhibit F

Schedule B

1. Subordinated Loan Agreement, dated as of [●], by and between the Borrower and [●].

Exhibit F

Appendix A
SUBORDINATION TERMS

1. *Defined Terms.* Capitalized terms used but not defined in these Subordination Terms shall have the meanings given to them in the letter agreement to which this Appendix A is attached.

2. *General.* Payment of the principal of and interest on Subordinated Debt and other amounts payable on or in respect thereof shall be subordinate and subject in right of payment to the prior payment in full of all amounts owing to the Loans (collectively, the "Senior Secured Debt"). Each Subordinated Lender agrees that it shall not ask, demand, sue for, take or receive from the Borrower, by set-off or in any other manner, or retain, payment (in whole or in part) of the Subordinated Debt, or any security therefor, other than payments made to the extent permitted under the applicable Senior Secured Loan Agreement and the provisions hereof (such payments being herein called "Permitted Payments"), unless and until the Senior Secured Debt has been paid in full (other than contingent indemnification and reimbursement obligations for which no claim has been made). Each Subordinated Lender directs the Borrower to make, and the Borrower agrees to make, such prior payment of the Senior Secured Debt. The Borrower and the Subordinated Lenders undertake to satisfy any Peruvian law requirements that may be necessary for the effectiveness of these Subordination Terms.

3. *Payment Upon Dissolution, Etc.* In the event of (a) any insolvency or bankruptcy case or proceeding in connection therewith, relative to the Borrower or to its creditors as such, or to its assets, or (b) any liquidation, dissolution or other winding up of the Borrower, whether partial or complete and whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (c) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Borrower, then and in any such event the Administrative Agent, the Collateral Agent and the Senior Secured Lenders shall be entitled to receive payment in full of all amounts due or to become due on or in respect of the applicable Senior Secured Debt (other than contingent indemnification and reimbursement obligations for which no claim has been made) before any of the Subordinated Lenders shall be entitled to receive any payment on account of the Subordinated Debt (whether in respect of principal, interest, premium, fees, indemnities, commissions or otherwise), and to that end, any payment or distribution of any kind or character, whether in cash, property or securities that may be payable or deliverable in respect of the Subordinated Debt in any such case, proceeding, dissolution, liquidation or other winding up or event shall instead be paid or delivered directly to the Administrative Agent for application to the Senior Secured Debt (on a basis *pro rata* to the aggregate outstanding principal amount of Senior Secured Debt under each Senior Secured Loan Agreement (and for this purpose such Subordinated Lender may rely on a written statement of the Administrative Agent as to said amounts)), whether or not due, until the Senior Secured Debt shall have first been fully paid and satisfied (other than contingent indemnification and reimbursement obligations for which no claim has been made).

4. *No Payment When Loans in Default.* In the event and during the continuation of any Prospective Default or Event of Default, unless and until such Prospective Default or Event of Default (each as defined in the relevant Senior Secured Loan Agreement) shall have been remedied or waived, no payment (including any Permitted Payment) shall be made by the Borrower on or in respect of the Subordinated Debt.

5. *Proceeding Against Borrower; No Collateral.* Whether or not any Prospective Default or Event of Default shall have occurred and be continuing under the Senior Secured Loan Agreement, the Subordinated Lenders shall not, without the prior written consent of the Majority Lenders (as defined in the Senior Secured Loan Agreement), (a) commence any proceeding against the Borrower under bankruptcy, insolvency or receivership law or (b) take any collateral security for the Subordinated Debt.

6. *Payment of Certain Amounts Received by the Subordinated Lenders.* In the event that any Subordinated Lender receives on account or in respect of the Subordinated Debt any distribution of assets by the Borrower or payment by or on behalf of the Borrower of any kind or character, whether in cash, securities or other property, other than a Permitted Payment, such Subordinated Lender shall hold in trust (as property of the Senior Secured Lenders) for the benefit of, and, immediately upon receipt thereof, shall pay over or deliver to, the Administrative Agent (on a basis *pro rata* to the aggregate outstanding principal amount of Senior Secured Debt under each Senior Secured Loan Agreement (and for this purpose such Subordinated Lender may rely on a written statement of the Administrative Agent) such distribution or payment in precisely the form received (except for the endorsement or assignment by such Subordinated Lender where necessary) for application in accordance with the applicable Senior Secured Loan Agreement. In the event of failure of such Subordinated Lender to make any such endorsement or assignment, the Administrative Agent is hereby irrevocably authorized and empowered by and on behalf of such Subordinated Lender to make the same.

7. *Authorizations.* Each Subordinated Lender (a) irrevocably authorizes and empowers (without imposing any obligation on) the Administrative Agent to demand, sue for, collect and receive all payments and distributions on or in respect of its Subordinated Debt that are required to be paid or delivered to the Administrative Agent, as provided herein, and to file and prove all claims therefor and take all such other action, in the name of the relevant Subordinated Lender or otherwise, as the Administrative Agent may determine to be necessary or appropriate for the enforcement of these subordination provisions, all in such manner as the Majority Lenders (as defined in the Senior Secured Loan Agreement) shall instruct, (b) irrevocably authorizes and empowers (without imposing any obligation on) the Administrative Agent to vote the Subordinated Debt (including voting the Subordinated Debt in favor of or in opposition to any matter which may come before any meeting of creditors of the Borrower generally or in connection with, or in anticipation of, any insolvency or bankruptcy case or proceeding, or any proceeding under any laws relating to the relief of debtors, readjustment of indebtedness, arrangements, reorganizations, compositions or extensions relative to the Borrower) in such manner as the Majority Lenders shall instruct, and (c) agrees to execute and deliver to the Administrative Agent all such further instruments confirming the above authorization, and all such powers of attorney, proofs of claim, assignments of claim and other instruments, and to take all such other action, as may be requested by the Administrative Agent in order to enable such Administrative Agent to enforce all claims upon or in respect of the Subordinated Debt.

8. *Notice.* Each Subordinated Lender agrees, for the benefit of each Senior Secured Lender, that it shall give the Administrative Agent prompt notice of any default by the Borrower in respect of the Subordinated Debt.

9. *Transfers.* Each Subordinated Lender agrees not to effect any transfer, assignment, sale or other disposition, whether directly or indirectly, of Subordinated Debt unless the transferee accedes to the letter agreement to which this Subordination Terms are attached or otherwise agrees in writing to subordinate its debt on the terms hereof.

10. *No Waiver; Modification to Senior Secured Debt.* No failure on the part of the Administrative Agent, the Collateral Agent or any Senior Secured Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof by the Administrative Agent, the Collateral Agent or any Senior Secured Lender, nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to the Administrative Agent, Collateral Agent and Senior Secured Lenders, or allowed to the Administrative Agent, Collateral Agent or the Senior Secured Lenders by law or other agreement shall be cumulative and not exclusive, and may be exercised by the applicable Administrative Agent, Collateral Agent or Senior Secured Lender, as the case may be, for the equal and ratable benefit of the Senior Secured Lenders from time to time.

At any time and from time to time, without the consent of or notice to the Subordinated Lenders, without incurring responsibility or liability to the Subordinated Lenders and without impairing or releasing the subordination provided herein or the obligations hereunder of the Subordinated Lenders, the Senior Secured Lenders may do any one or more of the following: (a) change the manner, place or terms of payment of or extend the time of payment of, or renew or alter the terms and conditions of the Senior Secured Debt or any collateral security or guarantee therefor, or otherwise amend or supplement in any manner the Senior Secured Debt or any instrument evidencing the same or any agreement under which the Senior Secured Debt is outstanding; (b) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing the Senior Secured Debt; (c) release any person liable in any manner for the Senior Secured Debt; and (d) exercise or refrain from exercising any rights against the Borrower and any other person. Each of the Subordinated Lenders unconditionally waives notice of the incurrence of the Senior Secured Debt or any part thereof.

11. *Subrogation.* Subject to the payment in full of all the Senior Secured Debt (other than contingent indemnification and reimbursement obligations for which no claim has been made), the Subordinated Lenders shall be subrogated to the rights of the Administrative Agent, Collateral Agent and the Senior Secured Lenders to receive distribution of assets of the Borrower, or payments by or on behalf of the Borrower, made on the Senior Secured Debt, until the Subordinated Debt shall be paid in full. For purposes of such subrogation, no payments, including any payments or distributions to the Administrative Agent, Collateral Agent or the Senior Secured Lenders of any cash, property or securities to which any Subordinated Lender would be entitled except for the provisions hereof, pursuant to the provisions hereof, to the Administrative Agent by such Subordinated Lender shall, as among the Borrower, its creditors other than the Administrative Agent, Collateral Agent, the Senior Secured Lenders and such Subordinated Lender, be deemed to be a payment or distribution by the Borrower on account of the Senior Secured Debt.

12. *Benefit of Subordination Provisions.* Nothing contained herein shall (a) impair, as among the Borrower, its creditors other than the Administrative Agent, Collateral Agent, the Senior Secured Lenders and the Subordinated Lenders, the obligation of the Borrower, which is absolute and unconditional (and which, subject to the rights hereunder of the Administrative Agent, Collateral Agent and the Senior Secured Lenders, is intended to rank equally with all other secured obligations of the Borrower), to pay the principal of and interest on the Subordinated Debt as and when the same shall become due and payable in accordance with the terms thereof or (b) affect the relative rights against the Borrower of the Subordinated Lenders and creditors of the Borrower other than the Administrative Agent, Collateral Agent and the Senior Secured Lenders.

13. *Further Assurances.* Each of the Subordinated Lenders, at its own cost, shall take any further action as the Administrative Agent or any Senior Secured Lender not represented by an Administrative Agent may reasonably request in order to carry out the intent and purpose of these subordination provisions.

14. *GOVERNING LAW.* THESE SUBORDINATION PROVISIONS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

15. *Amendment.* These subordination provisions may not be amended or modified without the prior written consent of each of the Senior Secured Lenders.

16. *Successors and Assigns.* The letter agreement to which these Subordination Terms are attached as Appendix A shall be binding and inure to the benefit of the Subordinated Lenders, the Senior Secured Lenders, the Administrative Agent and Collateral Agent and their respective successors and permitted assigns.

Exhibit G
Form of Officer's Certificate

The undersigned, the [●] of AENZA S.A.A. (the "Borrower"), refers to the Loan Agreement dated as of March 17, 2022 (the "Loan Agreement"), among the Borrower, the lenders party thereto (the "Lenders"). Banco de Crédito del Perú, as administrative agent for the Lenders (the "Administrative Agent") and Banco de Crédito del Perú as collateral agent (the "Collateral Agent"), and hereby certifies that:

(a) Attached hereto as Annex 1 are true, correct and complete copies of the bylaws (*estatutos*) of the Borrower and the Material Subsidiaries as in effect on the date hereof;

(b) Attached hereto as Annex 2 are true, correct and complete copies of all documents evidencing the corporate authority of the Borrower and the Material Subsidiaries executing the Loan Documents and each other document to be delivered by the Borrower or the Material Subsidiaries in connection therewith on behalf of the Borrower and/or the Material Subsidiaries, including existing authorizations and resolutions duly adopted by the shareholders meeting, board of directors or other authorized governing body of the Borrower and the Material Subsidiaries for (A) the approval of the execution, delivery and performance of the Loan Documents and each other document to be delivered by the Borrower and/or the Material Subsidiaries from time to time in connection therewith and the transactions contemplated thereby and (B) authorizing a named person or persons to sign, execute and deliver each such document and any documents to be delivered by it pursuant thereto, and that such documents are in full force and effect; and,

(c) The powers of attorney attached hereto as Annex 2 have not been revoked, modified, further amended or rescinded and are in full force and effect as of the date hereof;
and

(d) The name, title and specimen signatures of the persons who are authorized by the Borrower and the Material Subsidiaries, to execute the Loan Documents and each other document to be delivered by the Borrower or the Material Subsidiaries in connection therewith on behalf of the Borrower and/or the Material Subsidiaries, are as provided in Exhibit A attached hereto.

Unless otherwise defined herein, capitalized terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

IN WITNESS WHEREOF, this certificate has been executed on and as of the [...] day of [...], 2022.

AENZA S.A.A.

By: _____

Name:

Title:

Exhibit G

Name and Title

Specimen Signature

[NAME]
[TITLE]

[NAME]
[TITLE]

[NAME]
[TITLE]

[NAME]
[TITLE]

[BYLAWS TO BE INSERTED]

Exhibit G

[POWERS OF ATTORNEY TO BE INSERTED]

Exhibit G

Exhibit H
Form of Financial Officer's Certificate

The undersigned, the [●] of AENZA S.A.A. (the "Borrower"), refers to the Loan Agreement dated as of March 17, 2022 (the "Loan Agreement"), among the Borrower, the lenders party thereto (the "Lenders"). Banco de Crédito del Perú, as administrative agent for the Lenders (the "Administrative Agent") and Banco de Crédito del Perú as collateral agent (the "Collateral Agent"), and hereby certifies that:

(a) since December 31, 2020, (i) no event, condition or circumstance affecting the Borrower or its Subsidiaries (including any change in (x) Peruvian financial, political or economic conditions, currency exchange rates or exchange controls or (y) law, including tax law) has occurred that could reasonably be expected to result in a Material Adverse Effect; and, (ii) no event, condition or circumstance related to the initiation of any action, proceeding, litigation, claim or investigation against the Borrower or any of its Subsidiaries, has occurred (including, without limitation, any legal proceeding instituted to challenge or nullify the Plea Agreement), either (A) in connection with the Ongoing Investigations, or (B) that could reasonably be expected to result in a Material Adverse Effect;

(b) each of the representations and warranties of the Borrower contained in the Loan Documents is true and correct in all material respects on the Borrowing Date as if made on and as of such date (except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date); provided that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualifications therein) in all respects on such respective dates;

(c) no Event of Default or Prospective Default has occurred and is continuing on such date or will result from the consummation of the transactions contemplated by the Loan Agreement;

(d) there is no litigation, investigation, arbitration or other proceeding pending or, to the best knowledge of the Borrower or any of its Subsidiaries, threatened, (i) with respect to the Loan Agreement or the other Loan Documents or the transactions contemplated thereby or (ii) that could reasonably be expected to have a Material Adverse Effect;

(e) the Borrower intends to use the proceeds of the Loans for the purposes set forth in Section 2.06 of the Loan Agreement;

(f) excluding the Permitted Indebtedness taken after the Effective Date, the outstanding financial Indebtedness of the Borrower and its Subsidiaries (on a Consolidated basis) does not exceed S/1,717,360,000; and, the outstanding commercial Indebtedness of the Borrower and its Subsidiaries (on a Consolidated basis) with suppliers does not exceed S/797,008,000;

(g) the principal amount of the Loans requested for disbursement on the Borrowing Date in the aggregate is greater than the amount of principal, interests (accrued through the Borrowing Date) and break funding costs on the Loan Repaid Indebtedness that are required to be paid on the Borrowing Date in order to repay in full and discharge the Loan Repaid Indebtedness; and

(h) the insurance coverage of the Borrower is consistent with that of other companies of substantially similar size and scope of operations in the same or substantially similar businesses and otherwise in compliance with the terms of Section 8.16 (Insurance) of the Loan Agreement; and all premiums and other amounts theretofore due and payable thereon have been paid.

Unless otherwise defined herein, capitalized terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

IN WITNESS WHEREOF, this certificate has been executed on and as of the [...] day of [...], [2022].

AENZA S.A.A.

By: _____
Name:
Title:

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andre Mastrobuono, certify that:

I have reviewed this annual report on Form 20-F of AENZA S.A.A. (the "Company");

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and

The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing the equivalent functions):

all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 15, 2023

/s/ Andre Mastrobuono

Name: Andre Mastrobuono

Title: Chief Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Oscar Pando Mendoza, Vice President of Corporate Control and Planning, certify that:

1. I have reviewed this annual report on Form 20-F of AENZA S.A.A. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 15, 2023

/s/ Oscar Pando Mendoza

Name: Oscar Pando Mendoza

Title: Vice President of Corporate Control and
Planning

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the annual report of AENZA S.A.A. (the "Company") on Form 20-F for the fiscal year ended December 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Andre Mastrobuono, Chief Executive Officer, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andre Mastrobuono

Name: Andre Mastrobuono

Title: Chief Executive Officer

May 15, 2023

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the annual report of AENZA S.A.A. (the "Company") on Form 20-F for the fiscal year ended December 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Oscar Pando Mendoza, Vice President of Corporate Control and Planning, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the U.S. Sarbanes-Oxley-Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Oscar Pando Mendoza

Name: Oscar Pando Mendoza,

Title: Vice President of Corporate Control and
Planning

May 15, 2023