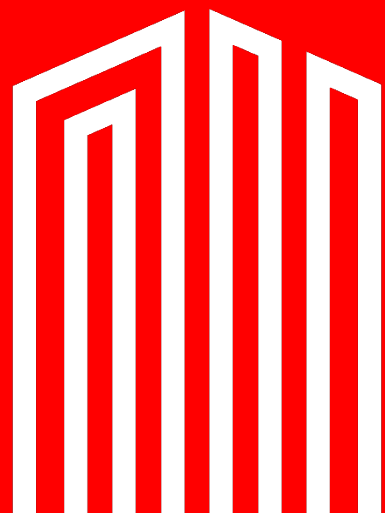




**UNACEM
CORP**

MANAGEMENT COMMENTS



UNACEM Corp S.A.A.

Management Comments

First Quarter, as of, March 31, 2023

1. BACKGROUND

UNACEM Corp's main activity is the development of strategic guidelines for its companies' portfolio to generate long-term value for shareholders, facilitate synergies, and align its operating business units while focusing on human talent development, operational performance, sustainable finance, group transformation process, and leveraging the knowledge gathered as Peru's cement market leader for more than 100 years.

In December 2021, the General Meeting of Shareholders of UNACEM Corp S.A.A. (formerly UNACEM S.A.A.) approved a Simple Reorganization that led to the creation of this holding that seeks to consolidate Grupo UNACEM through a value-creation-focused management for all its investors and stakeholders.

2. RELEVANT EVENTS

■ ACQUISITIONS

Energy generation in Peru

On December 29, UNACEM Corp informed the Securities Market Superintendence (SMV), that the offer of its subsidiary Compañía Eléctrica El Platanal S.A. (Celepsa) to acquire the shares and receivables of Termochilca S.A. was accepted. On January 19, 2023, Celepsa entered into a share purchase agreement with La Fiduciaria S.A., under which Celepsa will acquire – subject to authorization from the National Institute of Defense of Competition and the Protection of Intellectual Property (INDECOPI), in compliance with the applicable regulations – 100% of the capital's stock representative shares.

On April 20, 2023, INDECOPI notified Celepsa, about the authorization of the corporate control structure operation with Termochilca S.A. Therefore, as soon as the conditions are met, Celepsa will start to close the transaction.

Termochilca S.A. is an electric power generation company that has a combined-cycle thermal power plant located in the district of Chilca, province of Cañete, department of Lima, with an installed capacity of 300 MW.

This transaction represents an important milestone for Grupo UNACEM and its subsidiary, Celepsa's current installed capacity will double, thus strengthening its position in the

Peruvian electric market and renewing Grupo UNACEM's commitment to helping the country grow.

■ CREDIT RATING

The Company maintains the local rating classifications in the AAA.pe category for UNACEM Corp's Corporate Bonds of the Second Program of issuance of debt instruments and 1.pe category for common shares (UNACEMC1), by Moodys local and AA+(pe) to the Corporate Bonds of the Second Program for the issuance of debt instruments of UNACEM Corp and Category 1.pe to the common shares by Apoyo Asociados. It should be noted that the last issuance of the Second Debt Instrument Issuance Program was canceled on March 8th, 2023.

3. FINANCIAL INFORMATION

■ LIQUIDITY

As of March 31, 2023, the Company's ability to meet short-term obligations reaches 0.73 for each sol of debt (as of December 31, 2022, it was 0.98).

■ INVESTMENT AND FINANCING

UNACEM Corp is a holding with a portfolio of investments in the cement, concrete, energy, and adjacent related service business units, which are present in the following units:

- ▶ Cement: UNACEM Peru, UNACEM Ecuador, UNACEM Chile, and Drake Cement (US A).
- ▶ Concrete: UNICON Peru, UNICON Chile, CONCREMAX (Peru), Desert Ready Mix (USA), PREANSA Peru, PREANSA Chile and PREANSA Colombia.
- ▶ Energy generation: El Platanal Electric Company S.A., Celepsa Renovables S.R.L. (CERE), all in Peru.
- ▶ Services: ARPL Industrial Technology S.A. and Vigilancia Andina S.A., both in Peru.

Gross financial debt as of March 31, 2023, amounted to S/ 1,142.5 million (S/ 1,090.1 million as of December 31, 2022) due to the net effect of payments and new debt. Regarding the currency of origin, 91.8% of the debt is in soles (100% as of December 31, 2022). Likewise, short-term debt totals 21.5% (12.8% as of December 31, 2022). Finally, 91.8% of the debt structure is bank loans and 8.2% is promissory notes (98.3% of the debt structure is bank loans and 1.7% is corporate bonds as of December 31, 2022).

■ RELEVANT CHANGES IN THE FINANCIAL SITUATION

The main changes in the separate statement of financial position of the Company as of March 31, 2023, compared to December 31, 2022, are described below:

STATEMENT OF FINANCIAL POSITION (In thousands of Soles)

	As of 31.03.2023	As of 31.12.2022	Variation	
			S/	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	99,292	6,426	92,866	1445.2%
Trade Accounts Receivable and other accounts receivable	116,766	163,796	(47,030)	-28.7%
Prepaid expenses	4,080	2,270	1,810	79.7%
Income tax assets	17,547	14,092	3,455	24.5%
Total Current Assets	237,685	186,584	51,101	27.4%
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	6,129,849	6,074,006	55,843	0.9%
TRADE ACCOUNTS RECEIVABLES AND OTHER ACCOUNTS RECEIVABLES	97,144	97,143	1	0.0%
INTANGIBLE ASSETS, NET	20,919	20,939	(20)	-0.1%
PROPERTY, PLANT AND EQUIPMENT	53	62	(9)	-14.5%
DEFERRED INCOME TAX	10,652	11,310	(658)	-5.8%
TOTAL ASSETS	6,496,302	6,390,044	106,258	1.7%

- ▶ *Cash and cash equivalents* increased in S/ 92.9 million mainly due to a promissory note with a local bank.
- ▶ Decrease in *trade and other receivables* by S/ 47.0 million, mainly due to the collection of dividends and royalties, net of provisions for the period.
- ▶ *Financial investments* increased in S/ 55.8 million, explained by capital contributions to subsidiaries: Inversiones Imbabura S.A. for S/ 49.7 million and Skanon Investments Inc. for S/ 6.2 million.

	As of 31.03.2023	As of 31.12.2022	Variation	
			S/	%
LIABILITY AND EQUITY				
CURRENT LIABILITY				
Other financial liabilities	245,207	140,057	105,150	75.1%
Trade and other payables	81,524	48,852	32,672	66.9%
Provisions	718	550	168	30.5%
Total Current Liability	327,449	189,459	137,990	72.8%
OTHER FINANCIAL LIABILITIES	897,309	950,047	(52,738)	-5.6%
OTHER PAYABLES	2,024	1,587	437	27.5%
TOTAL LIABILITY	1,226,782	1,141,093	85,689	7.5%
TOTAL EQUITY	5,269,520	5,248,951	20,569	0.4%
TOTAL LIABILITY AND EQUITY	6,496,302	6,390,044	106,258	1.7%

- ▶ *Other financial liabilities* increased S/ 105.2 million in the short term, mainly due to a new promissory note for S/ 94.1 million. The decrease of S/ 52.7 million in the long term is explained by the movement from non-current to current liabilities of financial obligations according to the debt schedule.
- ▶ *Equity growth* in S/ 20.6 million; mainly explained by the results of the period by S/ 56.8 million, net of the dividends declarations to shareholders of S/ 36.1 million.

■ FINANCIAL PERFORMANCE

The main quarter over quarter changes in the separate income statement as of March 31, 2023, compared to March 31, 2022, are described below:

INCOME STATEMENT (In thousands of Soles)

	From January, 1st to March 31st, 2023	From January, 1st to March 31st, 2022	Variation S/	%
Operating income	90,170	127,187	(37,017)	-29.1%
Administrative expenses	(19,665)	(14,068)	(5,597)	39.8%
Other operating expenses	(1,465)	1,264	(2,729)	-215.9%
Operating income	69,040	114,383	(45,343)	-39.6%
Financial expenses, net	(11,099)	(12,794)	1,695	-13.2%
Exchange difference	(502)	(4,274)	3,772	-88.3%
Income before taxes	57,439	97,315	(39,876)	-41.0%
Income tax expense	(683)	(12,434)	11,751	-94.5%
Net income	56,756	84,881	(28,125)	-33.1%

- ▶ *Income from ordinary activities* decreased S/ 37.0 million due to the lower dividend received from the companies of the Group in the period.
- ▶ Increase in *Administrative Expenses* of S/ 5.6 million due to higher personnel expenses and related activities.
- ▶ The *income tax* provision for the year was determined based on the accounting results for the period.

4. MAIN BUSINESS UNITS' PERFORMANCE

PERU

- ▶ UNACEM Peru: The volume of cement dispatches during the quarter reached 1,469 thousand tons (8.0% lower than 1Q22) with revenues of S/ 626.6 million (0.5% higher than 1Q22). This income increase is explained by a higher average price considering the increases made in 2023 and 2022, that partially offset the lower volume dispatched. This resulted in an EBITDA of S/ 223.7 million (6.6% lower than 1Q22).
- ▶ UNICON Peru and Concremax: The volumes of ready-mix dispatched reached 629 thousand m³ (14.8% higher than 1Q22) with revenues of S/ 278.1 million (14.4% higher

than 1Q22) and an EBITDA of S/ 16.3 million (1.1% lower than 1Q22). During this quarter, volumes increased due to a higher demand of infrastructure projects in Lima.

- ▶ Celepsa: The energy sold during 1Q23 reached 535 GWh (6.2% higher than 1Q22), thanks to the addition of new clients totaling revenues of USD 26.1 million (7.4% higher than 1Q22) and EBITDA of USD 13.3 million (11.1% lower than 1Q22). During 1Q23, the company dispatched 123 GWh, 23.8% of this energy was sold to UNACEM Peru (29% in 1Q22).

ECUADOR

- ▶ UNACEM Ecuador: In 1Q23, revenues were USD 38.7 million including USD 2.6 million from the recently incorporated ready mix operation (4.4% lower than 1Q22). The cement business unit was impacted by market dynamics, dispatches reached 284 thousand tons (10.7% less than 1Q22).

EBITDA for the period was USD 9.9 million (21.1% lower than in 1Q22) mainly due to higher cost of fuels and raw materials.

EE.UU.

- ▶ Skanon dispatched 146 thousand tons of cement in the quarter (13.8% lower than 1Q22). Ready mix dispatches recorded 226 thousand m³ (0.7% higher than 1Q22) and aggregates dispatches were 416 thousand tons (36.8% lower than 1Q22). The higher average prices allowed reaching revenues of USD 59.9 million (11.2% higher than 1Q22) and an EBITDA of USD 7.5 million in the quarter (2.1% lower than 1Q22).

CHILE

- ▶ UNACEM Chile dispatched 118 thousand tons of cement in 1Q23 (38.1% higher than 1Q22), due to the fact that it doubled the capacity as the San Antonio plant started operations in April 2022. Revenues reached CLP 11,027.6 million (60.1% growth compared to 1Q22) and a negative EBITDA of CLP 345.4 million due to higher raw material costs during the period.
- ▶ UNICON Chile, in 1Q23, recorded dispatches of 191 thousand m³ of ready-mix (26.3% less than 1Q22) explained by a general contraction of the construction sector. Ready mix revenues reached CLP 15,291 million (8.5% less than 1Q22), with an EBITDA of CLP 694 million (8.2% higher than 1T22). The 2022 results consider MEL20 operations.

5. MAIN RISKS AND UNCERTAINTIES

Within Grupo UNACEM, internal control plays a fundamental role. Internal control is designed to provide management with reasonable guarantees regarding the reliability of financial and commercial information, asset protection, compliance with regulations and internal rules and procedures, as well as the effectiveness and relevance of the management and control of the operations of each entity. The responsibility for the establishment, implementation, and ongoing management of internal control processes lies with the management of each Business Unit with the cross-supervision of UNACEM Corp.

These processes include maintaining an appropriate control environment, evaluating general and financial risks, and completing controls.

Internal audit conducts an independent evaluation of internal control processes and oversees the implementation of its recommendations at the level of each entity of Grupo UNACEM. All our staff and managers must cooperate with the people who conduct internal controls or audit procedures and respond correctly to possible requests for information. In addition, they are prohibited from hindering internal control and auditing processes in any way, including those conducted by external auditors, or hiding any information in this regard.

Change of those responsible for the preparation and review of the financial information (8300)

No changes have been made in General Management or General Accounting for the last two years.

6. INFORMATION RELATED TO THE MARKET OF SECURITIES REGISTERED IN THE STOCK MARKET PUBLIC REGISTRY. (10100)

The following is a summary of the stock information, all figures are in current soles per share:

YEAR 2023					
COMMON SHARE					
Year - Month	Opening	Closure	Highest	Lowest	Average Price
2023 - 01	1.81	1.80	1.81	1.79	1.80
2023 - 02	1.80	1.50	1.80	1.50	1.74
2023 - 03	1.57	1.56	1.62	1.55	1.57

YEAR 2022					
COMMON SHARE					
Year - Month	Opening	Closure	Highest	Lowest	Average Price
2022 - 01	2.36	2.48	2.49	2.36	2.42
2022 - 02	2.48	2.34	2.64	2.34	2.52
2022 - 03	2.37	2.16	2.45	2.15	2.25

7. DIVIDEND POLICY APPROVED IN SHAREHOLDERS' GENERAL MEETING OF 14 DECEMBER 2021

On December 14, 2021, a new dividend policy was approved for the quarterly distribution of cash dividends, in soles or American dollars, ranging between USD 0.005 and USD 0.01 per share issued by the Company based on accumulated profits, starting with the oldest and ending with the most recent.

The Board of Directors has the power to agree on the quarterly distribution of cash dividends, in soles or American dollars, based on accumulated profits and within the abovementioned range, if the situation of the Company allows and when there are enough funds. The Company may distribute a lower dividend, if necessary.

The dividend policy is permanently posted on SMV's website:

<https://www.smv.gob.pe/ConsultasP8/temp/Pol%c3%adtica%20de%20dividendos.pdf>.

And on UNACEM website:

<https://www.unacem.com/wp-content/uploads/2022/06/ESP-Politica-dividendos-2022-web-grupo.pdf>