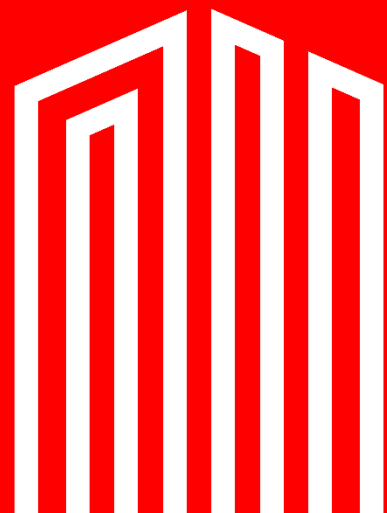




MANAGEMENT COMMENTS



UNACEM CORP S.A.A.

Management Comments

Second Quarter, as of June 30, 2022

1. RELEVANT EVENTS

■ SIMPLE REORGANIZATION

The General Shareholders' Meeting of UNACEM Corp S.A.A. (formerly Unión Andina de Cementos S.A.A) held on December 14, 2021, approved the Simple Reorganization Project, which entered into force on January 1, 2022. Said project was timely approved by the Committee of Independent Directors and by the Board of Directors.

The simple reorganization involved the segregation of 3 equity blocks that were transferred 100% to 3 subsidiaries of UNACEM Corp: UNACEM Peru S.A., Minera Adelaida S.A. and Inversiones Nacionales y Multinacionales Andinas S.A.

The business unit UNACEM Peru S.A. is the new company specialized in the production and sale of clinker and cement in the country and to export. All the assets and liabilities related to the cement business, such as the production plant, the operation of the port terminal, the mining operation, the hydroelectric plants, and the thermal plant passed to UNACEM Perú S.A.

Minera Adelaida S.A. received through transfer; mining concessions not related to the economic activity of UNACEM Perú S.A. On the other hand, Inversiones Nacionales y Multinacionales Andinas S.A. received by transfer the properties not related to the main economic activity of UNACEM Perú S.A.

The simple reorganization did not imply changes in the capital stock or in the shareholding structure of UNACEM Corp. The creation of this holding allows the consolidation of Grupo UNACEM through a management more focused on creating value for investors and all its stakeholders.

Therefore, UNACEM Corp will develop strategic guidelines for the portfolio of companies seeking to generate long-term value for shareholders and will facilitate synergies and alignment of its operating business units, focusing on the development of human talent, on the performance of operations and sustainable finances, as well as in the

transformation process of Grupo UNACEM, capitalizing on the knowledge gathered in its more than 100 years as the cement market leader in the country.

■ CREDIT RATING

On June, S&P Global Ratings maintained the credit rating of UNACEM Corp and its subsidiaries at “BB” and has upgraded the outlook from “stable” to “positive”. This rating follows the improvement in credit metrics and liquidity position, based on an expectation of resilient performance over the next 12-24 months despite challenging economic and political conditions. Furthermore, the rating agency S&P reported that in the next 6 to 12 months UNACEM Corp could have an improvement in UNACEM Corp’s rating if it keeps its solid operating and financial performance through resilient revenues and profitability protection, which would translate into consistently high cash flows, while maintaining its prudent financial policy towards capital allocation.

On May, Class & Asociados S.A. maintain the rating of the second program of debt instruments with AAA rating and 1st Category common shares and with "Stable" prospects. Likewise, Apoyo & Asociados changed the rating of the second program of debt instrument from AA (pe) with a stable outlook to AA+(pe) with a stable outlook, furthermore the rating of UNACEM Corp’s common shares was ratified in 1a(pe).

2. FINANCIAL INFORMATION

The presentation of the separate financial information as of the 2022 financial year reflects the financial reality of a holding company.

- ▶ The separate statement of financial position reports in assets the portfolio of investments in the different business units (subsidiaries) of UNACEM Group, including the investment in UNACEM Peru because of the simple reorganization. The liabilities report UNACEM Corp's debt associated with investments in subsidiaries.
- ▶ The separate income statement of UNACEM Corp record two types of sources of revenue of the holding: income from royalties and dividends from the business units; likewise, the administrative and other expenses of UNACEM Corp are indicated.

For the analysis of the information in the separate statement of financial position, the balances as of June 30, 2022, are considered versus January 1, 2022, the effective date of the simple reorganization. For the separate income statement, the information is presented as of June 30, 2022, versus the same period of the previous year; however, the figures are not comparable since the beginning of this year UNACEM Corp is a holding company that manages an investment portfolio.

For the analysis of the performance of the main business units, the information is presented as of June 30, 2022, versus the same period of 2021.

The simple reorganization has no effect on the consolidated financial statements since it involves a distribution of assets and liabilities between UNACEM Corp and its subsidiaries.

■ LIQUIDITY

As of June 30, 2022, the Company's capacity to meet short-term obligations reaches 0.57 for each sol of debt (as of January 1, 2022, it was 0.79), this lower ratio is the result of the higher payment of dividends net from collections, payments for commercial operations pending at the end of 2021 (that were carried out before the simple reorganization) and for the short-term promissory note acquired.

■ INVESTMENT AND FINANCING

The simple reorganization implied that UNACEM Corp became a holding company for a portfolio of investments in cement, concrete, energy, and services and we have presence through the following companies:

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

The gross financial debt totaled as of December 31, 2021, amounted to S/ 2,663.9 million. As a result of the separation of equity blocks due to the simple reorganization, UNACEM Corp's gross debt as of June 30, 2022, is S/ 1,163.4 million (as of January 1, 2022, it was S/1,102.9 million). It is worth mentioning that the total debt at the end of the period is in soles. Likewise, 14.8% of the total debt is kept in short term (2.0% as of January 1, 2022). The debt structure is made up of 93.2% bank loans, 5.2% promissory notes and 1.6% bonds.

■ RELEVANT CHANGES IN THE FINANCIAL SITUATION

The main changes in the separate statement of financial position of the Company as of June 30, 2022, compared to January 1, 2022, are described below:

STATEMENT OF FINANCIAL POSITION
(In thousands of Soles)

	As of 30.06.2022	As of 01.01.2022	As of 31.12.2021	Variation	
				S/.	%
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9,497	54,588	54,588	(45,091)	-82.6%
Trade Accounts Receivable and other accounts receivable	121,411	279,412	287,499	(158,001)	-56.5%
Inventories	34	0	435,516	34	-
Other Non-Financial Assets	2,510	1,523	3,831	987	64.9%
Total Current Assets	133,452	335,523	781,434	(202,071)	-60.2%
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	6,057,209	6,057,206	3,792,826	3	0.0%
TRADE ACCOUNTS RECEIVABLES AND OTHER ACCOUNTS RECEIVABLES	94,699	94,699	105,078	-	0.0%
INTANGIBLE ASSETS, NET	22,400	23,550	26,796	(1,150)	-4.9%
PROPERTY, PLANT AND EQUIPMENT	86	133	3,777,673	(47)	-35.2%
DEFERRED INCOME TAX	9,283	3,060	0	6,223	203.3%
DEFERRED STRIPPING COST	0	0	102,528	-	-
ADDED VALUE	0	0	9,746	-	-
TOTAL ASSETS	6,317,129	6,514,170	8,596,082	(197,042)	-3.0%

- ▶ Decrease in "Trade accounts receivable and other accounts receivable" by S/ 158.0 million, mainly due to the collection of dividends and commercial operations for the cement and clinker sale at the end of 2021.

	As of 30.06.2022	As of 01.01.2022	As of 31.12.2021	Variation	
				S/.	%
LIABILITY AND EQUITY					
CURRENT LIABILITY					
Other financial liabilities	172,233	21,911	383,635	150,322	686.1%
Trade and other payables	61,100	293,360	355,465	(232,260)	-79.2%
Current Income Tax	2,538	71,663	71,663	(69,125)	-96.5%
Provisions	240	35,211	41,358	(34,971)	-99.3%
Total Current Liability	236,111	422,145	852,120	(186,034)	-44.1%
OTHER FINANCIAL LIABILITIES	991,204	1,081,018	2,280,272	(89,814)	-8.3%
DEFERRED INCOME TAX LIABILITIES	0	0	401,849	-	-
PROVISIONS	0	0	25,405	-	-
FINANCIAL INSTRUMENTS	0	0	25,428	-	-
TOTAL LIABILITY	1,227,315	1,503,163	3,585,074	(275,848)	-18.4%
TOTAL EQUITY	5,089,814	5,011,008	5,011,008	78,806	1.6%
TOTAL LIABILITY AND EQUITY	6,317,129	6,514,170	8,596,082	(197,041)	-3.0%

- ▶ Increase of "Other financial liabilities" in S/ 60.5 million, mainly due to a short-term promissory note of S/ 60.0 million.
- ▶ Decrease in "Trade accounts payable and other accounts payable" by S/ 232.6 million, mainly due to payment to suppliers, related companies, and dividends to shareholders.
- ▶ Increase in Equity of S/ 78.8 million, due to the net effect of the result of the period and the declaration of dividends to shareholders.

■ FINANCIAL PERFORMANCE

The main items of the separate income statement as of June 30, 2022, are described below; the information is not comparable with the same period of the previous year since from 2022 UNACEM Corp reflects the financial reality of a holding company:

- ▶ Income from ordinary activities, for S/ 255.6 million corresponding to royalties and dividends received from the Grupo UNACEM companies.
- ▶ Administrative expenses, for S/ 27.6 million, mainly for staff compensation, Board fees and consulting services.
- ▶ Other operating expenses (income), for S/ 0.4 million, includes income net of costs for clinker export operations made by UNACEM Corp on exceptional basis during the first quarter of the year and other operations carried out.
- ▶ Net financial expenses for S/ 27.2 million, mainly due to interest on bank loans.
- ▶ The provision for income tax of the year was determined based on the accounting results for the period.

3. PERFORMANCE OF THE MAIN BUSINESS UNITS

PERU

- ▶ UNACEM Peru: Cement dispatch volumes during the quarter reached 1,625 thousand tons, 13.8% higher than in the 1Q21, with revenues of S/ 687.2 million (23.3% higher). This increase is explained by higher average sales price due to an increase made in June 2022 coupled with solid self-construction performance in the quarter. The above resulted in an EBITDA of S/ 200.3 million.
- ▶ UNICON Peru and Concremax: Ready-mix concrete dispatch volume reached 593 thousand m³, slightly higher by 1.5% than in 2Q21, with revenues of S/ 261.6 million (7.0% higher) and an EBITDA of S/ 13.7 million. We expect to maintain these volumes in the following quarters with the development of the infrastructure works already contracted.
- ▶ Celepsa: Sales volumes reached 501 GWh in the 2Q22 (26.8% higher than in 2Q21) due to the incorporation of new clients. Revenues recorded USD 23.3 million and an EBITDA of USD 10.3 million. The company has contracted 29% of its capacity with UNACEM Peru.

ECUADOR

- ▶ Unacem Ecuador: In the 2Q22 cement dispatch volumes were 12.7% lower than in 2Q21, recording 274 thousand t, with revenues of USD 35.3 million (10.5% lower) and an EBITDA of USD 7.7 million. Dispatch was affected by the slowdown in the economic

activity mainly due to the 18-day national strike in June. EBITDA was 53.9% below 2Q21 due to the impact of higher fuel costs and lower economy of scale because of the strike.

EE.UU.

- ▶ Skanon recovered its sales volumes in the quarter versus 2Q21: cement recorded 178 thousand tons (15.7% higher), ready-mix concrete 280 thousand m³ (34.0% higher) and aggregates 914 thousand tons (70.5% higher), reaching revenues of USD 69.3 million and an EBITDA of USD12.1 million dollars. The market trend indicates robust demand for our area of influence supported by an attractive real estate market in Arizona compare with other states.

CHILE

- ▶ UNACEM Chile cement dispatches were 106 thousand tons, with revenues of CLP8,786.2 million and an EBITDA of CLP19.5 million; the information is not comparable with 2021 since the operations were integrated into Grupo UNACEM Group this year. San Antonio mill came into operation in April 2022, in consequence UNACEM's Chile total cement dispatch was 24.0% higher compared to the 1Q22.
- ▶ UNICON Chile registered dispatches of 234 thousand m³ of ready-mix concrete (54.0% higher than 2Q21), revenues reached CLP15,981 million (67.7% higher), 2022 results consider MEL20 operations fully incorporated.

4. MAIN RISKS AND UNCERTAINTIES

Within the UNACEM Group, internal control plays a fundamental role. It is designed to provide reasonable guarantees to management regarding the reliability of financial and commercial information, the protection of assets, compliance with regulations and internal rules and procedures, as well as the effectiveness and relevance of management and control of the operations of each entity. The responsibility for the establishment, implementation and continuous management of internal control processes falls on the management of each Business Unit with the transversal supervision of UNACEM Corp. These processes include the maintenance of an adequate control environment, the evaluation of general and financial risks, the finalization of the controls. The internal audit carries out an independent evaluation of internal control processes and supervises the implementation of its recommendations at the level of each entity of Grupo UNACEM. All our collaborators and directors must cooperate with the people who carry out 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 carried out 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 the General Accounting for the last two years.

On January 31, 2020, the UNACEM Board of Directors, with the prior agreement of the Audit and Risks Committee, unanimously approved the appointment of Mr. Pedro Lerner Rizo Patron, as its new General Manager, a position he assumed as of January 1 July 2020.

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

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

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
2022 - 04	2.20	2.00	2.20	1.77	2.01
2022 - 05	1.95	1.58	1.95	1.55	1.65
2022 - 06	1.60	1.51	1.68	1.50	1.59

YEAR 2021					
COMMON SHARE					
Year - Month	Opening	Closure	Highest	Lowest	Average Price
2021 - 01	1.53	1.75	1.81	1.53	1.67
2021 - 02	1.74	1.84	1.90	1.70	1.82
2021 - 03	1.84	1.72	1.86	1.65	1.79
2021 - 04	1.73	1.53	1.75	1.24	1.53
2021 - 05	1.50	1.47	1.60	1.42	1.51
2021 - 06	1.41	1.34	1.55	1.17	1.31

6. DIVIDEND POLICY APPROVED IN THE GENERAL MEETING OF SHAREHOLDERS DATED DECEMBER 14, 2021

As of December 14, 2021, a new dividend policy is established consisting of the distribution of quarterly dividends in cash, in soles or in US dollars, within a range between USD 0.005 and USD 0.01 per share issued by the Company, with charge to retained earnings, starting with the oldest and ending with the most recent.

Powers are delegated to the Board of Directors to agree on the distribution of quarterly dividends in cash, in soles or in US dollars, charged to accumulated profits and within the previously established range, provided that the Company's business situation allows it and

has sufficient resources to do so, being able to distribute a lower dividend, if deemed necessary.

The dividend policy is permanently informed through the SMV website:

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

And on the UNACEM website:

<https://www.unacem.com.pe/wp-content/uploads/2021/12/Hdl-Acuerdo-Junta-General-de-Accionistas-VF.pdf>