NEWSLETTER 3Q20

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- Consolidated revenues in 3Q20 were PEN 1,000 million, 2.9% lower than consolidated revenues in 3Q19, due to lower ready-mix volume sold and lower energy sales; despite higher cement volume sold in Peru, Ecuador and the US.

- Consolidated EBITDA during 3Q20 was PEN 263 million, 8.6% lower than in 3Q19. EBITDA margin in 3Q20 was 26.3%, lower than the 27.9% recorded in 3Q19, due to higher COGS as a result of a lower utilization rate of production capacity and the subsequent impact on fixed costs.

- Net Profit during the quarter accounted for PEN 62 million, compared to PEN 54 million in 3Q19. In addition to the reasons mentioned in the previous paragraph, FX losses impacted the result passing from a loss of PEN 33.2 million in 3Q19 to a loss of PEN 9.9 million in 3Q20 due to the fluctuations of the Peruvian Sol against the US Dollar during the year.

The most important figures for the quarter are shown below:

UNACEM S.A.A and subsidiaries consolidated
(PEN million)

	3Q19	3Q20	Var. %	Sep-19 LTM	Sep-20 LTM	Var. %
Net Revenues	1,030	1,000	-2.9%	4,111	3,456	-15.9%
EBITDA	288	263	-8.6%	1,164	904	-22.3%
EBITDA Margin	27.9%	26.3%	---	28.3%	26.1%	---
Net Income	54	62	-14.1%	265	91	-65.9%
Net Margin	5.3%	6.2%	---	6.5%	2.6%	---

II. OPERATIONS AND MARKETS

Variations in cement and clinker production in Peru, as well as local cement dispatches, are shown in the table below.

Production and Dispatches- Peru
(in thousand tons)

Period		Production		Dispatch	
Year	Qtr.	Clinker	Cement	UNACEM	Peru
2019	I	1,047	1,300	1,274	2,748
	II	1,456	1,322	1,302	2,782
	III	1,645	1,320	1,351	3,087
	I - III	**4,147**	**3,941**	**3,927**	**8,617**
	IV	1,561	1,397	1,389	3,144
	I-IV	**5,708**	**5,339**	**5,316**	**11,762**
2020	I	1,150	1,068	1,064	2,307
	II	-	439	444	982
	III	685	1,362	1,364	3,002
	I-III	**1,835**	**2,870**	**2,871**	**6,291**
Variación					
20-I-III/19-I-III		-55.8%	-27.2%	-26.9%	-27.0%
20-III/19-III		-58.4%	3.2%	1.0%	-2.7%
20-III/20-II		---	210.2%	207.5%	205.8%

Source: UNACEM, ASOCEM, INEI

▪ Production

UNACEM Peru´s clinker production during 3Q20 accounted for 685 thousand tons, 58.4% lower than the production recorded in 3Q19. During the 2Q20 there was no clinker production due to the shutdown of the kilns as a result of the health crisis caused by the COVID-19 pandemic.

Cement production in UNACEM Peru in 3Q20 was 1.3 million tons, a figure 3.2% higher than in 3Q19, in line with local demand recovery since operations re started.

Considering the production of both Peruvian plants, the combined utilization rate was 37% on clinker and 46% on cement as of 3Q20.

- **Peruvian Domestic Market**

UNACEM's local cement dispatches during 3Q20 totaled 1.3 million tons, figure 1.0% higher than 3Q19, explained by the gradual recovery of demand in the local market since the restart of operations on May 20. Specially the self-construction segment overperformed other segments in our portfolio, despite the weak figures in employment and the economy. In relation to 2Q20, dispatches were 207.5% higher, in 2Q20 dispatches recorded 444 thousand tons, corresponding to only 40 days of operations.

During the third quarter of 2020, total cement dispatches in the Peruvian market reached 3.0 million tons, according to the National Institute of Statistics – INEI, 2.7% lower than in 3Q19, and 205.8% higher than in 2Q20.

Therefore, as of 3Q20, UNACEM recorded a market share in the Peruvian market of 45.6%, similar to the market share recorded as of 3Q19.

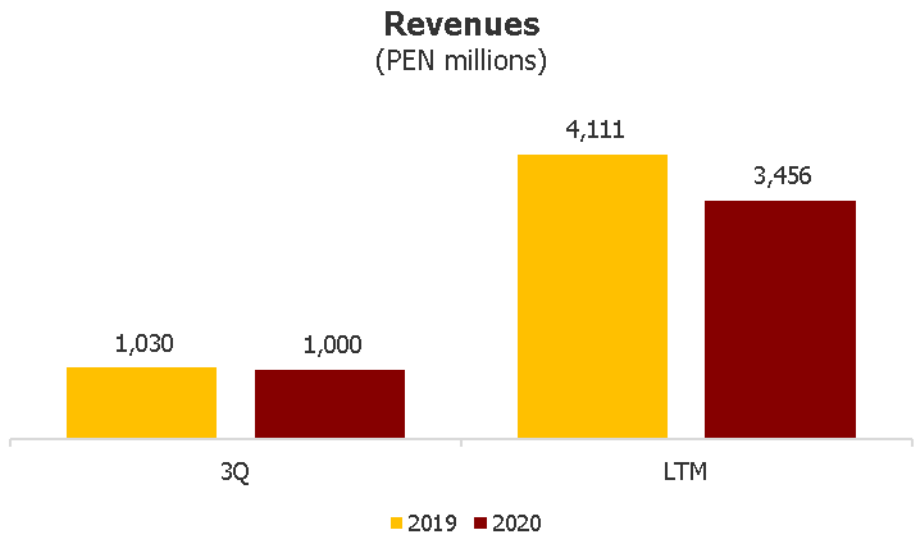
- **Exports and Port Operations**

As of 3Q20, exports through the Conchan pier decreased by 80.0%, since during the second quarter, no clinker exports were carried out due to the repair works on the ship loader, which was completed in July.

Additionally, the tonnage of bulk solids operated by the pier in Conchan as of 3Q20 was 516 thousand tons (892 thousand tons as of 3Q19), including gypsum, coal, pozzolana, slag and third-party grains operations.

III. UNACEM AND SUBSIDIARIES CONSOLIDATED FINANCIAL RESULTS

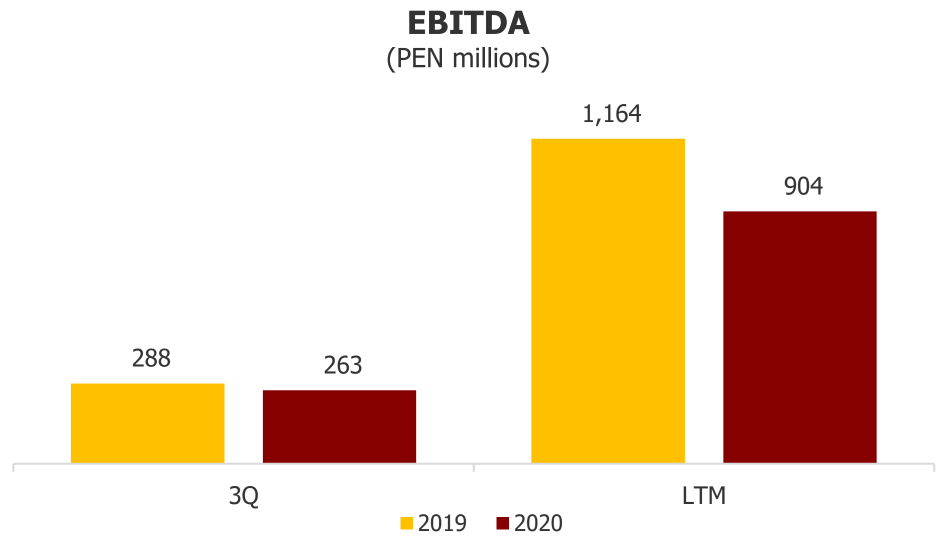
- Consolidated Revenues



Consolidated revenues in the 3Q20 were PEN 1,000 million, 2.9% lower than those recorded in 3Q19. This decrease is explained by:

- Lower ready-mix volume sold in Peru, Ecuador and Chile;
- Lower energy sold;
- Higher cement dispatches in Peru net from lower clinker exported and lower volumes of blocs and pavements;
- Higher cement volume in Ecuador; and,
- Higher cement and ready-mix volume sold in our US operations.

- Consolidated EBITDA



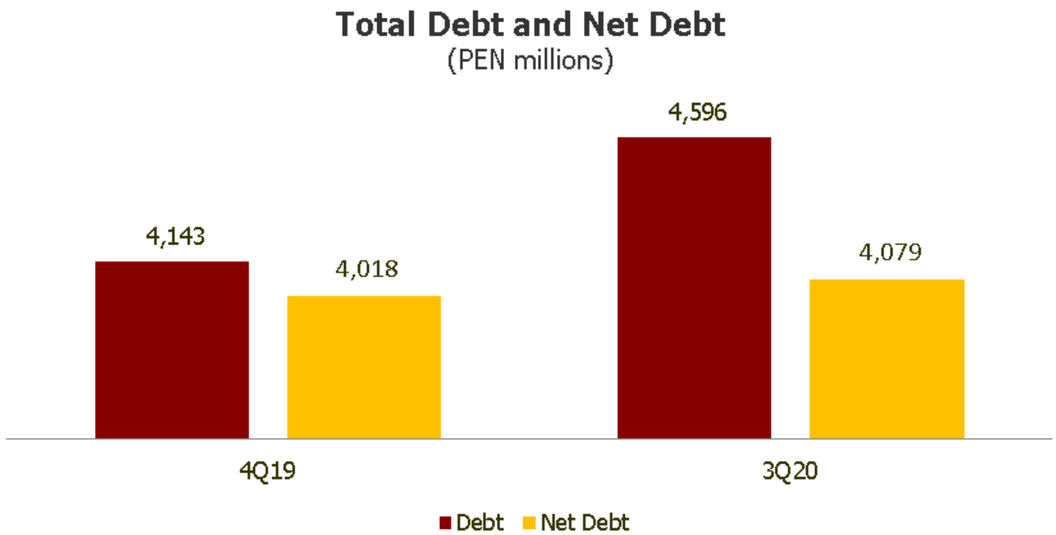
EBITDA in 3Q20 was PEN 263 million, a figure 8.6% lower than the one recorded in 3Q19. EBITDA margin during 3Q20 was 26.3%.

LTM EBITDA was PEN 904 million, a figure 22.3% lower than the LTM registered as of 3Q19, mainly due to the operation stoppage of the companies in Peru, Ecuador and partially Chile during the 2Q20, that resulted in the following:

- Lower cement volume net from higher average prices and lower clinker export's in Peru;
- Lower cement volume sold and lower average price in Ecuador;
- Lower ready-mix volume sold in Peru, Ecuador and Chile;
- Lower energy generated and sold in Peru; net from,
- Higher cement and ready-mix volumes in the United States, being our sole subsidiary that didn't suspend operations as a result of the pandemic measures.

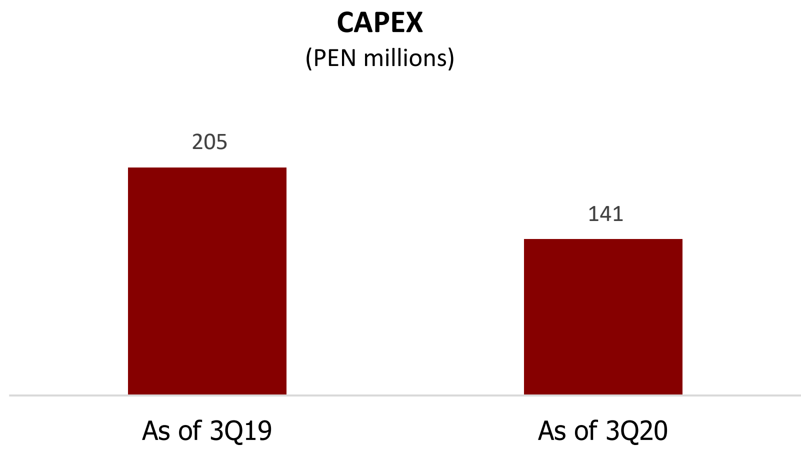
EBITDA margin was lower due to higher COGS, mainly fixed costs, as a result of the stoppage of operations, with atypical operating levels. Administrative and Sales Expenses were lower, as a result of the preventive and extraordinary measures taken by all the companies of the Group to face the crisis caused by the COVID-19 pandemic.

- Consolidated Debt



As of September, 30th, 2020, Net Debt/EBITDA ratio was 4.5x, a higher figure than the reported at the end of 2019, 3.3x. Debt in PEN increased as a result of short-term loans acquired to guarantee liquidity and working capital during the year. It should be noted that as of September 2020, the amortization of long-term debt continued in accordance with the established schedules.

- Consolidated CAPEX



As of September, 30th, 2020, CAPEX totaled PEN 141 million, 31.5% lower than in September, 30th, 2019, when it recorded PEN 205 million; prioritizing only those projects in execution and those required to guarantee smooth operations. These disbursements correspond to minor projects across all companies, works in the control system of Kiln 2 at Condorcocha, structural reinforcement in the chamber 3 of the multisilo in Atocongo, the acquisition of new mixer trucks and the new grinding project in Skanon, and overhaul of several equipment, among others.

IV. RELEVANT SUBSIDIARIES AND AFFILIATES

Below is a summary of the results of our main subsidiaries:

- UNICON Consolidated

UNICON Consolidated

		3Q19	3Q20	Var. %
Volume of ready mix	(thousands of m3)	904	586	-35.2%
Revenues	(PEN million)	310	211	-31.9%

Include all business units of UNICON in Peru, Ecuador and Chile

UNICON´s consolidated revenues in the 3Q20 decreased by 31.9% compared to 3Q19 and recorded a 35.2% decrease in volumes dispatched, considering the operations in Peru, Ecuador and Chile. In Peru and Ecuador, the reactivation of infrastructure projects has been slow but with a positive trend.

- Celepsa

Celepsa

		3Q19	3Q20	Var. %
Sales of energy	(GWh)	410	336	-18.0%
Revenues	(PEN million)	66	58	-12.5%

Includes only Celepsa Separated

Celepsa's energy sales recorded a 12.5% decrease in the 3Q20 compared to the same period of 2019, volumes were 18.0% lower, due to contracted demand from its industrial clients as a result of the stoppage their operations.

- UNACEM Ecuador

UNACEM Ecuador

		3Q19	3Q20	Var. %
Sales of cement	(in thousand tons)	279	288	2.9%
Sales	(PEN million)	122	127	4.8%

UNACEM Ecuador's volume sold during the quarter increased by 2.9% with respect to 3Q19. Revenues in PEN increased by 4.8% vis-à-vis 3Q19 due to better volume and a positive FX impact. In USD revenues were 0.1% lower.

V. SHARES

UNACEMC1		
Shares	Number	1,818,127,611
Market capitalization	PEN million	2,582
Current quote	PEN	1.420
Minimum quote	LTM / PEN	1.140
Maximum quote	LTM / PEN	2.140
Return LTM*	**3Q20**	**-29.4%**

Source: Bloomberg as of 09.30.2020
(*) Does not include dividends.

VI. SIGNIFICANT EVENTS

- On June 29th 2020, S&P Global Ratings confirmed UNACEM's and Subsidiaries consolidated rating in "BB" changing its outlook to "Negative".
- On July 3rd, 2020, the Mandatory Non-Presential Annual Shareholders Meeting was held and approved the 2019 results, elected the board for the 2020 - 2022 period and delegated the appointment of external auditors.
- The Board Meeting held on September 25th, 2020, unanimously agreed to form 5 Board Committees:
    - Audit, Risk and Compliance Committee;
    - Ethics and Good Conduct Committee;
    - Commercial Committee;
    - Strategy and Sustainability Committee; and,
    - Appointments and Compensation Committee.

UNACEM and subsidiaries consolidated Financial Statements and their respective notes are available in accordance with the scheduled dates of publish in our website: www.unacem.com/ir

If you wish to contact the Investor Relations team of UNACEM or you have any request, please send us an email at ir@unacem.com