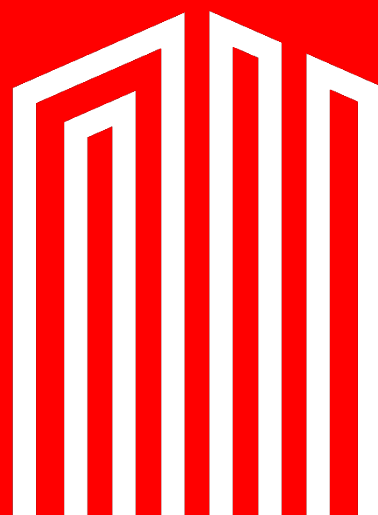




MANAGEMENT COMMENTS

First Quarter 2024



UNACEM Perú S.A.
Management Comments
 First Quarter, as of, March 31, 2024

INTRODUCTION

UNACEM Peru S.A. (the “Company”), established in September 2021, is a company specialized in the production and commercialization of clinker and cement. The company also exports clinker.

PRODUCTION

■ CLINKER

During 1Q24 clinker production decreased by 15.3% compared to 1Q23, from 1,617,898 t to 1,369,546 t, mainly explained by a longer maintenance period of scheduled kiln shutdown. 1Q24 clinker production decreased by 9.5% sequentially.

■ CEMENT

Cement production in 1Q24 decreased by 6.4% compared to 1Q23, from 1,447,335 t to 1,355,428 t and it decreased sequentially by 7.8% from 1,469,481 t. The decrease of cement production goes in line with the performance of the local demand of market in the quarter.

Production and Dispatches- Peru					
(in thousand tons)					
Period		Production		Dispatch	
Year	Qtr.	Clinker	Cement	UNACEM	Peru
2023	I	1,618	1,447	1,469	2,874
	II	1,372	1,438	1,411	2,914
	III	1,313	1,496	1,498	3,260
	IV	1,513	1,470	1,456	3,162
	I-IV	5,816	5,851	5,834	12,210
2024	I	1,370	1,355	1,349	2,838
	I	1,370	1,355	1,349	2,838
<i>Variation</i>					
24-I/ 23-I		-15.3%	-6.4%	-8.2%	-1.3%
24-I/23-IV		-9.5%	-7.8%	-7.3%	-10.2%

CEMENT DISPATCHES

■ DOMESTIC MARKET

UNACEM Peru cement dispatches during 1Q24 decreased by 8.2% compared to 1Q23, going from 1,469,469 t to 1,348,613 t. With respect to the 4Q23, cement dispatches were 7.3% lower.

Total cement dispatches in Peru, according to the information from the National Institute of Statistics and Informatics - INEI, during the first quarter of 2024 decreased by 1.3% compared to 1Q23, from 2,874,285 t to 2,838,403 t. With respect to the 4Q23, cement dispatches were 10.2% lower.

Therefore, the Company's market share in the domestic market increased, from 46.0% in 4Q23 to 47.5% in 1Q24. During the quarter, UNACEM Peru maintained its leadership in the domestic market.

■ PORT OPERATIONS

During 1Q24, clinker exports through the Conchan port terminal reached 139 thousand tons, 31.1% higher than those reached in 1Q23. Additionally, 108 thousand tons of bulk solids were handled including, coal, slag and grains for third parties.

FINANCIAL INFORMATION

■ LIQUIDITY

As of March 31, 2024, the Company's ability to meet short-term obligations is 1.09 per every sol owed (1.17 per every sol owed as of December 31, 2023).

■ CAPITAL AND FUNDING SOURCES

As of March 31, 2024, CAPEX was S/ 78.5 million. The main projects during the period correspond to the dedusting of the cooler of kiln 3 in Condorcocha plant as well as the roofing project on the clinker yards in both Atocongo and Condorcocha plants.

Gross financial debt amounted to S/ 1,611.8 million, increasing by 2.4% with respect to December 31, 2023, mainly explained by new debt as promissory notes, net of payments. It is worth mentioning that 17.1% of such debt is in foreign currency (20.2% as of December 31, 2023). Likewise, 36.4% of the total debt is held in the short term (29.6% as of December 31, 2023). Finally, 81.5% of the financing corresponds to bank loans, and 18.5% to short term promissory notes (89.4% of the financing corresponded to bank loans and 10.6% to short term promissory notes as of December 31, 2023).

■ **ECONOMIC RESULTS**

Category	For the cummulative period from January 1st to March 31rst,	For the cummulative period from January 1st to March 31rst,
Income from ordinary activities	644,805	667,129
Cement Sales	590,536	626,611
Exports of clínker	31,034	28,458
Sale of blocks, pavers and concrete	23,235	12,060
Cost of Sales	(409,257)	(422,192)
Profit (Loss) Gross	235,548	244,937
Gross margin	36.5%	36.7%

Total sales as of March 31, 2024 were S/ 644.8 million, 3.3% lower than sales reached during 1Q23. Cement sales recorded S/ 590.5 (5.8% lower), explained by the lower volume of cement dispatched (8.2% lower versus 1Q23), partially offset by higher average prices.

As of March 31, 2024, Export revenues and Blocks, pavers and pavements revenues, increased by 9.1%, and 92.7%, respectively, compared to the same period in 2023.

Cost of goods sold as of March 31, 2024, amounted to S / 409.3 million, 3.1% lower than in the same period of 2023, mainly due to the lower volume dispatched.

The combined gross margin reached 36.5% (36.7% in the same period of the previous year).

Operating expenses amounted to S/ 60.3 million as of March 31, 2024, mainly explained by higher donations (22.1% higher compared to 1Q23). Other operating expenses net from income for 1Q24 were S/ 22.1 million, mainly due to royalties to UNACEM Corp.

As a result of the above, as of the first quarter of 2024, operating profit was S/ 153.2 million (8.3% lower compared to 1Q23) reaching an EBITDA margin of 32.7% (as of 1Q23, the EBITDA margin was 33.4%).

Net financial expenses amounted to S/ 24.2 million (25.8% higher compared to 1Q23), mainly due to higher debt and higher interest rates throughout the year.

At the end of 1Q24, a foreign exchange gain of S/ 0.8 million was obtained (S/ 5.7 million in 1Q23), explained mainly by the revaluation of the Sol during the period, and the net effect of monetary accounts in US dollars.

The income tax provision for the fiscal year was determined based on the accounting results of the period.

Net income amounted to S/ 88.7 million (18.4% lower compared to 1Q23), for the reasons mentioned previously.

The most significant changes in the Company's Financial Statements as of March 31, 2024, compared to December 31, 2023, were the following:

- ▶ Increase in *Cash and Cash equivalents* by S/ 25.1 million due to collection from cement sales and a new promissory note obtained, net of payments, amortizations, and investments.
- ▶ Increase in *Inventories* by S/ 20.5 million due to an increase in the stock of clinker and imported coal.
- ▶ Increase in *Property, Plant and Equipment* by S/ 22.2 million, mainly due to additions of S/ 78.5 million, net of depreciation of S/ 54.7 million.
- ▶ Increase in *Financial Debt* by S/ 37.5 million, due to new short-term debt contracted that was partially offset by the amortization of bank loans according to schedules.
- ▶ Decrease in *Provisions* by S/ 25.5 million, due to workers profit sharing payment.
- ▶ Increase in *Equity* by S/ 52.3 million; due to the net effect of results in the period of S/ 88.7 million and the declaration of dividends to shareholders of S/ 36.4 million.