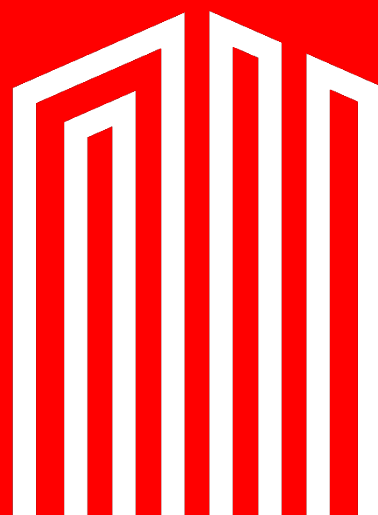




MANAGEMENT COMMENTS

Second Quarter 2024



UNACEM Perú S.A.
Management Comments
Second Quarter, as of June 30, 2024

INTRODUCTION

UNACEM Peru S.A. (the “Company”), was incorporated in September 2021, as a company specializing in the production and commercialization of clinker and cement and the export of clinker.

PRODUCTION

■ CLINKER

During 2Q24 clinker production decreased by 2.7% compared to 2Q23, from 1,371,995 t to 1,335,317 t, mainly explained by higher scheduled kiln shutdown days for maintenance during the quarter. Compared to 1Q24, 2Q24 clinker production decreased by 2.6% sequentially.

■ CEMENT

Cement production in 2Q24 decreased by 4.3% compared to 2Q23, from 1,437,935 t to 1,376,014 t and it increased by 1.5% sequentially from 1,355,428 t. The increase 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
	I-II	2,990	2,885	2,880	5,788
	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	2,865
	II	1,335	1,376	1,372	2,917
	I-II	2,705	2,731	2,721	5,782
<i>Variation</i>					
24 I-II/ 23 I-II		-9.5%	-5.3%	-5.5%	-0.1%
24 II / 23 II		-2.7%	-4.3%	-2.8%	0.1%
24 II/24 I		-2.6%	1.5%	1.7%	1.8%

CEMENT DISPATCHES

■ DOMESTIC MARKET

UNACEM Peru cement dispatches during 2Q24 decreased by 2.8% compared to 2Q23, going from 1,411,360 t to 1,371,944 t. With respect to the 1Q24, cement dispatches were 1.7% higher.

Total cement dispatches in Peru - according to the National Institute of Statistics and Informatics - INEI, during the second quarter of 2024 increased by 0.1% compared to 2Q23, from 2,913,721 t to 2,916,902 t. With respect to the 1Q24, cement dispatches were 1.8% higher.

Therefore, the Company's market share in the domestic market was maintained at 47% in the 2Q24 versus from 47.1% in 1Q24, maintaining its leadership in the domestic market.

■ PORT OPERATIONS

During 2Q24, clinker exports through the Conchan port terminal reached 107 thousand tons, 22.7% lower than those reached in 2Q23. Additionally, 138 thousand tons of bulk materials were handled including slag and grains for third parties.

FINANCIAL INFORMATION

■ LIQUIDITY

As of June 30, 2024, the Company's ability to meet short-term obligations is 0.66 per every sol owed.

■ CAPITAL AND FUNDING SOURCES

As of June 30, 2024, CAPEX was S/ 150.9 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/ 1,639.5 million, increasing by 4.1% with respect to December 31, 2023, mainly explained by new debt, mainly promissory notes, net of payments. It is worth mentioning that 17.0% of such debt is in foreign currency (20.2% as of December 31, 2023). Likewise, 78.6% of the total debt is held in the short term (29.6% as of December 31, 2023). Finally, 61.2% of the financing corresponds to bank loans, and 38.8% 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 cumulative period from January 1st to June 30th, 2024	For the cumulative period from January 1st to June 30th, 2023
Income from ordinary activities	1,298,242	1,331,048
Cement Sales	1,203,842	1,235,696
Exports of clinker	52,643	62,497
Sale of blocks, pavers and concrete pavement	41,757	32,855
Cost of Sales	(812,345)	(864,834)
Profit (Loss) Gross	485,897	466,214
Gross margin	37.4%	35.0%

Total sales as of June 30, 2024, were S/ 1,298.2 million, 2.5% lower than sales reached during 2Q23. Cement sales recorded S/ 1,203.8 (2.6% lower), explained by the lower volume of cement dispatched (2.8% lower versus 2Q23), partially offset by higher average prices.

Export revenues decreased by 15.8% as of June 30, 2024, compared to the same period in 2023. Revenues from Blocks, Pavers and Pavements increased 27.1% compared to 2023.

Cost of goods sold as of June 30, 2024, amounted to S / 812.3 million, 6.1% lower than in the same period of 2023, mainly due to the lower volume dispatched and operating efficiencies in the fuel mix, mainly due to coal.

The combined gross margin reached 37.4% (35.0% in the same period of the previous year).

Operating expenses amounted to S/ 114.1 million as of June 30, 2024, mainly personnel charges and higher donations (17.0% higher compared to 2Q23). Other operating expenses net from income for 2Q24 were S/ 43.7 million, mainly due to royalties granted to UNACEM Corp.

As a result of the above, as of the second quarter of 2024, operating profit was S/ 328.1 million (5.9% higher compared to 2Q23) reaching an EBITDA margin of 34.1% (as of 2Q23, the EBITDA margin was 31.8%).

Net financial expenses amounted to S/ 48.8 million (14.4% higher compared to 2Q23), mainly due to higher debt and higher interest rates throughout the year.

At the end of 2Q24, a foreign exchange loss of S/ 3.0 million was recorded (as of 2Q23 a foreign exchange gain of S/ 14.9 million), explained mainly by the devaluation 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/ 191.3 million (3.9% lower compared to 2Q23), for the reasons mentioned previously.

The most significant changes in the Company's Financial Statements as of June 30, 2024, compared to December 31, 2023, were the following:

- ▶ Increase in *Trade Accounts Receivable and other accounts receivable* by S/ 29.3 million due to trade collections from clinker sales to UNACEM Chile and cement sales to UNICON and LA VIGA; partially offset by advance payment to suppliers and fiscal credit.
- ▶ Increase in *Inventories* by S/ 36.1 million due to an increase in the stock of clinker.
- ▶ Increase in *Mining concessions and property, plant and equipment* by S/ 39.3 million, mainly due to additions of S/ 150.9 million, net of depreciation of S/ 108.6 million.
- ▶ Increase in *Other Financial Liabilities* by S/ 65.2 million, due to new short-term debt contracted that was partially offset by the amortization of bank loans according to schedules.

- ▶ Decrease in *Trade and other accounts payable* by S/ 33.1 million, due to supplier payments, dividends and royalties to UNACEM Corp.
- ▶ Decrease in *Other Provisions* by S/ 20.3 million, due to workers profit sharing payment.
- ▶ Increase in *Equity* by S/ 119.6 million; due to the net effect of results in the period of S/ 191.3 million and the declaration of dividends to shareholders of S/ 71.5 million.