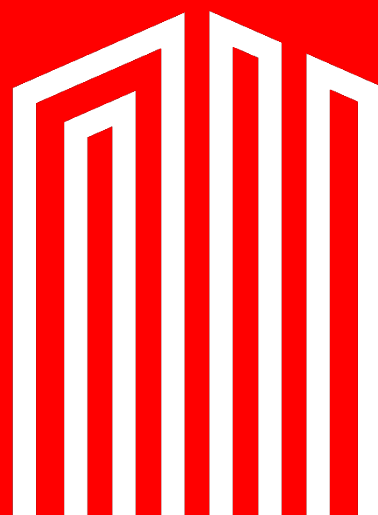




MANAGEMENT COMMENTS

Third Quarter 2024



UNACEM Perú S.A.
Management Comments
Third Quarter, as of September 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 3Q24 clinker production decreased by 5.3% compared to 3Q23, from 1,313,059 t to 1,242,644 t, mainly explained by higher scheduled kiln shutdown days for maintenance during the quarter. Likewise, compared to 2Q24, 3Q24 clinker production decreased by 6.9%.

■ CEMENT

Cement production in 3Q24 increased by 0.5% compared to 3Q23, from 1,495,775 t to 1,503,630 t and it increased by 9.3% sequentially from 1,376,014 t. Higher cement production goes in line with the performance of the local demand 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	
	I-III	4,303	4,381	4,378	9,048	
	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	2,908	
	III	1,243	1,504	1,512	3,242	
	I-III	3,948	4,235	4,233	9,015	
<i>Variation</i>						
24 I-III/ 23 I-III		-8.3%	-3.3%	-3.3%	-0.4%	
24 III / 23 III		-5.3%	0.5%	0.9%	-0.6%	
24 III / 24 II		-6.9%	9.3%	10.2%	11.5%	

CEMENT DISPATCHES

■ DOMESTIC MARKET

UNACEM Peru cement dispatches during 3Q24 increased by 0.9% compared to 3Q23, going from 1,497,800 t to 1,512,095 t. With respect to 2Q24, cement dispatches were 10.2% higher.

Total cement dispatches in Peru - according to the National Institute of Statistics and Informatics - INEI, during the third quarter of 2024 decreased by 0.6% compared to 3Q23, from 3,259,807 t to 3,242,235 t. With respect to 2Q24, cement dispatches were 11.5% higher, in both cases UNACEM's performance was better than the market.

Therefore, the Company's market share in the domestic market was maintained at 46.7% in the 3Q24 versus 47.2% in 2Q24, maintaining its leadership in the domestic market.

■ PORT OPERATIONS

During 3Q24, clinker exports through the Conchan port terminal reached 149 thousand tons, 14.4% lower than those reached in 3Q23. Additionally, 168 thousand tons of bulk materials were handled in the quarter including grains for third parties, coal and slag.

FINANCIAL INFORMATION

■ LIQUIDITY

As of September 30, 2024, the Company's ability to meet short-term obligations is 0.63 per every sol owed.

■ CAPITAL AND FUNDING SOURCES

As of September 30, 2024, CAPEX was S/ 257.1 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/ 1,529 million, decreasing by 2.8% with respect to December 31, 2023, mainly explained by payments, net of new debt, mainly through promissory notes. It is worth mentioning that 17.2% of such debt is in foreign currency (20.2% as of December 31, 2023). Likewise, 80.1% of the total debt is held in the short term (29.6% as of December 31, 2023). Finally, 38.1% of the financing corresponds to bank loans, and 61.9% 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 September 30th, 2024	For the cumulative period from January 1st to September 30th, 2023
Income from ordinary activities	2,023,785	2,035,083
Cement Sales	1,878,969	1,888,099
Exports of clinker	82,706	100,035
Sale of blocks, pavers and concrete pavement	62,110	46,949
Cost of Sales	(1,264,015)	(1,342,065)
Profit (Loss) Gross	759,770	693,018
Gross margin	37.5%	34.1%

Total sales as of September 30, 2024, were S/ 2,023.8 million, 0.6% lower than sales reached during 2023. Cement sales recorded S/ 1,879.0 (0.5% lower), explained by the lower volume of cement dispatched (3.3% lower versus 2023), partially offset by higher average prices.

Export revenues decreased by 17.3% as of September 30, 2024, compared to the same period in 2023. Revenues from Blocks, Pavers and Pavements increased 32.3% compared to 2023.

Cost of goods sold as of September 30, 2024, amounted to S/ 1,264.0 million, 5.8% 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 37.5% (34.1% in the same period of the previous year).

Operating expenses amounted to S/ 170.6 million as of September 30, 2024 (12.5% higher compared to the same period of 2023), mainly explained by personnel charges and higher donations. Other operating expenses net from income as of 3Q24 amounted S/ 72.7 million, mainly due to royalties granted to UNACEM Corp.

As a result of the above, as of the third quarter of 2024, operating profit was S/ 516.5 million (12.0% higher compared to the same period of 2023) reaching an EBITDA margin of 33.8% (as of 3Q23, EBITDA margin was 31.0%).

Net financial expenses amounted to S/ 70.5 million (9.6% higher compared to the same period of 2023), mainly due to higher interest rates throughout the year.

At the end of 3Q24, a foreign exchange gain of S/ 2.7 million was recorded (S/ 6.6 million as of 3Q23), due to 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/ 311.0 million (11.4% higher compared to the same period of 2023), for the reasons mentioned previously.

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

- ▶ Increase in *Trade and other accounts receivable* by S/ 41.3 million due to the increase in account receivables from related parties for clinker and cement sales; partially offset by the decrease in fiscal credit and other collections.
- ▶ Increase in *Mining concessions and property, plant and equipment* by S/ 94.6 million, mainly due to additions of S/ 257.1 million, net of depreciation of S/ 160.4 million.
- ▶ Decrease in *Other Financial Liabilities* by S/ 44.5 million, due to the amortization of bank loans according to schedules, partially offset by new short-term debt contracted.

- ▶ Increase in *Trade and other accounts payable* by S/ 32.6 million, due to interest on loans, obligations with suppliers; partially offset by dividends and royalties paid to UNACEM Corp.
- ▶ Increase in *Equity* by S/ 164.5 million; due to the net effect of results in the period of S/ 311.0 million and the declaration of dividends to shareholders of S/ 145.7 million.