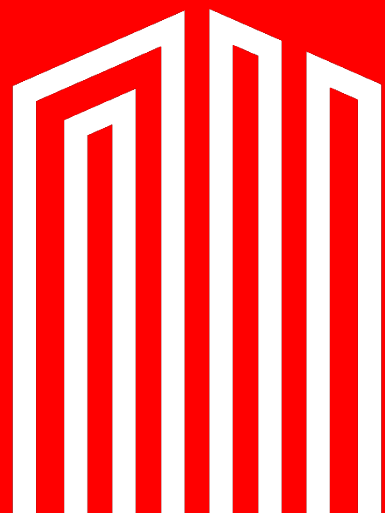




MANAGEMENT COMMENTS



UNACEM Corp S.A.A.

Management Comments

Third Quarter, as of September 30, 2024

1. BACKGROUND

UNACEM Corp's main activity is the development of strategic guidelines for the portfolio of companies that are part of Grupo UNACEM, seeking to generate long-term value for shareholders, facilitate synergies, and align its operating business units while focusing on talent development, operational performance, sustainable finance and the group's transformation process. All of these leveraging the knowledge gathered as Peru's cement market leader for more than 100 years.

2. RELEVANT EVENTS

■ UNACEM Corp SHARE BUYBACK PROGRAM

By means of a Significant Event dated August 20, 2021, the Board of Directors approved the Share Buyback Program of up to S/ 36,400,000 and not to exceed 2% of the issued shares.

Likewise, on June 23, 2023, the Board of Directors agreed to extend the Program, increasing the maximum amount to S/ 112 million (One hundred and twelve million soles 00/100) and without exceeding 4% of the own shares (72.8 million shares), extending the term of the program until June 30, 2025.

On April 26, 2024, the Board of Directors agreed to a new extension of the Share Buyback Program for an additional 50 million shares and for an additional amount of S/ 80 million. Subsequently, in the session of August 28, 2024, a new Share Buyback Program was agreed for an amount of up to S/ 150 million, with a term of the program until August 31, 2025.

At the General Shareholder's Meeting held on October 10, 2024, a majority of shareholders approved the amortization of 132,000,000 treasury shares acquired through the aforementioned Buyback Programs, resulting in a reduction of the company's share capital from S/ 1,780,000,000 to S/ 1,648,000,000. The excess payment over the nominal value of the shares will be charged to the Accumulated Results account.

■ INVESTMENTS

Merge through absorption between Union de Concreteras S.A. (UNICON) and Concremax S.A.

On November 16, 2023, the General Shareholders Meeting of Union de Concreteras S.A. (UNICON) and Concremax S.A. unanimously approved the merger project by which UNICON would absorb Concremax. Therefore, Concremax extinguished without liquidation, according to Article 344 of the Peruvian General Corporations Law. It should be noted that the merger became effective on January 1, 2024. UNICON owns 100% of the shares of Concremax, this was a simple merger and did not result in an increase in the equity of UNICON. The merger has no impact on the day to day operations, which continue seamlessly with a back office management that was simplified as a result of the merger.

Acquisition of shares of Prefabricados Andinos S.A. – PREANSA Chile

On February 2, 2024, UNACEM Corp completed the acquisition of 50% of the shares of Prefabricados Andinos S.A. – PREANSA Chile, from now on UNACEM Corp S.A.A. will control 100% of the ownership of this Company and will oversee all Chilean operations in cement, ready mix, aggregates and precast under a single management in order to strengthen the vertical integration of our operations and thus our competitive position in the Chilean market.

■ CREDIT RATING

The Company maintains local risk ratings in Category 1.pe for common shares (UNACEMC1), by Apoyo Asociados and Moody's Local, both updated in May 2024.

Likewise, in November, S&P Global Ratings ratified the international rating of UNACEM Corp S.A.A. and subsidiaries, in BB with an updated outlook, going from Positive to Stable. The rating is supported by the integration of Tehachapi and the Group's operational and leverage outlook for the next 12 months.

3. FINANCIAL INFORMATION

■ LIQUIDITY

As of September 30, 2024, the Company's ability to meet short-term obligations reaches 0.16 for each sol owed (as of December 31, 2023, it was 0.52).

■ INVESTMENT AND FINANCING

UNACEM Corp is a holding with a portfolio of investments in cement, concrete, precast, aggregates, energy, and adjacent related service business units, which are present in the following units:

- ▶ Cement: UNACEM Peru, UNACEM Ecuador, UNACEM Chile, and Drake Cement and Tehachapi Cement (USA) these two operations managed under UNA Cement.
- ▶ Concrete: UNICON (Peru), UNICON Chile, Desert Ready Mix (USA). Aggregates: Inversiones Mel 20 Ltda (Chile), Desert Aggregates (USA). Precast: PREANSA Peru, PREANSA Chile and PREANSA Colombia.
- ▶ Power generation: Compañía Electrica El Platanal S.A. (Celepsa), Celepsa Renovables S.R.L. (CERE), and Termochilca S.A., all in Peru.
- ▶ Services and Others: ARPL Tecnología Industrial S.A., Vigilancia Andina S.A. DIGICEM S.A. and Inversiones Nacionales y Multinacionales Andinas S.A. (INMA), UNA Business Services S.A.C. (UBS), CALCEM S.A., all in Peru.

Gross financial debt as of September 30, 2024, amounted to S/ 1,051.1 million (S/ 1,042.8 million as of December 31, 2023) slightly higher than in the same period of 2023, due to new debt contracted for refinancing, net of amortizations. Regarding currency, 100.0% of the debt is in soles (91.1% as of December 31, 2023). Likewise, short-term debt totals 57.3% (32.1% as of December 31, 2023). Finally, 73.4% of the debt structure is long term bank loans and 26.6% is promissory notes from banks (91.1% of the debt structure was bank loans and 8.9% was promissory notes as of December 31, 2023).

■ RELEVANT CHANGES IN THE FINANCIAL SITUATION

The main changes in the separate statement of financial position of the Company as of September 30, 2024, compared to December 31, 2023, are described below:

STATEMENT OF FINANCIAL POSITION
(in millions of Soles)

	As of 30.09.2024	As of 31.12.2023	Variation	
			S/	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	2,592	3,044	(452)	-14.8%
Trade Accounts Receivable and other accounts receivable	98,203	191,102	(92,899)	-48.6%
Prepaid expenses	7,584	5,488	2,096	38.2%
Income tax assets	-	10,782	(10,782)	-100.0%
Total Current Assets	108,379	210,416	(102,037)	-48.5%
INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES	6,230,899	6,194,628	36,271	0.6%
TRADE ACCOUNTS RECEIVABLES AND OTHER ACCOUNTS RECEIVABLES	53,240	67,844	(14,604)	-21.5%
INTANGIBLE ASSETS, NET	29,292	22,708	6,584	29.0%
PROPERTY, PLANT AND EQUIPMENT	177	143	34	23.8%
DEFERRED INCOME TAX	20,805	17,498	3,307	18.9%
TOTAL ASSETS	6,442,792	6,513,237	(70,445)	-1.1%

- ▶ Decrease in *Trade Accounts Receivable and other accounts receivable* by S/ 107.5 million, mainly due to the cancellation of CELEPSA loan and a provision for tax administration claims.
- ▶ *Investments in subsidiaries* increased in S/ 36.3 million, explained by capital contributions to subsidiaries: DIGICEM, PREANSA Chile, CALCEM and UBS.

	As of 30.09.2024	As of 31.12.2023	Variation	
			S/	%
LIABILITY AND EQUITY				
CURRENT LIABILITY				
Other financial liabilities	601,896	334,827	267,069	79.8%
Trade Accounts Payable and other accounts payable	58,531	66,081	(7,550)	-11.4%
Provisions	967	478.00	489	102.3%
Income tax liability	4,234	-	4,234	100.0%
Total Current Liability	665,628	401,386	264,242	65.8%
OTHER FINANCIAL LIABILITIES	449,161	707,933	(258,772)	-36.6%
TRADE ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE	1,446	3,503	(2,057)	-58.7%
TOTAL LIABILITY	1,116,235	1,112,822	3,413	0.3%
TOTAL EQUITY	5,326,557	5,400,415	(73,858)	-1.4%
TOTAL LIABILITY AND EQUITY	6,442,792	6,513,237	(70,445)	-1.1%

- ▶ *Other financial liabilities* increased S/ 267.1 million in the short term and decreased in the long-term by S/ 258.8 million, mainly due to the change from non-current to current of liabilities according to their maturity schedule. During the period, new short-term debt was issued for S/ 350.0 million, and payments were made for S/ 345.2 million

- ▶ Decrease in *Equity* by S/ 73.9 million; explained by purchase of treasury shares for S/ 172.2 million, dividends declared to shareholders of S/ 104.8 million, net of the results of the period by S/ 203.1 million.

■ FINANCIAL PERFORMANCE

The main quarter over quarter changes in the separate income statement as of September 30, 2024, compared to September 30, 2023, are described below:

INCOME STATEMENT (In thousands of Soles)

	From January, 1st to September 30th, 2024	From January, 1st to September 30th, 2023	Variation S/	%
Operating income	394,489	289,934	104,555	36.1%
Administrative expenses	(65,372)	(64,123)	(1,249)	1.9%
Other operating expenses, net	(9,770)	3,094	(12,864)	-415.8%
Operating income	319,347	228,905	90,442	39.5%
Financial expenses, net	(76,329)	(33,559)	(42,770)	127.4%
Exchange difference	188	110	78	70.9%
Income before taxes	243,206	195,456	47,750	24.4%
Income tax expense	(40,110)	(8,606)	(31,504)	366.1%
Net income	203,096	186,850	16,246	8.7%

- ▶ *Operating income* increased S/ 104.6 million due to the higher dividends and royalties received from the companies of the Group.
- ▶ Higher *Financial expenses, net* by S/ 42.8 million, mainly due to interest on tax processes related to income tax.
- ▶ Higher *Income tax expenses* by S/ 31.5 million due to income tax 2010 recognized in the period for S/ 18.6 million.

4. MAIN BUSINESS UNITS' PERFORMANCE

PERU

- ▶ UNACEM Peru: Cement dispatches during the quarter reached 1,512 thousand tons (0.9% higher than 3Q23). Total revenues were S/ 725.5 million (3.1% higher than 3Q23). The increase in revenues is explained by higher volume dispatched and higher average prices in the period. EBITDA was S/ 241.8 million (17.1% higher than 3Q23), due to higher cement average prices and fuel operating efficiencies.
- ▶ UNICON Peru: Volume of ready-mix dispatched reached 675 thousand m³ (12.7% higher than 3Q23) with revenues of S/ 323.3 million (15.4% higher than 3Q23) and an EBITDA of S/ 25.1 million (91.3% higher than 3Q23). The performance of the quarter is explained by the higher volume served to the important infrastructure projects.

- ▶ Celepsa: Energy sold during 3Q24 reached 650 GWh (34.0% higher than 3Q23), totaling revenues of USD 34.5 million (42.4% lower than 3Q23). It should be noted that during 3Q23 Celepsa recorded non-recurrent revenues; additionally, the drought in 3Q23 reduced hydro generation capacity, generating a higher cost, which impacted results, passing from a negative EBITDA of USD 1.4 million in 3Q23 to a positive EBITDA of USD 9.3 million in 3Q24.
- ▶ Termochilca: Sales volume during 3Q24 reached 512 GWh (28.3% lower than 3Q23), with revenues of USD 21.6 million (38.7% lower than 3Q23) and EBITDA of USD 2.5 million (76.9% lower than 3Q23), due to lower dispatch in the spot market and lower marginal cost due to the increase in hydrology in 2024.

In line with our investment strategy, Celepsa's and Termochilca's results offset each other as Termochilca's thermal generation is a natural hedge to Celepsa's hydro energy. Our consolidated energy business unit recorded EBITDA of USD 11.8 million (23.2% higher than 3Q23), with lower marginal energy costs in the market (USD 31.8 MWh versus USD 166.2 MWh in 3Q23).

ECUADOR

- ▶ UNACEM Ecuador: 3Q24 total revenues were USD 45.7 million including the ready-mix operation (5.7% higher than 3Q23) with slightly higher average prices. The cement business unit reached 315 thousand tons (1.9% lower than 3Q23). EBITDA for the period was USD 11.6 million (87.2% higher than 3Q23), lower volumes were offset by improvements in fuel efficiency and administrative expenses.

U.S.A.

- ▶ UNACEM North America (formerly Skanon) dispatched 320 thousand tons of cement in the quarter (105.7% higher than 3Q23), an important increase that is partially explained by the incorporation of Tehachapi, which contributed with 163 thousand tons. Ready mix dispatches recorded 225 thousand m³ (10.8% lower than 3Q23) and aggregates dispatches were 386 thousand tons (19.7% lower than 3Q23). The higher cement dispatches and average prices supported revenues of USD 101.3 million (42.5% higher than 3Q23) and an EBITDA of USD 10.9 million in the quarter (23.2% higher than 3Q23).

CHILE

- ▶ UNACEM Chile dispatched 134 thousand tons of cement in 3Q24 (9.2% higher than 3Q23). Revenues reached CLP 15,593 million (52.5% higher compared to 3Q23) and an EBITDA of CLP 473 million, higher than the CLP -119.3 million of 3Q23.
- ▶ UNICON Chile, in 3Q24, recorded dispatches for 200 thousand m³ of ready-mix (24.4% higher than 3Q23). Ready mix revenues reached CLP 17,441 million (36.2% higher than 3Q23), with an EBITDA of CLP 272 million (80.5% lower than 3Q23).

5. MAIN RISKS AND UNCERTAINTIES

Within Grupo UNACEM, internal control plays a fundamental role. Internal control is designed to provide management with reasonable guarantees regarding the reliability of financial and commercial information, asset protection, compliance with regulations and internal rules and procedures, as well as the effectiveness and relevance of the management and control of the operations of each entity. The responsibility for the establishment, implementation, and ongoing management of internal control processes lies with the management of each Business Unit with the cross-supervision of UNACEM Corp. These processes include maintaining an appropriate control environment, evaluating general and financial risks, and completing controls.

Internal audit conducts an independent evaluation of internal control processes and oversees the implementation of its recommendations at the level of each entity of Grupo UNACEM. All our staff and managers must cooperate with the people who conduct 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 conducted 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 General Management or General Accounting for the last two years.

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

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

YEAR 2024					
COMMON SHARE					
Year - Month	Opening	Closure	Highest	Lowest	Average Price
2024 - 01	1.52	1.58	1.61	1.50	1.57
2024 - 02	1.59	1.85	1.85	1.59	1.70
2024 - 03	1.82	1.71	1.90	1.71	1.85
2024 - 04	1.65	1.52	1.65	1.35	1.50
2024 - 05	1.57	1.61	1.64	1.55	1.58
2024 - 06	1.60	1.62	1.63	1.59	1.61
2024 - 07	1.62	1.60	1.62	1.57	1.60
2024 - 08	1.59	1.45	1.59	1.41	1.48
2024 - 09	1.48	1.53	1.55	1.45	1.49

YEAR 2023 COMMON SHARE					
Year - Month	Opening	Closure	Highest	Lowest	Average Price
2023 - 01	1.81	1.80	1.81	1.79	1.80
2023 - 02	1.80	1.50	1.80	1.50	1.74
2023 - 03	1.57	1.56	1.62	1.55	1.57
2023 - 04	1.54	1.55	1.65	1.54	1.60
2023 - 05	1.55	1.58	1.68	1.55	1.61
2023 - 06	1.58	1.61	1.62	1.53	1.58
2023 - 07	1.60	1.65	1.66	1.60	1.63
2023 - 08	1.67	1.67	1.68	1.60	1.64
2023 - 09	1.67	1.59	1.67	1.57	1.62

7. DIVIDEND POLICY APPROVED IN SHAREHOLDERS' GENERAL MEETING OF 14 DECEMBER 2021

On December 14, 2021, a new dividend policy was approved for the quarterly distribution of cash dividends, in soles or American dollars, ranging between USD 0.005 and USD 0.01 per share issued by the Company based on accumulated profits, starting with the oldest and ending with the most recent.

The Board of Directors has the power to agree on the quarterly distribution of cash dividends, in soles or American dollars, based on accumulated profits and within the abovementioned range, if the situation of the Company allows and when there are enough funds. The Company may distribute a lower dividend, if necessary.

The dividend policy is permanently posted on SMV's website:

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

And on UNACEM website:

<https://grupounacem.com/wp-content/uploads/2023/06/ESP-Politica-dividendos-14122021.pdf>