

Guayaquil, September 17, 2024

To whom it may concern:

FADESA is a company of the VILASECA Group, a leader in the Pacific-Latin America region with 68 years of experience in providing environmentally friendly metal and plastic packaging solutions. We adhere to the highest standards of quality and safety through innovation, continuous improvement, and the development of our human talent. The group has four plants in Ecuador, one in Peru, and one in Colombia.

Between February and August 2024, we carried out the first phase of a joint project with London Consulting Group. The project aimed at increasing the efficiency of our operational, planning, and procurement processes, and automating key management indicators in order to optimally monitor the key processes and improve decision-making. London's work methodology was implemented for 28 weeks, and these are some of the results that we achieved between May and August 2024:

Floor Control:

- There was an 11% reduction in non-quality cost (NQC) scrapping (waste) compared to the base period, 2023 (0.69% scrapping vs. 0.78% of the previous year).
- 6.4% and 3% increase in main lines' productivity (TVC), E307 and T307EO, respectively.
- 49% decrease in the amount of retained products in the inventory (from 1132TM to 575TM).
- Developing 15 new processes, 5 tools and, automating 15 indicators.

Maintenance:

- 17.5% increase in compliance with the maintenance plan (82% vs. 70% previous year)
- 8.6% increase in preventive vs. corrective maintenance (67% vs. 62% previous year).
- 6.7% improvement in resource utilization (77%, 2024 vs. 72%, 2023)
- Configuring the parameters for the maintenance and MRP modules within the SAP system.
- Developing 16 new processes, 10 tools, and automating 15 indicators.

Planning:

- 89% reduction in RM_Inv category, slow turnover and high value (from 5.3M to 0.6M USD).
- 18% reduction in PG_Inv category, slow turnover and high value (from 1.4M to 1.1M USD).
- 41% reduction of the FG_Inv category, slow turnover and high value (440K to 260K USD).
- Developing 18 new processes, automating 19 indicators, and creating 7 tools.

Procurement:

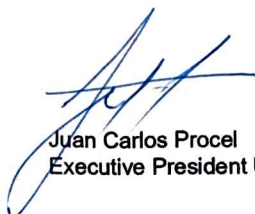
- 6.2% improvement in internal customer service levels (from 85% to 90%) and 17.3% reduction in service times.
- 59% improvement in the requirements' OTIF (from 41% to 66%).
- Developing 16 new processes, 14 tools, and automating 13 indicators.

Costs:


- The reading criteria for the transformation cost between the UNE plants were unified.
- Designing an agile, dynamic, and practical cost simulator by SKU in a WEB platform.
- Standardizing the methodology used to measure the TVC operating efficiency between plants.
- Developing tools to identify the OPs variations.
- Developing tools for optimal route visualization.
- Developing 1 new process, automating 14 indicators, and creating 5 tools.

The project's financial savings met the objective, with an ROI of 1.2 times the investment at the end of the project. If this trend continues, the benefits are forecasted to achieve an ROI of 4.1 to 1 one year after the end of the project. We will develop a second phase together to maximize the results obtained from the implemented Management Model. London Consulting Group's methodology and the collaboration between both teams were key to achieving these results.

Sincerely,



Juan Carlos Procel
Executive President UNE



Julio Otero
Chief Financial Officer UNE