



Consolidated Financial Statements
as of December 31, 2025 and 2024
together with the Independent
Auditors' Report

PERUVIAN
STEEL THAT
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Corporación Aceros Arequipa S.A. and Subsidiaries Financial Statements

December 31, 2025 and 2024

(Including Independent Auditors' Report)

(TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN SPANISH)



(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Directors of
Corporación Aceros Arequipa S.A.

Opinion

We have audited the consolidated financial statements of Corporación Aceros Arequipa S.A. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as of December 31, 2025, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for their application in Peru by the Dean's Council of the Peruvian Professional Association of Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements of public interest entities in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A Key audit matter is a matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How the matter was addressed in our audit
Existence of inventory (See note 9)	
<p>As of December 31, 2025, the balance of the Company's Inventories amounts to thousands of S/.1,296,549. These inventories are primarily made up of finished goods and merchandise marketed by the Company, as well as raw materials, in-process products and other materials that are necessary for the Group's production and operations.</p> <p>This matter has been considered a key audit matter due to the relevance of the balance of the Inventories presented in the consolidated financial statements (21% of total assets). To validate the existence of inventories, the Group plans and executes an annual inventory, which is carried out in accordance with the schedule approved by Management. This procedure implies greater participation by the audit team, as well as the involvement of a specialist for the measurement of scrap, the main raw material.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ Participate in the physical inventories through a representative sample selected at professional judgment and using statistical tools, on the days and locations established in our inventory strategy. ▪ Evaluate the completeness of the inventories counted on the days of our participation through reconciliation of the accounting balances as of the date of the determination of our sample. ▪ Observe the tally sheets, as well as the differences identified, comparing their record in the Company's books. ▪ Involve our specialist to validate the methodology used by the Company to calculate the amount of scrap held on inventory days. ▪ By the inventories maintained in the foreign subsidiaries, inspect the tally sheets made by their auditors, we have obtained confirmation if there is any unrecorded difference. Finally, we have had meetings with the executives of each component in order to monitor the execution and conclusion of this procedure. ▪ Carry out connection procedures on inventory balances, from the date of determination of our sample until the inventory is taken and until the end of the period. ▪ Assess the adequacy of related disclosures in consolidated financial statements.

Other Matters

Corporación Aceros Arequipa S.A.'s consolidated financial statements for the year ended December 31, 2024, were audited by other auditors who expressed an unqualified opinion on such consolidated financial statements on February 28, 2025.



Other Information

Management is responsible for the other information. Other information comprises information included in the Annual report, but it is not part of the consolidated financial statements or our Auditors report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is material inconsistency with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs approved for their application in Peru will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with ISA approved for their application in Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Perú

February 23, 2026

Countersigned by:

A handwritten signature in black ink, appearing to be 'Oscar Mere', written over a horizontal line.

Oscar Mere (Partner)
Peruvian CPA Registration 39990

EMERICH, CORDOVA & ASOCIADOS

Corporación Aceros Arequipa S.A. and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

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(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A. and Subsidiaries

Consolidated Statement of Financial Position

As of December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024	<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Assets				Liabilities and equity			
Current assets				Current liabilities			
Cash and cash equivalents	5	645,137	500,114	Financial obligations	17	1,133,541	1,424,078
Trade accounts receivables, net	6	462,572	471,108	Trade accounts payable	18	579,638	499,695
Related parties accounts receivable	7(b)	25,460	28,533	Related parties accounts payable	7(b)	33,858	25,132
Other accounts receivable	8	72,090	113,381	Other accounts payable	19.A	161,163	115,250
Inventories, net	9	1,296,549	1,352,005	Total current liabilities		1,908,200	2,064,155
Prepaid expenses	10	9,131	10,109	Non-current liabilities			
Income tax asset	20(d)	21,742	48,446	Long-term financial obligations	17	1,010,040	1,070,958
Total current assets		2,532,681	2,523,696	Other long-term liabilities	19.B	6,350	9,285
Other long-term receivables, net	8	6,312	10,508	Deferred income tax liability	20(b)	268,007	252,606
Investments in associates	11	99,321	93,446	Total non-current liabilities		1,284,397	1,332,849
Property, Plant and Equipment, net	12	3,381,917	3,386,814	Total liabilities		3,192,597	3,397,004
Right-of-use assets, net	13	23,619	31,802	Equity			
Investment property	14	73,602	80,231		21		
Intangibles assets net	15	64,194	74,039	Share capital		890,858	890,858
Other assets, net	16	33,873	34,239	Investment shares		182,408	182,408
Deferred income tax asset	20(b)	33,035	26,963	Legal reserve		179,066	178,927
Total non-current assets		3,715,873	3,738,042	Revaluation surplus		184,335	182,731
				Translation reserve		930	5,854
				Retain earnings		1,618,360	1,423,956
				Total equity		3,055,957	2,864,734
Total assets		6,248,554	6,261,738	Total liabilities and equity		6,248,554	6,261,738

The notes attached on pages 5 to 77 form an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A. and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For years ended December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Revenue	22	5,197,599	4,748,851
Cost of sales	23	(4,265,760)	(3,976,496)
Gross profit		931,839	772,355
(Expenses) operating income			
Selling expenses	24	(161,771)	(161,731)
Administration expenses	25	(144,726)	(122,219)
Other income	27	24,333	27,557
Other expenses	27	(74,251)	(76,092)
Operating profit		575,424	439,870
Finance income	28	27,418	29,906
Finance expenses	28	(131,825)	(144,224)
Net foreign exchange gain (loss)	32	(73,678)	(49,926)
Share in the results of the associates	11(c)	12,957	5,993
Profit before income tax		410,296	281,619
Income tax expense	20(a)	(114,174)	(81,385)
Net income		296,122	200,234
Other comprehensive income			
Effect of transfer of foreign subsidiaries		(4,924)	1,271
Effect of the revaluation surplus, net of its tax effect	21(c)	1,604	(11,681)
Other comprehensive income the year net of income tax		(3,320)	(10,410)
Total comprehensive income for the year, net of income tax		292,802	189,824
Net income per basic and diluted share	30	0.275	0.186
Weighted average shares outstanding (in thousands of units)	30	1,078,359	1,078,359

The notes attached on pages 5 to 77 form an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A. and Subsidiaries

Consolidated Statement of Changes in Equity

For years ended December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	Share capital	Investment shares	Legal reserve	Revaluation surplus	Translation reserve	Retain earnings	Total
Balances as of January 1, 2024		890,858	182,408	178,742	194,412	4,583	1,286,468	2,737,471
Comprehensive result for the period								
Net income for the year		-	-	-	-	-	200,234	200,234
Effect of the transfer of foreign subsidiaries		-	-	-	-	1,271	-	1,271
Land revaluation surplus		-	-	-	(11,681)	-	-	(11,681)
Total comprehensive results for the year		-	-	-	(11,681)	1,271	200,234	189,824
Transactions with the Company's owners								
Dividends distribution	21(e)	-	-	-	-	-	(63,502)	(63,502)
Others		-	-	185	-	-	756	941
Total transactions with the owners of the Company		-	-	185	-	-	(62,746)	(62,561)
Balances as of December 31, 2024		890,858	182,408	178,927	182,731	5,854	1,423,956	2,864,734
Balance as of 1 January 2025		890,858	182,408	178,927	182,731	5,854	1,423,956	2,864,734
Comprehensive result for the period								
Net income for the year		-	-	-	-	-	296,122	296,122
Effect of the transfer of foreign subsidiaries		-	-	-	-	(4,924)	-	(4,924)
Derecognition of revaluation surplus due to land sales		-	-	-	1,604	-	-	1,604
Total comprehensive results for the year		-	-	-	1,604	(4,924)	296,122	292,802
Transactions with the Company's owners								
Dividend distribution	21(e)	-	-	-	-	-	(99,307)	(99,307)
Others		-	-	139	-	-	(2,411)	(2,272)
Total transactions with the owners of the Company		-	-	139	-	-	(101,718)	(101,579)
Balances as of December 31, 2025		890,858	182,408	179,066	184,335	930	1,618,360	3,055,957

The notes attached on pages 5 to 77 form an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A. and Subsidiaries

Consolidated Statement of Cash Flows

For years ended December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cash flows from operating activities			
Collection for the sale of goods		5,209,208	4,674,580
Payment to suppliers of goods and services		(3,984,299)	(3,876,710)
Payment of salaries and social benefits		(298,597)	(268,508)
Income tax payments		(54,874)	(2,579)
Other cash receipts (payments) related to the activity		66,619	(20,609)
Net cash generated from operating activities		938,057	506,174
Cash flows from investing activities			
Dividends received	11(c)	7,500	6,049
Sale of Property, Plant and Equipment	27	7,766	6,988
Interest received	28	27,418	29,906
Purchases of Property, Plant and Equipment	12	(229,269)	(351,939)
Purchase of intangibles	15	(814)	(720)
Purchase of other long-term assets	16	(17)	(46)
Net cash flow used in investing activities		(187,416)	(309,762)
Cash flows from financing activities			
Collection of financial obligations	17(k)	3,969,043	5,094,698
Repayment of Borrowings	17(k)	(4,340,428)	(5,209,530)
Interest payment	28	(131,825)	(144,224)
Dividends paid	21(e)	(99,307)	(63,502)
Net cash flows used in financing activities		(602,517)	(322,558)
Net increase (decrease) in cash and cash equivalents		148,124	(126,146)
Effect of Exchange rate changes on Cash and Cash Equivalent.		(3,101)	(290)
Cash balance and cash equivalent at the beginning of the year		500,114	626,550
Cash and cash equivalents at year-end	5	645,137	500,114
Transactions that do not generate movements of funds:			
Acquisition of assets under leases			
Financial and operational	17(l)	38,101	20,408
Land revaluation surplus	21(c)	-	(11,681)

The notes attached on pages 5 to 77 form an integral part of these consolidated financial statements.

Corporación Aceros Arequipa S.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

1. Economic Activity

A. Identification

Corporación Aceros Arequipa S.A. (hereinafter "the Company"), is a Peruvian corporation that was incorporated on December 31, 1997 as a result of the merger of Aceros Arequipa S.A. and its subsidiary Aceros Calibrados S.A. The Company is a corporation listed on the Lima Stock Exchange and its legal address is Carretera Panamericana Sur N° 241, Paracas, Ica.

B. Economic activity

The Group is engaged in the manufacture, processing, marketing and distribution of iron and steel products, among other metals and their derivatives, for sale in the country and abroad.

For this purpose, the Group has two steel mills (plant #2 in operation and plant #1 on standby), two rolling mills and an industrialization plant for cutting, bending and pre-assembly services of corrugated steel bars, located in the city of Pisco and tube, wire, nails and electrowelded mesh plants in Lima and a tube plant in Bolivia. Our product portfolio includes corrugated bars, wire rods, angles, U-channels, platens, tees, square bars, round bars for ball making and helical bars.

The Board of Directors, in a meeting held on January 27, 2022, agreed to approve the investment in a new rolling mill to be installed at the Pisco plant, with an estimated capacity of 330,000 MT/year. The planned investment amounted to approximately US\$ 75 million plus VAT, approximately, starting operations during the second quarter of 2025. According to the Group's Management, this third rolling mill will increase the local production capacity of construction bars and profiles, reducing the future need to import these products and thus accompany the growth of the market.

In addition, this new line, in conjunction with the two current rolling lines, would generate cost efficiencies by optimizing consolidated production.

In December 2025 Aceros America Tampa, LLC, a subsidiary of Aceros America Corporation and therefore a member of the economic group of Corporación Aceros Arequipa S.A. ("Aceros Arequipa"), has entered into a structured transaction with Infrabuild Recycling, LLC ("Infrabuild") structured as a purchase of assets of 02 scrap yards located in Florida, United States and owned by Infrabuild for thousands of US\$ 9,039. With this transaction, Aceros Arequipa continues its vertical integration strategy with the aim of strengthening the supply of raw materials for its steel plant in Pisco.

C. Consolidated Financial Statements

The consolidated financial statements as of December 31, 2024 have been approved for issuance by the Board of Directors on February 28, 2025, and were approved by the General Shareholders' Meeting on March 27, 2025.

The accompanying consolidated financial statements as of December 31, 2025 have been approved and authorized for issuance by the Board of Directors on February 23, 2026, and are expected to be approved by the General Meeting of Shareholders during the first quarter of 2026.

As of December 31, 2025, the consolidated financial statements comprise the financial statements of the Company and the following subsidiaries: Comercial del Acero S.A. (in liquidation), Transportes Barcino S.A., Corporación Aceros Arequipa S.R.L., Corporación Aceros Arequipa Iquitos S.A.C., Tecnología y Soluciones Constructivos S.A.C., Acero Instalado S.A.C., Corporación Aceros Arequipa S.P.A., Aceros Arequipa S.A.S., Comfer S.A. (in liquidation), Aceros América Corporation, Aceros America Port Manatee LLC, Aceros America St Pete LLC, Aceros America Tampa and Corporación Aceros Arequipa AA S.A.S.

Corporación Aceros Arequipa S.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

The main activities of the subsidiaries that are incorporated into the consolidated financial statements are described below:

- Comercial del Acero S.A. ("COMASA", in liquidation) is a Peruvian corporation that was incorporated in 1985 and is dedicated to the commercialization of domestic and imported steel products, as well as the service of transformation and cutting of steel sheet coils. As of September 1, 2018, the Company owns 99.99 percent of its share capital. It should be noted that as of January 4, 2021, the Shareholders' Meeting of Comercial del Acero approved its dissolution and liquidation for the reason contemplated in paragraph 8 of article 407 of the General Companies Law, note 1(d).
- Transportes Barcino S.A. is a Peruvian corporation that was incorporated in 1989 and is dedicated to the transport service and land cargo service and others related to the transport activity. Its revenues substantially correspond to services provided to the Company. The Company owns 99.99 percent of its capital stock, note 1(g).
- Corporación Aceros Arequipa S.R.L., is a foreign company located in Bolivia incorporated in December 2016 and is dedicated to the purchase and sale of scrap metal and steel products. The Company owns 99.97 percent of its share capital.
- Corporación Aceros Arequipa de Iquitos S.A.C. is a Peruvian corporation incorporated in August 2016, and its main activity is the purchase and sale of steel products. The Company owns 99.90 percent of its share capital.
- Technology and Construction Solutions. S.A.C. is a Peruvian corporation incorporated in October 2018 and is engaged in architectural and engineering activities and related technical consulting activities. The company owns 99.99 percent of its share capital. Its revenues substantially correspond to services provided for the Company.
- Acero Instalado S.A.C. is a Peruvian corporation incorporated in May 2019 and is dedicated to activities of Architecture and Engineering in general, Civil Works, construction, supervision of related works of advice, among others. The company owns 99.90 percent of its share capital and has been liquidated during the first quarter of 2025.
- Corporación Aceros Arequipa S.P.A., is a foreign company located in Chile incorporated in August 2019 and is dedicated to the purchase and sale of scrap metal. The Company owns 100 percent of its share capital.
- Aceros Arequipa S.A.S. is a foreign company located in Colombia incorporated in March 2020 and is dedicated to the import and sale of steel products in that market. The Company owns 100 percent of its share capital.
- Comfer S.A. in Liquidation, is a Peruvian corporation that was incorporated in October 1986, in which it has a 100.00 percent stake in the shares representing the capital stock. It is engaged in the commercialization in the local market of domestic and imported steel products, especially nails, wires, steel mesh, steel profiles, tubes, plates and other iron and steel derivatives. It should be noted that on August 2, 2021, the Shareholders' Meeting of Comfer S.A. approved its dissolution for the reason contemplated in paragraph 8 of article 407 of the General Companies Law.

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Corporación Aceros Arequipa S.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

- Aceros América Corporation is a foreign company located in Delaware, United States, incorporated in June 2021 and is dedicated to providing the necessary financing to the three companies that purchased the scrap yards (see subsection f of this note). In March 2024, a partial capitalization of the loan granted was made for the amount of US\$ 2,200,000, equivalent to S/ 8,131,200 according to the Board of Directors' agreement. The company owns 100 percent of its share capital.
- Aceros América Port Manatee LLC is a foreign company located in Florida, United States incorporated in June 2021 and is dedicated to the purchase of local scrap metal and subsequent export to the Company. The subsidiary Aceros America Corporation owns 100 percent of its share capital.
- Aceros América Sant Pete LLC is a foreign company located in Florida, United States incorporated in June 2021 and is engaged in the purchase and sale of local scrap metal. The subsidiary Aceros América Corporation owns 100 percent of its share capital.
- Corporación Aceros Arequipa AA S.A.S is a foreign company incorporated in Quito, Ecuador incorporated in March 2022 that is dedicated to the import and sale of steel products in that market. The Company owns 100 percent of its share capital.
- Aceros América Tampa LLC is a foreign company located in Florida, United States, incorporated in December 2025 and is dedicated to the purchase and sale of local scrap metal. The subsidiary Aceros América Corporation owns 100 percent of its share capital.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

Below is a summary of the main data in the financial statements of the Subsidiaries, before the eliminations for consolidation with the Company as of December 31, 2025 and 2024, and for the years ended on those dates, as well as the percentages of direct and indirect participation that the Company maintains in the capital stock of each of them:

<i>In thousands of soles</i>	Country	Activity	Equity (%)		Total assets		Total liabilities		Equity, net		Net Profit (Loss)	
			December 2025	December 2024	December 2025	December 2024	December 2025	December 2024	December 2025	December 2024	December 2025	December 2024
Entity												
Subsidiaries (*)												
Comercial del Acero S.A.C - In Liquidation (*)												
	Peru	Marketing of steel products	99.99	99.99	16,821	17,805	6,047	3,823	10,774	13,982	(3,209)	(6,323)
	Peru	Transportation Services	99.99	99.99	115,258	87,770	65,094	39,574	50,164	48,196	1,945	3,002
		Buying and selling raw materials /										
	Bolivia	Selling steel products	99.97	99.97	234,344	218,304	164,400	195,505	69,944	22,799	51,788	5,103
Tecnología y Soluciones												
	Peru	Design Service	99.99	99.99	6,068	6,671	2,815	3,601	3,253	3,070	184	(29)
Corporación Aceros												
	Chile	Buying and selling raw materials	100.00	100.00	46,360	43,323	72,574	69,069	(25,214)	(25,746)	(1,182)	(11,316)
	Colombia	Marketing of steel products	100.00	100.00	109,905	97,652	105,233	92,630	4,672	5,022	(578)	(8,672)
Corporación Aceros Arequipa de Iquitos S.A.C. (*)												
	Peru	Sale of steel products	99.90	99.90	66	418	377	879	(311)	(461)	112	(21)
Comfer S.A. - In liquidation (*)												
	Peru	Sale of steel products	100.00	100.00	40,452	42,436	7,603	9,180	32,849	33,256	(407)	424
Aceros America Corporation and Subsidiaries												
	USA	Buying and selling raw materials	100.00	100.00	185,326	135,247	153,669	115,287	31,657	19,960	8,758	7,676
Corporación Aceros												
	Ecuador	Marketing of steel products	100.00	100.00	56,721	49,149	68,177	61,234	(11,456)	(12,085)	(729)	(6,152)

(*) Unaudited.

Corporación Aceros Arequipa S.A. and Subsidiaries

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D. Liquidation of subsidiary Comercial del Acero S.A.C. – COMASA

At the General Shareholders' Meeting of the subsidiary COMASA on January 4, 2021, its dissolution and liquidation were unanimously approved. The liquidation process encompasses various activities, which will be carried out in stages. Although such subsidiary will be extinguished once all the activities detailed in the liquidation plan have been executed, the Company's Management has considered that the components of the financial statements and operations of COMASA should not be classified as an asset and discontinued operations as required by IFRS 5 "Non-current assets held for sale and discontinued operations" since it is estimated that such liquidation will not have effects relevant in the Group and in the activities that will be maintained as a Group.

As of December 31, 2025 and December 31, 2024, the liquidation process has been executed in accordance with the plan established by the Management.

E. Acquisition and liquidation of subsidiary Comfer S.A.

On February 25, 2021, the company entered into a share purchase agreement through which 96 percent of the total shares of Comfer were acquired for a total of thousands of US\$ 16,800. In September 2021, it bought an additional 4 percent, thus reaching 100 percent of the capital (total paid for 100 percent: thousands of S/ 66,929).

Likewise, on August 2, 2021, by agreement of the General Meeting of Shareholders of the subsidiary Comfer, its dissolution was agreed for the cause contemplated in paragraph 8 of article 407 of the General Companies Law, and at the same time to initiate its liquidation process. This process encompasses various activities, which will be carried out in stages. Although such subsidiary will be extinguished once all the activities detailed in the liquidation plan have been executed, Management has considered that the investment held in the Company by said subsidiary should not be classified as a discontinued asset as required by IFRS 5 "Non-current assets held for sale and discontinued operations" as Management believes that such liquidation will not have a material effect on the Group and in the activities that are maintained as a Group.

This acquisition has been recorded using the acquisition method, as set out in IFRS 3 "Business Combinations". The assets and liabilities were recognized at their estimated market values as of the date of purchase, including identified intangible assets not recognized in the statements of financial position of the acquired entity. These fair values were determined by Management and its external advisors.

The values determined by the Company are presented below:

<i>In thousands of soles</i>	Book value	Fair value adjustments	Value reasonable
Assets			
Cash and cash equivalent	47,374	-	47,374
Accounts receivable	11,225	-	11,225
Inventories, net	30,505	-	30,505
Other assets	3,283	-	3,283
Intangibles	48	-	48
Enforceable guarantees	-	9,082	9,082
Intangibles non-competition	-	173	173
Property, Plant & Equipment	44,684	24,980	69,664
Investment Properties	6,048	(272)	5,776
Liabilities			
Other financial liabilities	16,643	-	16,643
Accounts Payable	9,098	-	9,098
Other liabilities	14,262	9,082	23,344
Deferred income tax liability	9,495	7,340	16,835
Total net assets identified	93,669	17,541	111,210
Negative "badwill" goodwill from acquisitions			(38,116)
Consideration Transferred			73,094

(Translation of Financial Statements originally issued in Spanish)

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The negative capital gain amounting to thousands of S/ 38,116 was recorded in Other Income in 2021.

The goodwill represents the value of the expected synergies that will arise from the acquisition; the Company believes that with this acquisition it will improve its value offer for customers and consumers, thanks to a more powerful portfolio of brands, more efficient distribution and greater opportunities for innovation. The final consideration for the purchase of Comfer includes thousands of S/ 66,929 effectively paid and thousands of S/ 5,562 corresponding to the estimated sale of the property and thousands of S/ 603 for some tax contingencies included in the contract as an adjustment to the value defined in the 2021 period.

Likewise, the intangibles identified at the date of acquisition correspond mainly to brands with a useful life limited to 5 years for thousands of S/ 173.

The fair values of the intangible assets identified in the 2021 period were determined using the income approach.

F. Acquisition of business units in the United States

On July 13, 2021, the Company through its subsidiary Aceros America Corporation acquired scrap metal business units in the U.S. for a total of US\$ 28,000,000. These business units belonged to the entities Port Manatee Scrap Metal and San Pete Scrap Metal LLC, which is why it was decided to constitute the entities Aceros América, Port Manatee LLC and Aceros América Sant Pete LLC, and through its holding company Aceros América Corporation they are consolidated with the Company.

This acquisition has been recorded using the acquisition method, as set out in IFRS 3 "Business Combinations". The assets and liabilities were recognized at their estimated market values as of the date of the purchase, including the identified intangible assets not recognized in the statements of financial position of the acquired businesses. These fair values were determined by Management and its external advisors.

The values determined are presented below:

<i>In thousands of soles</i>	Book value	Adjustments to the value reasonable	Value reasonable
Assets			
Customer relations	-	34,848	34,848
Property, plant & equipment	67,395	(22,176)	45,219
Total net assets identified	67,395	12,672	80,067
Goodwill from acquisitions			30,813
Consideration transferred			110,880

The capital gain amounting to thousands of S/ 30,813 has been recognized in the Intangible asset (see note 15.b).

The goodwill represents the value of the expected ass that will arise from the acquisition; the Company believes that with this purchase it will enhance its value proposition for customers and consumers, more efficient distribution and greater opportunities for innovation.

Likewise, the intangibles identified at the date of acquisition correspond to the commercial relationship with customers to whom a limited useful life of 15 years has been assigned and represent an approximate value of S/ 34,848,000 (See note 15.b) at the date of acquisition. The fair values of the identified intangible assets were determined using the income approach.

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On December 24, 2025, Aceros America Tampa, LLC, a subsidiary of Aceros America Corporation, entered into a transaction with Infrabuild Recycling, LLC structured as a purchase of assets from two scrap yards located in Florida, United States, and which constitutes the acquisition of the business unit. The price paid for the purchase of these assets (for thousands of USD. 9,039) has been agreed between the parties in accordance with the agreed contractual terms. The Company has determined provisional values for the transaction which result in a *goodwill* of S/ 786,000. These values will be reviewed within a period of one year from the date of acquisition.

G. Purchase of shares in Transportes Barcino S.A.C.

At the board meeting held on July 22, 2022, it was approved to acquire up to 25,421 common shares issued by Transportes Barcino S.A.C, equivalent to 0.08% of the company's share capital. The objective of this is to obtain ownership of 100% of the common shares issued by Transportes Barcino, considering that on that date Corporación Aceros Arequipa S.A. already owned 99.92% of said shares. The definition of the purchase price of the shares was made by an independent third party hired by the Company, determining the purchase price at S/ 1.72 for each share, so the disbursement for the transaction would be below S/ 45 thousand, obtaining 99.99% of the capital.

2. Basis of Preparation and Summary of Material Accounting Policies and Practices

A. Preparation bases

i. Compliance Statement

The information contained in these consolidated financial statements is the responsibility of the Group's Management, which expressly states that the accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) in force as of December 31, 2025 and 2024.

ii. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, from the accounting records of the Company and its Subsidiaries, except for land and investment property that have been measured at revaluation value. The accompanying consolidated financial statements are presented in Soles (functional and presentation currency), and all amounts have been rounded to thousands (S/000), except where otherwise indicated.

iii. Bases of preparation and presentation

The Group applied for the first time certain standards and modifications, which were effective as of January 1, 2025. The Group did not adopt in advance any other rule, interpretation or modification that had been issued but was not in force.

Amendments to IFRS	Effective Date
No convertibility (amendments to IAS 21)	Annual periods beginning on or after January 1, 2025. Early adoption allowed

The Group adopted these modifications, with no significant impact on the consolidated financial statements as of December 31, 2025.

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Regulatory pronouncements on sustainability not yet in force

IFRS S1 General Requirements for Sustainability Disclosures related to Financial Reporting and IFRS S2 Climate-related Disclosures are in force for annual periods beginning on or after January 1, 2025. Early adoption is allowed with the joint application of IFRS S2.

For Peru, these standards are subject to local adoption processes for their entry into force.

The Management plans to adopt the pronouncements on their respective implementation dates and not in advance.

B. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its Subsidiaries. Intra-group sales balances and other transactions between the Company and its Subsidiaries have been eliminated, including gains and losses arising from such transactions. The non-controlling interests, like the pass-through effect, do not show a balance in the consolidated financial statements because it does not reach the unit in which they are expressed.

Control is achieved when the investor is exposed to or entitled to variable returns from his or her participation in the entity receiving the investment, and has the ability to affect such returns through his or her power over the latter.

Specifically, the investor controls an entity receiving the investment if and only if it has:

- Power over the entity receiving the investment (i.e., there are rights that grant it the present capacity to direct the relevant activities of the investment).
- Exposure or right to variable returns from their participation in the entity receiving the investment.
- Ability to use their power over the entity receiving the investment to significantly affect their returns.

Where the investor has less than a majority of the voting or similar rights of the receiving entity, the investor considers all relevant facts and circumstances in order to assess whether or not it has power over that entity, including:

- The existence of a contractual agreement between the investor and the other holders of the voting rights of the entity receiving the investment.
- Rights arising from other contractual agreements.
- The investor's voting rights, their potential voting rights, or a combination of both.

The investor will reassess whether or not it has control over an entity receiving the investment if the facts and circumstances indicate that there are changes in one or more of the three elements of control described above. The consolidation of a subsidiary begins when the parent gains control over the subsidiary and ends when the parent loses control over the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the parent acquires control of the subsidiary until the date on which the parent ceases to control the subsidiary.

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The profit or loss for the period and each component of the other comprehensive income are attributed to the owners of the parent company and the non-controlling interests, even if the results of the non-controlling interests give rise to a debit balance. If necessary, appropriate adjustments are made to the financial statements of the subsidiaries so that their accounting policies are in line with the accounting policies of the Company and its Subsidiaries. All assets and liabilities, equity, revenues, expenses and cash flows within the Company and its Subsidiaries that relate to transactions are eliminated in their entirety in the consolidation process.

A change in interest in a subsidiary, without loss of control, is accounted for as an equity transaction. When the parent company loses control of a subsidiary:

- Derecognizes the assets (including capital gains) and liabilities of the subsidiary.
- It derecognizes the carrying amount of any non-controlling interest.
- It derecognizes the accumulated translation differences, recorded in equity.
- It recognizes the fair value of the consideration received.
- It recognizes the fair value of any retained residual investment.
- Recognizes any positive or negative balance as results, and
- Reclassifies to the accumulated results or results, as appropriate, the holding of the parent company in the components previously recognized in the other comprehensive income, as would be required if the parent had directly sold the related assets or liabilities.

C. Material Accounting Policies

The following describes the significant accounting policies of the Company and its Subsidiaries for the preparation of their consolidated financial statements:

i. Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statement of financial position include cash balances, fixed funds, savings accounts, current accounts and time deposits. For purposes of preparing the consolidated statement of cash flows, cash and cash equivalents include cash and time deposits with an original maturity of less than three months.

ii. Financial instruments: initial recognition and subsequent measurement

▪ *Financial assets*

Initial recognition and measurement

Financial assets are classified, at the time of their initial recognition, as measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at the time of initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the business model of the Company and its Subsidiaries to manage them. With the exception of trade receivables that do not contain a material financial component or for which the Company and its Subsidiaries have applied the practice record, the Company and its Subsidiaries initially measure a financial asset at fair value plus, in the case of a financial asset that is not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financial component or for which the Company has not applied the practical record are measured at the transaction price determined in accordance with IFRS 15. See accounting policy in section 2C(xv) Revenue from Contracts with Customers.

In order for a financial asset to be classified and measured at amortized cost or fair value with changes in other comprehensive income, it is necessary that it give rise to cash flows that are "solely payments of principal and interest (SPPI) originated by the current principal amount. This assessment is referred to as the SPPI test and is performed at the instrument level.

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The business model of the Company and its Subsidiaries for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into the following categories:

- (i) Financial assets at amortized cost (debt instruments).
- (ii) Financial assets at fair value with changes in other comprehensive income with accumulated gains and losses (debt instruments).
- (iii) Financial assets at fair value with changes in other comprehensive income that are not recycled into gains and losses when they are derecognized (debt instruments).
- (iv) Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company and its Subsidiaries. The Company and its Subsidiaries measure financial assets at amortized cost if the following conditions are met:

- (i) The financial asset is held with the aim of holding financial assets to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specific dates to cash flows that are only payments of principal and interest on the outstanding principal amount.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The financial assets of the Company and its Subsidiaries held at amortized cost include trade receivables and loans to third parties.

Financial assets at fair value through changes in other comprehensive income (debt instruments)

The Company and its Subsidiaries measure debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- (i) The financial asset is held with the aim of having rights to collect contractual cash flows and then sell them; and
- (ii) The contractual terms of the financial asset give rise on specific dates to cash flows that only principal and interest payments on the outstanding principal amount.

The Company and its Subsidiaries do not own debt instruments classified in this category.

Financial assets designated at fair value through other comprehensive income (debt instruments)

At the time of initial recognition, the Company and its Subsidiaries elect to irrevocably classify their equity instruments as equity instruments designated at fair value through changes in other comprehensive income when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The ranking is determined on an instrument-by-instrument basis.

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Gains or losses on these financial instruments are never passed on to gains and losses. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right to payment has been established, except when the Company and its Subsidiaries benefit from such income as a recovery of part of the cost of the financial asset, in which case, such gains are recognized in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Company and its Subsidiaries do not own proprietary instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at the time of initial recognition at fair value through profit or loss, or financial assets that must be measured at fair value. Financial assets are classified as held for trading if they are acquired to sell or repurchase them in the short term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not only principal and interest payments are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets with changes in other comprehensive income are held in the consolidated statement of financial position at fair value with net changes in fair value, recognized in the consolidated statement of comprehensive income.

Derecognition

A financial asset (or, if applicable, part of a financial asset or part of a group of similar financial assets) is derecognized from the consolidated statement of financial position when:

- (i) Contractual rights to receive cash flows generated by the asset have expired; or
- (ii) The Company and its Subsidiaries have transferred their rights to receive the cash flows generated by the asset, or have assumed an obligation to pay a third party all such cash flows without significant delay, through an intermediation agreement; and (a) the Company and its Subsidiaries have transferred substantially all of the risks and rewards inherent in ownership of the asset; or (b) the Company and its Subsidiaries have not transferred or retained substantially all of the risks and rewards inherent in ownership of the asset, but have transferred control of the asset.

Where the Company and its Subsidiaries have transferred their rights to receive the cash flows generated by the asset, or an intermediation agreement has been entered into, the Company and its Subsidiaries assess whether and to what extent it has retained the risks and rewards inherent in the ownership of the asset. Where the Company and its Subsidiaries have not transferred or retained substantially all of the risks and rewards inherent in ownership of the asset, nor have they transferred control of the asset, the Company and its Subsidiaries continue to recognize the transferred asset for accounting purposes. In that case, the Company and its Subsidiaries also recognize the related liability. The transferred assets and related liabilities are measured in such a way as to reflect the rights and obligations that the Company and its Subsidiaries have retained.

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▪ ***Impairment of financial assets***

The Company and its Subsidiaries recognize an expected credit loss (ECL) provision for all debt instruments not held at fair value through profit or loss. The ECL is based on the difference between the contractual cash flows that mature in accordance with the contract and all cash flows that the Company and its Subsidiaries expect to receive, discounted at a rate that approximates the original effective interest rate. Expected cash flows will include cash flows from the sale of collateral held or other collateral received.

ECL is recognized in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, ECL is recognized for losses resulting from default events that are possible within 12 months ("12-month ECL"). For exposures of credits for which there has been a significant increase in credit risk since initial recognition, an expected impairment loss on credit losses over the remaining life of the exposure is required, regardless of the timing of the default ("lifetime ECL").

For trade receivables, the Company and its Subsidiaries apply a simplified approach when calculating ECL. Therefore, the Company and its Subsidiaries do not monitor changes in credit risk, but instead recognize an impairment provision on a "lifetime ECL" basis at each reporting date. The Company and its Subsidiaries have established a provision matrix that is based on historical loss experience, adjusted for expected factors specific to debtors and the economic environment.

The Company and its Subsidiaries consider a financial asset to be in default when contractual payments are 90 days overdue. However, in certain cases, the Company and its Subsidiaries may consider a financial asset to be in default when internal or external information indicates that the Company and its Subsidiaries are unlikely to receive the contractual amounts due before the Company and its Subsidiaries execute the guarantees received. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

▪ ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are classified, at the time of initial recognition, as financial liabilities at fair value through profit or loss, loans, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as applicable.

All financial liabilities are initially recognized at fair value and, in the case of loans and accounts payable, net of directly attributable transaction costs.

Financial liabilities include commercial and miscellaneous accounts payable, interest-bearing debts and loans, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at the time of initial recognition as fair value through profit or loss.

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Financial liabilities are classified as held for trading if they are incurred for the purpose of trading them in the near future; Gains or losses related to these liabilities are recognized in profit or loss. This category also includes derivative financial instruments held by the Company and its Subsidiaries that are not designated as effective hedging instruments as defined by IFRS 9.

Financial liabilities designated at the time of their initial recognition as at fair value through profit or loss are designated as such at the date of their initial recognition only if the criteria defined in IFRS 9 are met.

The Company and its Subsidiaries have not designated financial liabilities at fair value through profit or loss.

Interest-bearing debts and loans

After initial recognition, interest-bearing debts and loans are subsequently measured at their amortized cost, using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when liabilities are derecognized, as well as through the interest accrual process by applying the effective interest rate method.

The amortized cost is calculated by taking into account any discounts or premiums on the acquisition and any fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is recognized as a financial cost in the consolidated statement of comprehensive income.

This category applies to current and non-current interest-bearing debts and loans (note 17).

Derecognition

A financial liability is derecognized when the obligation has been paid or canceled, or has matured. When an existing financial liability is replaced by another from the same lender under substantially different conditions, or when the terms of an existing liability are substantially modified, such swap or modification is treated as a write-down of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in such a way that the net amount is reported in the consolidated statement of financial position, if there is a current legally enforceable right to offset the recognized amounts, and if there is an intention to settle them for the net amount, or to realize the assets and cancel the liabilities simultaneously.

iii. Classification of items into current and non-current

The Company and its Subsidiaries present the assets and liabilities in the consolidated statement of financial position classified as current and non-current.

An asset is classified as current when the entity:

- Expects to realize the asset or intends to sell or consume it in its normal cycle of operation;
- The Entity holds the asset primarily for trading purposes;
- The Entity expects to realize the asset within twelve months after the reporting period;
- The asset is cash or cash equivalents unless the cash is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months after the close of the reporting period.

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All other assets are classified as non-current. A liability is classified as current when the entity:

- It expects to settle the liability in its normal operating cycle;
- Holds liabilities primarily for trading purposes;
- The liability must be settled within twelve months of the closing date of the reporting period; or
- It does not have an unconditional right to defer the of liability for at least twelve months following the closing date of the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

iv. Foreign currency transactions

Functional currency and presentation currency

The consolidated financial statements of the Company and its Subsidiaries are presented in Soles, which is also the functional currency of the parent company. For each subsidiary, the Company and its Subsidiaries determine the functional currency and the items included in each entity's financial statements are measured using that functional currency. The Company and its Subsidiaries concluded in all its subsidiaries that their local currency is also their functional currency, as well as in the case of Corporación Aceros Arequipa S.R.L, Corporación Aceros Arequipa S.P.A., Corporación Aceros Arequipa AA S.A.S., Aceros Arequipa S.A.S. and Aceros América Corporation and Subsidiaries where the economic characteristics determine that the functional currency is in accordance with the local currency of the country of origin.

In such cases, the translation of the local currency to its functional currency was performed according to the following methodology:

- Monetary assets and liabilities have been translated at the closing exchange rate as of the date of each consolidated statement of financial position presented.
- Non-cash assets and liabilities in the consolidated statement of financial position have been translated at the exchange rate at the dates of the transactions.
- Income and expenses, except for those related to non-monetary assets, which are converted at the exchange rate in effect on the dates of the transactions, are converted using the monthly average exchange rate.
- All the differences resulting from the translation have been recognized in the consolidated statement of equity as " Net foreign exchange gain (loss)

The consolidated financial statements have been prepared primarily to present the activity of the subsidiaries and the Company in a grouped manner, establishing the Sol (the functional currency of Corporación Aceros Arequipa S.A.) as the presentation currency. In addition, the balances of the consolidated financial statements of subsidiaries operating in countries whose functional currency is other than the Sol were translated using the methodology established in IAS 21, "Effects of Changes in Foreign Currency Exchange Rates", as mentioned below:

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Non-hyperinflationary economies

- The balances of assets and liabilities have been translated using the closing exchange rates as at the date of each consolidated statement of financial position presented. The differences resulting from the opening balances at the presentation currency at an exchange rate different from those at the end of the year are presented as a movement in each of the items to which they correspond.
- Income and expenses have been converted using the average monthly exchange rate that approximates those of the date of registration of such transactions.
- All resulting differences have been recognized as other comprehensive income under the heading "Net foreign exchange due to the translation of foreign transactions".

Foreign currency transactions and balances

Foreign currency transactions are initially recorded by the Group's entities at the exchange rates of their respective functional currencies on the date on which the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated at the closing exchange rates of the functional currency in effect at the closing date of the reporting period.

Non-cash items that are measured in terms of their historical cost in foreign currency are translated using the exchange rates in effect at the date of the original transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date on which that fair value is determined. Gains or losses arising from the translation of non-cash items measured at fair value are recognized on the basis of how gains or losses arising from the change in the fair value of the item are recognized (i.e., translation differences of items whose gain or loss from fair value are recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or in the results, respectively).

Group Entities

In consolidation, the assets and liabilities of foreign businesses whose functional currency is other than the Sol, are translated into Soles (the presentation currency) at the exchange rate in effect at the closing date of the reporting period and the respective income statements are translated at the exchange rates in effect on the dates of the transactions. Net foreign exchange differences arising from translation are recognized in other comprehensive income.

v. Inventories

Inventories shall be measured at cost or net realizable value, whichever is lower. The costs incurred to get each product to its current location and condition are accounted for as follows:

Merchandise, raw materials, auxiliary materials, supplies and spare parts

At the acquisition cost, following the averaging method.

Finished and in-process products

Raw material cost, direct labor, other direct costs, manufacturing overheads, and a proportion of fixed and variable manufacturing costs based on normal operating capacity, following the weighted average method. Likewise, financing costs and net foreign exchange differences are excluded.

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Inventories to be received

To the specific cost of acquisition.

Net realizable value is the selling price of inventories in the ordinary course of business, less the costs of putting inventories in saleable condition and marketing and distribution expenses.

The allowance for write-down is determined based on an analysis of inventory conditions and turnover. The estimate is recorded against the results of the year in which it is determined.

vi. Investment in associates

Investments in associates are recorded in the equity method. According to this method, investments are initially recorded at the cost of the contributions made. Subsequently, its carrying amount is increased or decreased in accordance with the participation of the Company and its Subsidiaries in the equity movements and in the profits or losses of the associates, recognizing them in the corresponding equity accounts and in the results of the year, as appropriate.

Under the equity method, dividends from associates will be recognized in the consolidated financial statements as a reduction in the amount of the investment.

In the case of investments in associates, the Company and its Subsidiaries have not recognized a deferred income tax because it has the intention and ability to sustain these investments over the long term. In this regard, the Company and its Subsidiaries consider that the temporary difference will be reversed through dividends that will be received in the future, which are not subject to income tax payable by the Company and its Subsidiaries. There is no legal or contractual obligation for the Management of the Company and its Subsidiaries to be forced to sell their investments in these associates (event that would cause the capital gain to be taxable based on current tax legislation).

vii. Property, Plant and Equipment

Except for land that is measured under the revaluation model, Property, Plant, Equipment are expressed at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price or construction cost, the costs directly attributable to getting the asset up and running. This cost includes the cost of replacement components and borrowing costs for long-term construction projects, if the requirements for recognition are met. The present value of the expected cost of dismantling the asset and rehabilitation of the site where it is located is included in the cost of the respective asset.

As of 2013, the land is presented at its revalued value, estimated on the basis of appraisals carried out by independent appraisers.

When it is necessary to replace significant components of Property, Plant, Equipment, the Company and its Subsidiaries retire the replaced component, and recognize the new component, with its useful life and its respective depreciation. All other repair and maintenance costs are recognized in the consolidated statement of comprehensive income as they are incurred.

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The land does not depreciate. Depreciation is calculated mainly following the straight-line method based on the estimated useful life of the assets and units produced for certain processes. The estimated useful lives are as follows:

	Useful Lives
Buildings and other constructions	Between 50 – 75
Machinery and Equipment	Between 2 – 36
Miscellaneous equipment	Between 4 - 10
Transport units	5
Furniture and fixtures	5

A consignment of Property, Plant and Equipment and any significant part is derecognized at the time of its sale or when no future economic benefits are expected to be obtained from its use or sale. Any gain or loss at the time of derecognition of the asset (calculated as the difference between the net income from the sale of the asset and its carrying amount) is included in the consolidated statement of comprehensive income when the asset is derecognized.

Any revaluation increase is recognized in the consolidated statement of comprehensive income and is accumulated in equity in a "revaluation surplus", unless such increase corresponds to the reversal of a revaluation decrease of the same asset previously recognized in the consolidated income statements, in which case such increase is recognized in that statement. A revaluation decrease is recognized in the consolidated statements of comprehensive income, except to the extent that such decrease offsets an increase in revaluation of the same asset previously recognized in the asset revaluation reserve. At the time of sale of the revalued asset, any revaluation reserves related to that asset are carried forward to accumulated income.

Residual values, useful lives and depreciation methods of assets are reviewed and adjusted prospectively at each year-end closing date, if necessary.

viii. Investment Properties

Investment property is initially recognized at acquisition cost in accordance with IAS 40 "Investment Property" after its initial recognition is recognized at fair value. Changes in the fair value of investment properties are recognized in profit or loss. Investment properties are made up of the amount paid for the land, plus the costs incurred in its respective construction.

Transfers are made to or from investment properties only when there is a change in the use of the asset. In the case of a transfer from an investment property to a component of property, plant and equipment, the attributable cost taken into account for subsequent accounting is the fair value of the asset at the date of the change of use. If a property, plant, and equipment component is transferred to an investment property, the Company accounts for the asset up to the date of the change in use in accordance with the accounting policy established for property, plant, and equipment.

Investment properties are deregistered, either at the time of sale or when they are permanently withdrawn from use, and no economic benefit is expected to be recovered from their sale. The difference between the net income from the sale and the carrying amount of the asset is recognized in the consolidated statement of comprehensive income in the period in which the asset was derecognized.

Corporación Aceros Arequipa S.A. and Subsidiaries

Notes to the Consolidated Financial Statements

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ix. Business Mix

Business combinations are posted using the purchase method. The cost of a purchase is measured as the sum of the consideration transferred, measured by its fair value at the date of purchase, and the amount of any non-controlling interest in the purchase. For each business combination, the Company and Subsidiaries may elect to measure the non-controlling interest in the acquired by its fair value, or by the proportionate interest in the identifiable net assets of the acquired. Acquired costs incurred are charged to expenses as they are incurred and are presented as administrative expenses in the consolidated income statement.

When the Company and Subsidiaries acquire a business, it evaluates the embodied financial assets and liabilities for appropriate classification and designation in accordance with the contractual terms, economic circumstances and conditions relevant to the date of the acquisition. This includes the separation of derivatives implicit in the host contracts of the acquired entity.

If the business combination is carried out in stages, any interest that the acquirer previously held in the equity of the acquiree is measured again at fair value at the date of the acquisition, and any resulting gain or loss is recognized in consolidated results. These records are considered in the determination of goodwill (capital gains).

Goodwill

Goodwill is initially measured at cost, and corresponds to the excess of the sum of the consideration transferred and the amount recognized by the non-controlling interest, with respect to the identifiable assets acquired and the liabilities assumed in a business combination.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is assigned, as of the acquisition date, to each of the Company's cash-generating units and Subsidiaries that are expected to benefit from the combination.

When goodwill is part of a cash-generating unit and part of the operation of a unit is drawn, the goodwill associated with the transaction drawn down is included in the carrying amount when the profit or loss of the transaction is determined.

If the acquirer's share of the net fair value of identifiable assets, liabilities and contingent liabilities recognized in accordance with the foregoing exceeds the cost of the business combination, the acquirer will: (a) reconsider the identification and measurement of the acquirer's identifiable assets, liabilities and contingent liabilities, as well as the measurement of the cost of the combination; and (b) immediately recognize in the profit or loss of the period, any excess that continues to exist after making the previous reconsideration.

x. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to become available for expected use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are accounted for as expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred by the entity in connection with entering into the respective loan agreements.

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xii. Leases

At the outset of a contract, the Company and its Subsidiaries evaluate whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company and its Subsidiaries assess whether:

- The contract involves the use of an identified asset, which may be explicitly or implicitly specified, and must be physically distinct or represent substantially the totality of the capacity of a physically distinct asset. If the supplier has a substantive right to replace the asset throughout the entire period of use, then the asset is not identified;
- The Company and its Subsidiaries have the right to obtain substantially the entire economic benefits of the use of the asset during the entire period of use; y
- The Company and its Subsidiaries have the right to direct the use of the identified asset throughout the entire period in use. The Company and its Subsidiaries have this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where all decisions about how and for what purpose the asset is used are predetermined, the Company and its Subsidiaries have the right to direct the use of the asset if:
 - The Company and its Subsidiaries have the right to operate the asset; or
 - The Company and its Subsidiaries have designed the asset in a manner that predetermines the form and purpose for which it is to be used.

In its role as lessee, the Company and its Subsidiaries recognize a right-of-use asset and a lease liability on the lease commencement date.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the start date, plus the initial direct costs incurred and an estimate of the costs of decommissioning the underlying asset or to restore the underlying asset or the site on which it is located, minus any incentives received for the lease.

The right-of-use asset depreciates linearly over the shorter term between the lease term and the useful life of the underlying asset. In addition, the right-of-use asset is subject to impairment assessment, if there are indications of impairment.

Lease liabilities

The lease liability is initially measured at the present value of lease payments that are not paid at the start date, discounted using the interest rate implied in the lease or in case the rate cannot be easily determined, the incremental debt rate is applied.

Lease payments include fixed or variable payments that depend on an index or rate. When leases include termination or extension options that the Company and its Subsidiaries believe with reasonable certainty to exercise, the cost of the option is included in lease payments.

Subsequent liability measurement is performed when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the estimate of the amount expected to be paid for a residual value guarantee, or if the Company and its Subsidiaries change their assessment of whether it will exercise a call option, extension or termination, recognizing an adjustment in the carrying amount of the right-of-use asset, or in profit or loss if the right-of-use asset does not have an accounting balance.

Corporación Aceros Arequipa S.A. and Subsidiaries

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Exceptions to recognition

The Company and its Subsidiaries do not recognize right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including computer equipment. The Company and its Subsidiaries do not recognize lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

xii. Impairment on non-financial assets

At each reporting period, the Company and its Subsidiaries evaluate whether there is any indication that an asset may be impaired in value. If such an indication exists, or when an annual impairment test for an asset is required, the Company and its Subsidiaries estimate the recoverable amount of that asset. The recoverable amount of an asset is the greater of the fair value less costs of sale, either of an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of those of other assets or groups of assets.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount. When assessing the value in use of an asset, estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset.

Recent market transactions, if any, are taken into account for the determination of fair value less costs to sell. If such transactions cannot be identified, an appropriate valuation model is used. These calculations are verified against valuation multiples, share quotes for publicly traded subsidiaries and other available indicators of fair value.

Impairment losses on continuing operations, including impairment on inventories, are recognized in the consolidated statement of comprehensive income in those expense categories that correspond to the impaired asset function.

For assets in general, at each reporting period, an assessment is made as to whether there is any indication that the previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Company and its Subsidiaries make an estimate of the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last time an impairment loss on that asset was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, if an impairment loss had not been recognized for that asset in previous periods. Such reversal is recognized in the consolidated statement of comprehensive income.

Corporación Aceros Arequipa S.A. and Subsidiaries

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xiii. Provisions

Provisions are recognized when the Company and its Subsidiaries have a present obligation (legal or implied) as a result of a past event, an outflow of resources is likely to be necessary to settle the obligation, and a reliable estimate of the amount of the obligation can be made. When the Company and its Subsidiaries expect provisions to be reimbursed in whole or in part, for example, under an insurance contract, the reimbursement is recognized as a contingent asset but only when such reimbursement is virtually certain. The expense related to any provision is presented in the consolidated statement of comprehensive income net of any related reimbursement. If the effect of the value of money over time is significant, provisions are discounted using a current pre-tax market rate that reflects, where applicable, the specific risks of the liability. When the discount is recognized, the increase in the provision over time is recognized as a financial cost in the consolidated statement of comprehensive income.

The Company and its Subsidiaries recognize a liability to make cash dividend distributions to its shareholders when the distribution is duly authorized and is not at the discretion of the Company and its Subsidiaries. In accordance with the policies of the Company and its Subsidiaries, the distribution of dividends is authorized when approved by the General Meeting of Shareholders. The corresponding authorized amount is recorded directly against the estate.

xiv. Contingencies

A contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are not recognized, but are disclosed when it is likely that there will be an income of economic benefits to the Company and its Subsidiaries.

xv. Customer contract revenue

The Company and its Subsidiaries are primarily engaged in the marketing of corrugated iron, construction wire rod, steel profiles and other steel products. Customer contract revenue is recognized when control of goods or services is transferred to the customer in an amount that reflects the value the Company expects to receive in exchange for the goods or services. The Company and its Subsidiaries have concluded that it is Principal in its sales agreements because it controls the goods or services before transferring them to the customer.

Sale of corrugated iron, wire rod for construction, steel profiles and other products derived from steel

Income from the sale of corrugated iron, construction wire rod, steel profiles and other steel products is recognized at a point in time when control of the asset is transferred to the customer, which generally happens in the delivery of such products and in the case of exports depending on the terms of the *agreed Incoterm*.

Invoices are usually collected within agreed timeframes, which range from 30 to 60 days.

Performance Obligation

The Company and its Subsidiaries have a single performance obligation for the sale of corrugated iron, construction wire rod, steel profiles and other steel products; which is executed upon delivery of the goods.

Return rights

If a contract includes a variable amount, the Company and its Subsidiaries estimate the amount of consideration to which it is entitled in exchange for transferring the goods or services to the customer. Variable consideration is estimated at the beginning of the contract and is restricted until it is highly likely that a significant reversal of income will not occur at the time when the uncertainty associated with variable consideration disappears.

Corporación Aceros Arequipa S.A. and Subsidiaries

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Sales contracts with customers contain a right of return, which gives rise to a variable consideration. The Company and its Subsidiaries use the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration that the Company and its Subsidiaries will receive. The requirements in IFRS 15 on the restriction of estimates by variable consideration also apply to determine the amount of variable consideration that may be included in the transaction price.

Provision of virtual design services

The construction, engineering and virtual design and BIM construction services provided by its subsidiary TSC are recognized at a point in time when control of the service is transferred to the client, which usually happens with the acceptance of the service by the client.

Performance Obligation

The Company has only one performance obligation for the sale of construction, engineering and virtual design and BIM construction services; that is executed upon the delivery of the services.

Invoices are usually collected within 30 days.

Interest income

Interest is recognized as it is accrued, using the effective interest rate method.

Effective Interest Rate Method

According to IFRS 9, interest income is recorded using the effective interest rate ("TIE") method for all financial instruments measured at amortized cost or for financial instruments designated at fair value through profit or loss. Interest income on interest-bearing financial assets measured at fair value through other comprehensive income under IFRS 9. The TIE is the rate that accurately discounts the estimated future cash flows over the expected life of the financial instrument or, where applicable, a shorter period, to the net carrying value of the financial asset.

The TIE (and therefore the amortized cost of the asset) is calculated by taking into account any discounts, premiums, and costs that are integral to the effective interest rate. The Company and its Subsidiaries recognize interest income using a rate that represents the best estimate of a constant rate of return over the expected life of the financial instrument. Therefore, it recognizes the interest rate effect by considering credit risk, and other characteristics of the product's life cycle (including prepayments, fees, etc.).

If expectations regarding the cash flows of the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the consolidated statement of financial position with an increase or decrease in interest income. The adjustment is subsequently amortized through interest in the consolidated income statement.

xvi. Cost and expense recognition

The cost of sales, which corresponds to the cost of production of the products marketed, is recorded when the goods or services are delivered, simultaneously with the recognition of the income from the corresponding sale.

Other costs and expenses are recognized as they accrue, regardless of when they are paid, and are recorded in the periods to which they relate.

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xvii. Taxes

Current income tax

Current income tax assets and liabilities are measured by the amounts expected to be recovered or paid to the Tax Authority. The tax rates and tax regulations used to compute these amounts are those that are in force at the end of the reporting period in Peru.

Current income tax, which relates to items that are recognized directly in equity, is also recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates the positions taken on tax returns with respect to situations in which applicable tax rules are subject to interpretation, and makes provisions where appropriate.

Deferred Income Tax

Deferred income tax is recognized using the liability method on temporary differences between the tax bases of assets and liabilities and their respective carrying amounts as of the date of the consolidated statement of financial position.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of a goodwill, or of an asset or a liability in a transaction that does not constitute a business combination and that, at the time of the transaction, did not affect either the accounting profit or the taxable profit or loss; or
- Where the timing of the reversal of temporary differences, related to investments in subsidiaries, can be controlled and it is likely that such temporary differences will not be reversed in the near future.

Deferred income tax assets are recognized for all deductible temporary differences and for future offsetting of unused tax credits and tax losses, to the extent that future taxable profits against which such unused tax credits or losses can be offset are likely, except:

- When the deferred income tax asset related to the temporary difference arises from the initial recognition of an asset or liability in a transaction that does not constitute a business combination and that, at the time of the transaction, did not affect either the accounting profit or the taxable profit or loss; or
- When deferred income tax assets are recognized only to the extent that temporary differences, related to investments in subsidiaries, are likely to be reversed in the near future and that future taxable earnings are likely to be available against which to allocate those deductible temporary differences.

The carrying amount of deferred income tax assets is reviewed at each closing date of the reporting period and is reduced to the extent that it is no longer likely that there is sufficient taxable income to allow all or a portion of those assets to be used. Unrecognized deferred income tax assets are revalued at each reporting period closing date and recognized to the extent that future taxable earnings are likely to recover such assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the period in which the asset is realized or the liability is written off, based on the tax rates and tax laws that were approved as of the date of the consolidated statement of financial position, or whose approval procedure is close to completion.

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Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets against current income tax liabilities, and if the deferred taxes relate to the same taxable entity and the same taxing authority.

General Sales Tax

Income from ordinary activities, expenses and assets are recognized excluding the amount of general sales tax, except:

- When the general sales tax (IGV) incurred on an acquisition of assets or services is not recoverable from the tax authority, in which case the IGV is recognized as part of the cost of acquiring the asset or as part of the expense item, as applicable;
- Accounts receivable and payable that are already expressed with the amount of IGV included.

The net amount of IGV that can be recovered from the tax authority or that must be paid to it, is included as part of the other accounts receivable or payable in the consolidated statement of financial position.

xviii. Earnings per share

Basic and diluted earnings per share have been calculated on the basis of the weighted average of common and investment shares outstanding as of the date of the consolidated statement of financial position. Shares issued by capitalization of earnings are considered as if they were always issued.

As of December 31, 2025 and 2024, the Company and its Subsidiaries do not have financial instruments with dilutive effect, so the basic and diluted earnings per share are the same.

xix. Information by segments

Management has organized the Company and its Subsidiaries on the basis of a single product, steel derivatives. The goods produced and marketed by the Company and its Subsidiaries result from a single production process, share the same marketing channels, are substantially destined for the same geographic market and are subject to the same legislation. As of December 31, 2025 and 2024, merchandise sales and exports are not considered representative to designate as separate operating segments and therefore such information is not required for a proper understanding of the operations and performance of the Company and its Subsidiaries. In addition, mining-related activities to date are restricted exclusively to the acquisition of permits and concessions and some initial exploration expenses of the projects.

Accordingly, Management understands that the Company and its Subsidiaries currently operate in a single business segment. The Board of Directors has been identified as the body in charge of making operational decisions for the Company and its Subsidiaries. The Board of Directors is the body of the Company and its Subsidiaries in charge of allocating their resources and evaluating their performance as a single operating unit.

xx. Share capital buyback (treasury shares)

When equity recognized as equity is repurchased, the amount paid, including costs directly attributable to the transaction, is recognized as a deduction from consolidated equity. Repurchased treasury shares are classified as treasury shares and are presented as a deduction from equity.

When treasury shares are sold or subsequently reissued, the amount received is recognized as an issue premium.

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3. Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the consolidated financial statements of the Company and its Subsidiaries requires Management to make judgments, estimates and assumptions that affect the reported figures of income, expenses, assets and liabilities, and disclosures of contingent liabilities.

However, the uncertainties and professional judgment of these assumptions and estimates could result in amounts that require a material adjustment to the carrying amount of assets and liabilities.

The main estimates considered by Management in relation to the consolidated financial statements relate to:

- Estimate of expected credit loss – note 2C (ii).
- Estimate of useful life of assets for depreciation and amortization purposes - note 2C (vii) and (viii).
- Estimate for impairment of inventories – note 2C (v).
- Impairment of non-financial assets – note 2C (xii).
- Provisions and contingencies – note 2C (xiii) and (xiv).
- Income tax – note 2C (xvii).
- Lease estimate – note 2C (xi).

Management believes that the estimates included in the consolidated financial statements were made based on its best knowledge of the relevant facts and circumstances as of the date of their preparation; however, the final results may differ from these estimates.

4. Accounting Standards Issued but Not Yet Effective

The following accounting pronouncements issued are applicable to the annual periods beginning after January 1, 2025, and have not been applied in advance in the preparation of these consolidated financial statements. The Group intends to adopt the accounting pronouncements that correspond to them on their respective dates of application and not in advance.

Amendments to IFRS	Effective Date
<i>Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)</i>	Annual periods beginning on or after January 1, 2026. Early adoption is allowed.
<i>Contracts that refer to nature-dependent electricity (Amendments to IFRS 9 and IFRS 7)</i>	Annual periods beginning on or after January 1, 2026. Early adoption is allowed.
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Annual periods beginning on or after January 1, 2026. Early adoption is allowed.
New Standards	Effective Date
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	Annual periods beginning on or after January 1, 2027. Early adoption is allowed.
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	Annual periods beginning on or after January 1, 2027. Early adoption is allowed.

The Management plans to adopt the pronouncements on their respective implementation dates and not in advance.

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5. Cash and Cash Equivalents

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Cash and fixed funds	1,763	4,371
Current accounts (a)	118,088	63,121
Savings accounts (a)	1,199	1,467
Time deposits (b)	524,087	431,155
	645,137	500,114

- (a) Current accounts and savings accounts are denominated in U.S. dollars and soles, are deposited in local and foreign banks and are freely available. Savings accounts earn interest at market rates. As of December 31, 2025, it corresponds mainly to deposits in foreign currency for thousands of US\$ 18,357 equivalent to thousands of S/ 61,642 and deposits in national currency for thousands of S/ 56,446 (thousands of US\$ 10,830 equivalent to thousands of S/ 40,700 and deposits in national currency for thousands of S/ 22,421 as of December 31, 2024), deposits in savings accounts for thousands of US\$ 264 equivalent to thousands of S/ 887 and deposits in national currency for thousands of S/ 312 (thousands of S/ 1,467, as of December 31, 2024).
- (b) As of December 31, 2025, corresponds to deposits in foreign currency for thousands of US\$ 120,303 equivalent to thousands of S/ 403,974 and deposits in national currency for thousands of S/ 120,113 (thousands of US\$ 110,428 equivalent to thousands of S/ 414,988 as of December 31, 2024 and deposits in national currency for thousands of S/ 16,167), which accrues interest at effective annual rates between 4.25 and 4.57 with a maturity of less than 90 days and which are recognized under the heading "Finance income" of the consolidated statement of income and other comprehensive income (note 28), for thousands of S/ 20,380 as of December 31, 2025 (thousands of S/ 23,379 as of December 31, 2024).

6. Trade Accounts Receivables, Net

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Invoices receivable (a)	566,729	591,592
Bills of exchange (b)	7,312	2,804
	574,041	594,396
Expected loss estimate of accounts receivable (c)	(111,469)	(123,288)
	462,572	471,108

- (a) It corresponds mainly to accounts receivable originated by the sales of merchandise and finished products made to various local and foreign companies, they are of current maturity, they are mainly denominated in US dollars. As of December 31, 2025, the Company maintains accounts that are secured by bank letters of guarantee for an approximate amount of thousands of S/ 1,559 and thousands of US\$ 12,479 (thousands of S/ 1,623 and thousands of US\$ 13,186 as of December 31, 2024).
- (b) The bills in the portfolio generate interest rates in foreign currency of 8.73 percent as of December 31, 2025 and 2024.

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(c) As of December 31, 2025 and 2024, the aging of the trade receivables balance is as follows:

<i>In thousands of soles</i>	2025		
	Trade receivables	Expected credit loss	Total
Not expired	388,312	-	388,312
Expired			
From 1 to 30 days	66,769	-	66,769
From 31 to 180 days	6,772	-	6,772
Older than 180 days	719	111,469	112,188
	462,572	111,469	574,041

<i>In thousands of soles</i>	2024		
	Trade receivables	Expected credit loss	Total
Not expired	433,689	-	433,689
Expired			
From 1 to 30 days	23,012	-	23,012
From 31 to 180 days	14,270	-	14,270
Older than 180 days	137	123,288	123,425
	471,108	123,288	594,396

(d) The movement of the expected loss estimate of accounts receivable was as follows:

<i>In thousands of soles</i>	Note	2025	2024
Opening balance		123,288	112,605
Additions	24	11,722	13,799
Recoveries	27	(7,856)	(4,647)
Write-offs		(2,329)	(5)
Translation effect		(13,356)	1,536
Ending balance		111,469	123,288

In the opinion of the Management of the Company and its Subsidiaries, the estimate for expected credit loss as of December 31, 2025 and 2024 has been adjusted to consider the credit risk in accounts receivable, and adequately covers the credit risk of this item as of those dates.

7. Related Party Transactions

(a) During the years 2025 and 2024, the Company and its Subsidiaries have carried out, mainly, the following transactions with related companies:

<i>In thousands of soles</i>	Note	Type	2025	2024
Sale of construction bars, wire rod and others	22			
Tradi S.A.		Related	164,562	142,897
Procurement of goods and services				
Tradi S.A.		Related	-	(242)

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- (b) As a result of these and other minor transactions, the following is the balance of accounts receivable and payable related to those related to December 31, 2025 and 2024:

<i>In thousands of soles</i>	Type	2025	2024
Accounts Receivable			
Commercial – Current			
Tradi S.A. (c)	Related	25,460	28,533
		25,460	28,533
Accounts Payable			
Commercial			
Tradi S.A. (c)	Related	25	21
		25	21
Non-commercial			
Remuneration to the Board of Directors and Management		31,171	22,656
Dividends payable		2,662	2,455
		33,858	25,132

As of December 31, 2025 and 2024, trade receivables and payables to related parties do not accrue interest and do not have specific guarantees.

In the opinion of the Management of the Company and its Subsidiaries, as of December 31, 2025 and 2024, there is no risk of uncollectibility for accounts receivable as of such dates, so it is not necessary to record an estimate for expected credit loss.

- (c) Tradi S.A. meets the requirements of the accounting standards to be considered a related party to the Company due to the relationship of its shareholders with those of the Company. However, the Company has no direct interest in the assets of these companies, nor any interference in the management of their operations. Consequently, in the opinion of the Management, this company is not part of its economic group.

As of December 31, 2025 and 2024, the balances receivable correspond to invoices for the sale of finished products and merchandise.

- (d) The Company and its Subsidiaries carry out their operations with related companies under the same conditions as those carried out with third parties, therefore, there are no differences in pricing policies or in the tax settlement base; In relation to the forms of payment, they do not differ from policies granted to third parties.
- (e) The following is the breakdown of the compensation of the Company's key personnel for the years ended December 31, 2025 and 2024:

<i>In thousands of soles</i>	2025	2024
Disbursements for		
Compensation of key management personnel and directors	54,597	43,290
	54,597	43,290

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8. Other Accounts Receivable, Net

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
General sales tax credit (a)	7,261	59,236
Client contract asset (f)	41,099	25,836
Claim for payment of income tax (d)	17,718	10,954
Payments on account to the Municipality of Paracas (c)	10,978	10,978
Third-party claims	10,655	6,681
Enforceable Guarantees (b)	6,284	18,283
Staff loans	3,540	4,600
Detractions	3,134	1,586
Interest receivable	2,533	2,206
Tax refunds (e)	62	414
Other accounts receivable	9,257	7,429
	112,521	148,203
Impairment estimate of other accounts receivable (g)	(34,119)	(24,314)
	78,402	123,889
Due to expiration:		
Current Portion	72,090	113,381
Non-current portion	6,312	10,508

- (a) It corresponds to the General Sales Tax paid by the Company and its Subsidiaries for the acquisition of goods and services. In the opinion of the Management, this General Sales Tax will be applied and used in the following periods.
- (b) It corresponds mainly to the guarantee accounts that the Company maintains for the acquisition of two of its subsidiaries carried out in 2018 and 2021. Likewise, the variation corresponds mainly to the partial settlement of the *escrow account*.
- (c) As of December 31, 2025, it mainly includes payments made by the Group to the Municipality of Paracas for the property tax on its land located in the city of Pisco, which are in claim with said Municipality. In the opinion of Management and its legal advisors, as of December 31, 2025, there is a risk of uncollectibility of such disbursements, so an impairment provision has been constituted for the entire balance.
- (d) As of December 31, 2025 and 2024, they correspond to claims of the Group maintained with the Tax Administration. In the opinion of Management and its legal advisors, as of December 31, 2025 and 2024, there is a risk of uncollectibility due to some disbursements, for which the Company maintains an impairment provision of thousands of S/ 13,560.
- (e) Corresponds to the balance in favor of the payment on account of the income tax for 2019 of the Subsidiary Aceros Arequipa Iquitos S.A.C.
- (f) It corresponds mainly to rights to receive a consideration in exchange for the delivery of goods that the Company will make to the customer over a certain period.

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- (g) The movement of the impairment estimate was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening Balance		24,314	21,342
Additions	27	3,059	-
Write-offs		-	10
I recover		(130)	-
Reclassifications		6,876	2,962
Ending balance		34,119	24,314

In Management's opinion, as of December 31, 2025 and December 31, 2024, the expected credit loss estimate for other accounts receivable adequately covers the credit risk of these items as of the date of the consolidated statement of financial position and it is not necessary to constitute an additional provision for impairment in this item.

9. Inventories, Net

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Merchandise	293,130	245,870
Finished Products	196,854	207,662
Products in process	111,530	145,903
Raw material	184,272	246,243
Ancillary Materials, Supplies & Spare Parts	160,418	149,949
Inventories receivable (a)	371,524	382,949
	1,317,728	1,378,576
Less		
Estimation for depreciation and obsolescence (b)	(21,179)	(26,571)
	1,296,549	1,352,005

Substantially, the balance held in inventory at the end of fiscal year 2024 is transferred to cost of sale during fiscal year 2025.

- (a) As of December 31, 2025 and 2024, inventories receivable mainly include merchandise, scrap metal and miscellaneous supplies imported by the Company and its Subsidiaries, which are estimated to be received during the first quarter of 2026 and 2025, respectively.
- (b) The movement of the estimate for impairment and impairment of inventories for the years ended December 31, 2025 and 2024 was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening Balance		26,571	19,526
Addition	23	17,725	20,968
Destruction and recovery		(23,208)	(13,923)
Translation		91	-
Ending balance		21,179	26,571

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As of December 31, 2025, the Group's Management carried out an evaluation mainly of its products to be marketed, spare parts and supplies in relation to deteriorated and/or slow-moving items. As a result of this evaluation, an addition of thousands of S/ 17,725 (thousands of S/ 20,968 as of December 31, 2024) was estimated.

In the opinion of Management, the estimate for impairment and impairment of inventories as of December 31, 2025 and 2024 adequately covers the risk at those dates, so it is not necessary to record any additional provision.

10. Prepaid Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Prepaid Leave and Other (a)	4,267	5,186
Subsidies to be collected from EsSalud	2,469	2,529
Prepaid Insurance (b)	2,378	2,338
Others	17	56
	9,131	10,109

- (a) As of December 31, 2025 and 2024, it mainly includes the renewals of licenses of the various software used by the Company and its Subsidiaries in the development of their operations, which will accrue during the corresponding term.
- (b) As of December 31, 2025 and 2024, they correspond mainly to multi-risk, general and civil liability insurance, among others. These insurances are renewed annually and have maturities mainly in December 2026 and 2025, respectively.

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11. Investments in Associates

The composition of the item is presented below:

<i>In thousands of soles</i>	Activity	Participation percentage in equity (%)		Original cost		Total equity		Heritage value	
		2025	2024	2025	2024	2025	2024	2025	2024
Company									
Compañía	Electric Power Generation								
Eléctrica El Platanal S.A. (a)		10.00	10.00	63,125	63,125	914,766	852,912	91,477	85,291
Inmobiliaria Comercial del Acero Argentina S.A.C. (b)	Real Estate	33.65	33.65	3,746	3,746	43	45	15	15
Inmobiliaria Comercial del Acero Cajamarquilla S.A.C. (b)	Real Estate	33.65	33.65	1,073	1,073	22,853	23,870	7,690	8,032
Other investments				47	47	-	-	139	108
								99,321	93,446

- (a) The Company, in association with the unrelated Peruvian company UNACEM (merger of the companies Cementos Lima S.A. and Cemento Andino S.A.), participates in the holding of 100 percent of Compañía Eléctrica El Platanal S.A. - CELEPSA, through a 10 and 90 percent interest, respectively. CELEPSA develops and operates the G-1 El Platanal Power Generation concession through a 227 MW hydroelectric plant, using the waters of the Cañete River, the Marañon hydroelectric plant with 19.92 MW and the Olleros thermal power plant with 300MW.

In 2025, Celepsa's hydroelectric plants (El Platanal and Marañon) accounted for 2.2% of the national production of the National Interconnected Electric System (SEIN) and 4.24% of the share at the level of hydroelectric generation. The Celepsa thermal power plant represented 2.2% of the national production of the National Interconnected Electric System (SEIN) and 5.43% of participation at the thermoelectric generation level.

Celepsa has four subsidiary companies: (i) Celepsa Renovables S.R.L. (formerly Hidro Marañon SRL), (ii) Ambiental Andina S.A., (iii) Ecorer S.A.C. iv) Termochilca, a thermal power plant located in Chilca with a capacity of 300 MW.

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- (b) In 2018, Comercial del Acero S.A., through the General Shareholders' Meeting held on December 7, 2017, approved the spin-off of two equity blocks that were transferred to the companies Inmobiliaria Comercial de Acero Argentina S.A.C. and Inmobiliaria Comercial de Acero Cajamarquilla S.A.C. The economic purpose of the spin-off process is to develop a real estate housing complex with commercial development and sale areas.
- (c) The following is the movement of the item for the periods ended December 31, 2025 and 2024:

<i>In thousands of soles</i>	2025	2024
Opening Balance	93,446	94,240
Share in the results of the associates	12,957	5,993
Dividends received from associates	(7,500)	(6,049)
Other minors	418	(738)
Ending balance	99,321	93,446

- (d) The most relevant information of those associated with December 31, 2025 and 2024, is the following:

<i>In thousands of soles</i>	Compañía Eléctrica El Platanal S.A. (Unaudited)		Inmobiliaria Comercial del Aceros Argentina S.A.C. (Unaudited)		Inmobiliaria Comercial del Aceros Cajamarquilla S.A.C. (Unaudited)	
	2025	2024	2025	2024	2025	2024
Current assets	249,779	203,200	43	94	1,682	2,444
Non-current assets	1,554,690	1,568,359	-	-	24,622	25,044
Current liabilities	143,934	100,187	-	45	12	224
Non-current liabilities	745,770	810,983	-	-	3,438	3,438
Equity	914,765	860,389	43	49	22,854	23,826
Income	576,526	472,924	-	-	-	1,491
Net Profit (Loss)	130,729	59,338	(4)	3	(973)	546

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12. Property, Plant and Equipment, Net

The following is the movement of the cost and accumulated depreciation:

<i>In thousands of soles</i>	<i>Note</i>	Land	Buildings and other constructions	Machinery and equipment	Miscellaneous equipment	Transport units	Furniture and fixtures	Works in progress and units to be received	Total
Cost									
Balances as of January 1, 2024		524,220	1,369,525	2,114,654	108,154	54,397	10,550	427,433	4,608,933
Additions (a)		17	69,703	129,322	7,645	11,431	403	148,097	366,618
Sales and Recalls	<i>23 and 27</i>	(7,357)	(1,357)	(8,948)	(2,008)	(6,816)	(509)	(3,719)	(30,714)
Transfers		555	65,880	107,231	1,357	-	57	(175,080)	-
Revaluations		(13,831)	-	-	-	-	-	-	(13,831)
Translation effect		(2,929)	(30)	722	(74)	24	(20)	1,680	(627)
Balances as of December 31, 2024		500,675	1,503,721	2,342,981	115,074	59,036	10,481	398,411	4,930,379
Additions (a)		-	17,764	144,481	9,093	27,959	132	55,632	255,061
Sales and Recalls	<i>23 and 27</i>	(8,203)	(697)	(28,639)	(625)	(1,715)	(121)	(2,217)	(42,217)
Transfers		-	130,435	287,375	4,126	(123)	105	(422,616)	(698)
Translation effect		(3,338)	(6,220)	(9,193)	29	(267)	20	(3,124)	(22,093)
Balances as of December 31, 2025		489,134	1,645,003	2,737,005	127,697	84,890	10,617	26,086	5,120,432
Accumulated depreciation									
Balances as of January 1, 2024		-	246,856	1,055,762	34,145	22,343	8,310	-	1,367,416
Additions		-	55,952	117,260	4,088	4,685	413	-	182,398
Sales and Recalls	<i>23 and 27</i>	-	(760)	(5,615)	(2,008)	(5,712)	(509)	-	(14,604)
Translation effect		-	(1,044)	1,331	(7)	(47)	(11)	-	222
Balances as of December 31, 2024		-	301,004	1,168,738	36,218	21,269	8,203	-	1,535,432
Additions		-	64,196	145,226	5,154	5,315	489	-	220,380
Sales and Recalls	<i>23 and 27</i>	-	(291)	(25,172)	(596)	(1,051)	(120)	-	(27,230)
Transfers		-	-	(51)	-	51	-	-	-
Translation effect		-	470	(3,549)	(101)	(414)	(13)	-	(3,607)
Balances as of December 31, 2025		-	365,379	1,285,192	40,675	25,170	8,559	-	1,724,975

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<i>In thousands of soles</i>	<i>Note</i>	Land	Buildings and other constructions	Machinery and equipment	Miscellaneous equipment	Transport units	Furniture and fixtures	Works in progress and units to be received	Total
Accumulated Impairment Losses									
Balances as of January 1, 2024		-	-	8,086	-	-	-	-	8,086
Provision for the year	23 and 27	-	-	2,456	-	-	-	-	2,456
Provision withdrawals	23 and 27	-	-	(2,409)	-	-	-	-	(2,409)
Balances as of December 31, 2024		-	-	8,133	-	-	-	-	8,133
Impairment Charge	23 and 27	-	-	8,333	-	-	-	-	8,333
Write-off Impairment	23 and 27	-	-	(2,926)	-	-	-	-	(2,926)
Balances as of December 31, 2025		-	-	13,540	-	-	-	-	13,540
Equity									
As of December 31, 2025		489,134	1,279,624	1,438,273	87,022	59,720	2,058	26,086	3,381,917
As of December 31, 2024		500,675	1,202,717	1,166,110	78,856	37,767	2,278	398,411	3,386,814

- (a) The additions for the 2025 period correspond mainly to projects of the new rolling mill 3 for thousands of S/ 40,054, assets acquired by contract from Tampa for thousands of S/ 25,653, for the new 160 T pads for thousands of S/ 11,480, new scrap metal cleaning machine for thousands of S/ 9,064, Stretching for Rebar for thousands of S/ 5,373, new central dining room in Pisco for thousands of S/ 3,131, Baco 4.7 Wire Drawing Machine and mining meshes for thousands of S/ 2,225, renovation of ACEDIM equipment for thousands of S/ 4,890, Reheating Furnace No. 2 for thousands of S/ 8,860, Pisco Plant internal roads for thousands of S/ 5,335, Replacement of Metal Gantry Crane for thousands of S/ 4,122, Annealed Wire Plant for thousands of S/ 3,266, 02 Handling Cranes for thousands of S/ 5,504, in the U.S. for works related to non-ferrous plant projects for thousands of S/ 13,502 and Senneboge Crane for S/ 3,125.

The additions for the 2024 period correspond mainly to projects for the construction and implementation of rolling mill No. 3 for S/ 127,068,000, Wire and nail plant S/ 57,232,000, repowering of rotary furnaces S/ 31,633,000, new machinery for scrap cleaning for S/ 14,911,000, CD / Steel Center Lurín for S/ 11,171,000 among other projects that are being carried out at the Pisco plant. In the Bolivian subsidiary, there is an investment in work in progress for the Perfiles Plant - Santa Cruz project for S/ 4,085,000 and in the U.S. subsidiary it maintains an investment in works in progress of S/ 5,358,000 for miscellaneous works.

Likewise, during 2025 and 2024, interest has been capitalized for a total of thousands of S/ 3,818 and thousands of S/ 18,500 respectively, which comply with the provisions of IAS 23 Interest Costs.

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- (b) Property, Plant Equipment, net includes assets acquired through financial lease agreements. As of December 31, 2025 and 2024, the cost and the corresponding accumulated depreciation of these assets are composed as follows

<i>In thousands of soles</i>	2025			2024		
	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
Buildings	647,840	(136,985)	510,855	647,840	(113,065)	534,775
Machinery and equipment	500,787	(208,135)	292,652	513,319	(192,158)	321,161
Transport units	61,195	(8,492)	52,703	38,835	(8,657)	30,178
Other assets	2,799	(747)	2,052	3,684	(184)	3,500
	1,212,621	(354,359)	858,262	1,203,678	(314,064)	889,614

- (c) Depreciation expense for the year has been recognized under the following items in the consolidated statement of comprehensive income:

<i>In thousands of soles</i>	Note	2025	2024
Cost of Sales	23	201,234	164,982
Selling expenses	24	16,477	15,205
Administration expenses	25	2,053	1,767
Other expenses	27	616	444
		220,380	182,398

- (d) The costs of derecognitions have been recorded in the following items:

<i>In thousands of soles</i>	Note	2025	2024
Other expenses	27	13,634	14,733
Costs of Sales	23	254	1,424
Derecognition of assets for scrapping (*)		6,506	-
		20,394	16,157

(*) It corresponds to the derecognition of fixed assets that were transferred as scrap for production.

- (e) As of December 31, 2025 and 2024, the Group has registered in the "Land" category a higher assigned value for approximately thousands of S/ 295,871 and thousands of S/ 296,935 respectively. This higher assigned value is presented net of its deferred income tax under the heading "Revaluation surplus", in the consolidated statement of changes in equity.
- (f) As of December 31, 2025 and 2024, the historical cost of the land measured at revalued values amounts to thousands of S/ 193,263 and thousands of S/ 203,740 respectively. The decrease in the 2025 period corresponds to the sale of the Cerro Colorado land in Arequipa.
- (g) In July 2010, a Trust Equity was constituted as a guarantee made up of machinery and real estate of the Pisco Plant, in support of medium-term loans granted by Banco de Crédito del Perú S.A. As of December 31, 2025 and 2024, the Company and its Subsidiaries hold in such equity movable and immovable property for thousands of S/ 1,687,255 and thousands of S/ 1,308,363, respectively (note 17(i)).
- (h) The Group maintains insurance on its main assets, in accordance with the policies established by Management.

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- (i) As of December 31, 2025 and 2024, based on Management's projections of expected results for the coming years, there is no indication that the recoverable value of Property, Plant and Equipment is lower than its carrying value. Therefore, it is not necessary to make any additional provision for the impairment of these assets as of the date of the consolidated statement of financial position.
- (j) The losses in the 2025 period correspond mainly to the sale of the land for thousands of S/ 8,202 and various equipment from the Pisco production headquarters for thousands of S/ 2,960 net of depreciation.

13. Right- of -Use Assets, Net

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	Land and Buildings	Machinery & Team	Units of Transportation	Other Equipment	Total
Cost					
Balances as of January 1, 2024	58,945	41,082	2,195	4,885	107,107
Additions	3,155	-	727	1,847	5,729
Withdrawals and/or sales	(6,114)	-	(93)	(156)	(6,363)
Translation effect	(878)	79	(13)	-	(812)
Balances as of December 31, 2024	55,108	41,161	2,816	6,576	105,661
Additions	10,820	453	1,036	-	12,309
Withdrawals and/or sales	(1,537)	-	-	(851)	(2,388)
Translation effect	(449)	(557)	(3)	-	(1,009)
Balances as of December 31, 2025	63,942	41,057	3,850	5,724	114,573
Accumulated amortization					
Balances as of January 1, 2024	41,489	10,156	727	4,885	57,257
Additions (b)	10,144	10,246	638	917	21,945
Withdrawals and/or sales	(4,421)	-	(78)	(78)	(4,577)
Translation effect	(810)	21	(1)	24	(766)
Balances as of December 31, 2024	46,402	20,423	1,286	5,748	73,859
Additions (b)	7,160	10,312	1,424	180	19,076
Withdrawals and/or sales	(1,072)	-	-	(180)	(1,252)
Translation effect	(361)	(334)	(10)	(24)	(729)
Balances as of December 31, 2025	52,129	30,401	2,700	5,724	90,954
Net Book Value					
As of December 31, 2024	8,706	20,738	1,530	828	31,802
As of December 31, 2025	11,813	10,656	1,150	-	23,619

- (a) It corresponds mainly to the contracts maintained by the Company and its Subsidiaries for the various leases of real estate and various equipment, which have a maturity that fluctuates between 51 and 60 months, this recognition has been made in accordance with the policy described in 2C (xi). The value of the duty in use was determined based on future flows of the payment schedule using a discount rate between 3.15 and 8.49 percent.
- (b) Depreciation expense for the year has been recognized under the following items in the consolidated statement of comprehensive income:

<i>In thousands of soles</i>	Note	2025	2024
Cost of Sales	23	11,714	9,665
Selling expenses	24	5,265	9,355
Administration expenses	25(a)	2,097	2,925
		19,076	21,945

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- (c) The following is a breakdown of the carrying amounts of lease liabilities (included in financial obligations, note 17 and movements during the period:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening Balance		34,789	54,460
Lease liability additions		12,414	5,729
Financial interest expenses	28	(1,357)	(2,170)
Lease Payments	17(k)	(21,696)	(23,230)
		24,150	34,789
Classification			
Current		16,584	20,343
Not ordinary		7,566	14,446
		24,150	34,789

- (d) The analysis of the maturities of lease liabilities and the amounts recognized in profit or loss are presented below:

	Less than 3 months	From 3 to 12 months	From 1 to 5 years old	Total
As of December 31, 2025				
Lease liabilities	4,793	11,791	7,566	24,150
As of December 31, 2024				
Lease liabilities	6,241	14,102	14,446	34,789

- (e) Commitments
The Group has not entered into any other lease-related commitments. The Group also has certain equipment and machinery leases with lease terms of 12 months or less and leases of low-value office equipment. Management applies the "short-term lease" and "low-value asset lease" recognition exemptions for these leases.

14. Investment Property

As of December 31, 2025 and December 31, 2024, the investment properties are made up as follows:

<i>In thousands of soles</i>	Land	Buildings	Total
Cost			
Balances as of January 1, 2024	66,388	20,745	87,133
Revaluations	147	-	147
Translation effect	-	(182)	(182)
Balances as of December 31, 2024	66,535	20,563	87,098
Fair value and translation effect	(5,880)	-	(5,880)
Balances as of December 31, 2025	60,655	20,563	81,218
Accumulated amortization			
Balances as of January 1, 2024	-	6,118	6,118
Additions	-	749	749
Balances as of December 31, 2024	-	6,867	6,867
Additions	-	749	749
Balances as of December 31, 2025	-	7,616	7,616
Net Book Value			
As of December 31, 2024	66,535	13,696	80,231
As of December 31, 2025	60,655	12,947	73,602

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As of December 31, 2025 and 2024, it corresponds to the properties owned by Compañía Aceros Arequipa S.A., Comfer S.A. – In liquidation, Comercial del Acero S.A. – In liquidation and Transportes Barcino S.A.; which are intended for the generation of surplus value. These properties are free of encumbrances.

The Company and its Subsidiaries maintain insurance on their investment properties in accordance with the policies established by Management; in this regard, as of December 31, 2025 and 2024, it has taken out corporate insurance policies for property damage and loss and, in the opinion of Management, such policies cover the integrity of the assets of the Company and its Subsidiaries as of such dates.

- (a) As of December 31, 2025 and 2024, the fair value of the properties is for thousands of S/ 73,602 equivalent to thousands of US\$ 21,853 (thousands of S/ 80,231 equivalent for thousands of US\$ 21,281), which has been determined using appraisals carried out by an independent appraiser expert, which have been valued according to the location, size and zoning of the property.

The following table presents the sensitivity of fair values to changes in the market price per square meter of the investment property:

<i>In thousands of soles</i>	Change in Price per m2	2025	2024
Sensitivity analysis			
Decrease (*)			
Soles	5%	(3,680)	(4,012)
Soles	10%	(7,360)	(8,023)
Increase			
Soles	5%	3,680	4,012
Soles	10%	7,360	8,102

- (b) Depreciation expense for the year has been recognized under the following items in the consolidated statement of comprehensive income:

<i>In thousands of soles</i>	Note	2025	2024
Other expenses	27	613	612
Selling expenses	24	136	137
		749	749

- (c) Management has carried out an impairment analysis for this asset and has concluded that there are no indications of impairment, so it has not been necessary to constitute a provision.

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15. Intangibles Assets, Net

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	SAP System (a)	Relationship of Customers (b)	Goodwill (b)	Others (c)	Total
Cost					
Balance as of January 1, 2024	86,314	33,616	28,912	31,060	179,902
Additions	275	-	-	445	720
Transfer	368	-	-	-	368
Translation effect	(617)	(7,843)	8,387	(2,726)	(2,799)
Balance as of December 31, 2024	86,340	25,773	37,299	28,779	178,191
Additions (a)	-	-	786	28	814
Withdrawals (e)	(79,265)	-	-	(18,745)	(98,010)
Transfers	698	-	-	-	698
Translation effect	(265)	265	(6,935)	(61)	(6,996)
Balance as of December 31, 2025	7,508	26,038	31,150	10,001	74,697
Accumulated amortization					
Balance as of January 1, 2024	79,150	-	-	23,149	102,299
Additions (d)	1,771	-	-	122	1,893
Translation effect	(49)	-	-	9	(40)
Balance as of December 31, 2024	80,872	-	-	23,280	104,152
Additions (d)	1,804	-	-	122	1,926
Withdrawals (e)	(77,583)	-	-	(17,851)	(95,434)
Translation effect	(132)	-	-	(9)	(141)
Balance as of December 31, 2025	4,961	-	-	5,542	10,503
Equity					
As of December 31, 2024	5,468	25,773	37,299	5,499	74,039
As of December 31, 2025	2,547	26,038	31,150	4,459	64,194

- (a) It is responsible for the implementation, development and commissioning of the integrated computer system "SAP" to support its operations.
- (b) On July 13, 2021, as a result of the acquisition of the businesses incorporated into the entities Aceros América Port Manatee LLC and Aceros América Sant Pete LLC, a value of the customer relationship was determined for thousands of S/ 34,848 and a capital gain of thousands of S/ 30,813.

Likewise, in December 2025, assets were acquired through the company Aceros America Tampa, generating a capital gain of thousands of S/ 786 (note 1F).

As of December 31, 2025 and 2024, Management prepared and reviewed the projected cash flows of the cash-generating units to which these assets were allocated; verifying that there are no indications that the recoverable values of intangible assets are lower than their carrying values.

- (c) As of December 31, 2025 and 2024, it corresponds mainly to intangibles related to the improvements in its computer systems necessary for the development of its operations.

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- (d) Depreciation expense for the year has been recognized under the following items in the consolidated statement of comprehensive income:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of Sales	23	970	848
Selling expenses	24	334	507
Administration expenses	25	622	538
		1,926	1,893

- (e) The withdrawals for the 2025 period correspond mainly to the project to implement automation in warehouses for thousands of S/ 2,092, and other licenses for thousands of S/ 413, net of their amortizations.

16. Other Assets, Net

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost			
Opening Balance		38,020	37,974
Additions (a)		17	46
Ending balance		38,037	38,020
Accumulated amortization			
Opening Balance		3,781	3,398
Additions (a)	27	383	383
Ending balance		4,164	3,781
Net Book Value		33,873	34,239

- (a) As of December 31, 2025 and 2024, it mainly includes the cost of acquiring mining concessions and claims in different locations in Peru, acquired in previous years for a value of thousands of S/ 38,037 and thousands of S/ 38,020 respectively, net of an accumulated amortization of thousands of S/ 4,164 and thousands of S/ 3,781. The amortization of mining concessions and complaints is calculated in a linear manner, based on the useful lives defined by the Management, between 12 and 46 years. Depreciation expense for the year has been recognized under the heading "Other operating expenses" in the consolidated statement of income and other comprehensive income (note 27).
- (b) Management carried out various studies and evaluated the probability of future recovery of its investment in these concessions and estimated that there are no indications of deterioration at that time.

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17. Financial Obligations

The composition of the item is presented below:

<i>In thousands of soles</i>	Warranty	Interest rate annual average (%)	Expiration	Currency of origin	Amount original	2025	2024
Type of obligation							
Finance leases (b) and (c)							
Banco de Crédito del Perú S.A. (d)	Fixed assets acquired	5.23	2025-2028	US\$	135,208	290,528	404,070
Banco de Crédito del Perú S.A. (d)	Fixed assets acquired	6.50	2025-2028	S/	290,714	123,604	174,050
Banco de Crédito del Perú S.A. (e)	Fixed assets acquired	8.52	2031	S/	39,262	8,770	28,913
Banco Internacional del Perú S.A.A. – Interbank (d.1)	Fixed assets acquired	7.10	2024-2027	US\$	990	2,190	3,731
Banco GNB Peru S.A. (e)	Fixed assets acquired	6.10	2032	S/	25,792	25,361	-
Leaseback Operation							
Scotiabank Peru S.A.A.	Fixed assets acquired	4.45	2027	S/	1,388	432	717
Operating leases (f)							
Liabilities for leases of right-of-use assets	No specific warranties	Between 5.12 and 5.86	2025-2028	S/	19,796	19,796	29,121
Liabilities for leases of right-of-use assets	No specific warranties	Between 3.15 and 8.49	2026	US\$	4,354	4,354	5,668
						475,035	646,270
Promissory notes (g)							
Banco de Crédito del Perú S.A.	No specific warranties	4.30 and 4.89	2026	S/	40,000	40,000	464,500
BBVA Banco Continental S.A.	No specific warranties	3.87 and 4.78	2026	US\$	10,000	33,680	243,165
Pichincha Bank	No specific warranties	4.40 and 4.90	2026	S/	118,000	118,000	90,000
Banco BCI Perú S.A.	No specific warranties	5.79 and 4.53	2026	US\$	22,000	-	82,940
ITAU Bank	No specific warranties	Between 5.35 and 6.20	2026	CLP	11,677,200	43,163	62,333
Banco Internacional del Perú S.A.A.	No specific warranties	4.58	2026	US\$	15,000	-	56,550
Banco Bisa SA	No specific warranties	Between 5.80 and 10.00	2026	BOB	17,000	8,226	38,935
Banco de Crédito de Bolivia	No specific warranties	Between 6.00 and 12.00	2026	BOB	85,580	25,509	33,505
ICBC Peru Bank	No specific warranties	4.78	2026	US\$	7,077	-	26,679
ICBC Peru Bank	No specific warranties	4.38	2026	S/	69,960	69,960	-
Banco BCI Perú S.A.	No specific warranties	4.85	2026	S/	24,000	-	24,000
BANK OF CHINA PERU S.A.	No specific warranties	4.85	2026	S/	24,000	-	24,000
BCP Miami	No specific warranties	Between 4.51 and 6.01	2026	US\$	10,000	33,680	18,398
ITAU Bank	No specific warranties	Between 9.99 and 11.88	2026	COP	46,447,419	41,637	17,100
Banco Bogotá	No specific warranties	Between 9.95 and 11.15	2026	COP	12,277,600	11,006	10,055
Banco de Colpatría	No specific warranties	Between 9.90 and 12.00	2026	COP	15,630,000	14,011	7,531
Banco de Crédito e Inversiones (BCI)	No specific warranties	Between 6.27 and 6.62	2026	CLP	700,000	-	950
Scotiabank	No specific warranties	5.250	2026	CLP	4,130,000	15,266	-
Banco de Crédito del Perú S.A.	No specific warranties	3.88	2026	US\$	125,500	422,684	-
Bladex	No specific warranties	6.29	2026	US\$	1,500	5,052	-
						881,874	1,200,641

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<i>In thousands of soles</i>	Warranty	Interest rate annual average (%)	Expiration	Currency of origin	Amount original	2025	2024
Loans (h)							
Banco Internacional del Perú S.A.A. – Interbank (h.1)	With specific guarantees	6.75	2029	S/	68,501	35,508	44,990
Banco Internacional del Perú S.A.A. – Interbank (h.4)	With specific guarantees	5.70	2031	US\$	54,000	180,410	202,367
Banco de Crédito del Perú S.A. (h.5)	With specific guarantees	6.72	2031	S/	339,903	316,721	232,662
Banco Santander Peru (h.1)	With specific guarantees	6.75	2029	S/	41,101	21,339	27,040
Banco de Crédito de Bolivia (h.2)	With specific guarantees	5.42	2026	BOB	41,200	3,081	5,285
Banco Mercantil Santa Cruz S.A. (h.3)	With specific guarantees	5.60	2033	BOB	137,200	56,735	72,093
BCP Miami (h.6)	With specific guarantees	3.87	2027	US\$	22,400	47,352	63,688
Banco de Crédito del Perú S.A. (h.8)	With specific guarantees	5.95	2029	S/	18,787	17,954	-
Scotiabank Bank (h.7)	With specific guarantees	6.60	2032	S/	107,054	107,074	-
Overdrafts	-	-	-	S/	-	498	-
						786,672	648,125
Total						2,143,581	2,495,036
Less Current portion						(1,133,541)	(1,424,078)
Non-current portion						1,010,040	1,070,958

(a) As of December 31, 2025 and 2024, the amortization schedule of the financial obligations, net of accrued interest, is as follows:

<i>In thousands of soles</i>	2025	2024
2025	-	1,424,078
2026	1,133,541	244,104
2027 onwards	1,010,040	826,854
	2,143,581	2,495,036

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- (b) The minimum future payments for finance leases and right-of-use lease liabilities as of December 31, 2025 and 2024 are as follows:

<i>In thousands of soles</i>	2025		2024	
	Minimum payments	Present value of lease payments	Minimum payments	Present value of lease payments
In one year	194,516	173,055	201,294	171,326
Older than 1 and up to 5 years	320,283	301,980	508,618	474,944
Total payments to be made	514,799	475,035	709,912	646,270
Less interest to pay	(39,764)	-	(63,642)	-
	475,035	475,035	646,270	646,270

- (c) Financial lease obligations are secured by the assignment of title to the acquired property that reverts to the lessor in the event of default, which primarily includes acquired fixed assets, note 12(b).
- (d) On September 14, 2018, the Company entered into two financial lease agreements for the construction of a new steel mill plant at the Pisco plant with Banco de Crédito del Perú for a total amount of US\$ 180 million, divided into 2 contracts of US\$ 101.7 million for the construction of civil works and US\$ 78.3 million for the purchase of machinery and equipment. with financing rates of 5.36 and 6.57 percent effective annually, payable in 10 years, for civil works and 7 years for machinery, considering a grace period of 6 years for civil works and 3 years for machinery, counted from the date of signing the contract. Likewise, both contracts are in Soles and in dollars. In 2019, the amount financed was increased to US\$ 218.2 million and better conditions were obtained in interest rates, obtaining 5.23 and 6.50 percent annual cash.
- (d.1) The financial lease financing mentioned in the point is adhered to the Creditors' Framework Agreement in order to guarantee the full and timely payment of the obligation.

In December 2024, the Company acquired thousands of US\$ 990 worth of computer equipment through a financial lease with Banco Internacional del Perú S.A.A. – Interbank. with an annual effective rate of 7.0 percent maturing in 2027.

- (e) The subsidiary Transportes Barcino S.A.C. acquired tractor trucks for thousands of S/ 28,267 and thousands of S/ 10,995 in 2022 and 2024, respectively, through financial leases with Banco de Crédito del Perú S.A. with rates of 8.6 percent effective annually and 8.52 percent effective annually and maturing in 2025. On September 30, 2025, the subsidiary Transporte Barcino entered into a 7-year leasing contract for tractors, platforms, dump trucks and cranes with Banco de GNB, for a value of thousands of S/ 25,792 at a rate of 6%.
- (f) It corresponds to the lease agreements for rights of use that the Company and its subsidiaries maintain. These obligations have been calculated based on the duration of the contracts maintained by the Company and its subsidiaries, which range from 51 to 60 months and a discount rate between 3.15 and 8.49 percent, note 13(a).

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- (g) Promissory notes
Promissory notes have a current term and are renewable at maturity. The carrying amount of the notes is substantially similar to the corresponding fair values since the impact of the discount is not significant. The notes are used to finance working capital, and the Company's Management and its Subsidiaries expect to pay them off at maturity.
- (h) Loans
- (h.1) On March 28, 2019, the Company entered into a loan agreement with Banco Santander S.A. and Banco Internacional del Perú S.A.A. – Interbank for a loan agreement of up to US\$ 15 million (final equivalent to S/ 41.1 million) and up to US\$ 25 million (final equivalent of S/ 68.5 million), respectively. The payment conditions of this loan are through 120 installments and at a rate of 6.75 percent per year, whose maturity will be in 2029.
- (h.2) In February 2020, the subsidiary Corp. Aceros Arequipa S.R.L. (Bolivia) signed a loan agreement with Banco de Crédito Bolivia for BOB 41.2 million, which will mature in 2026 with a one-year grace period and at a rate of 5.42% per annum.
- (h.3) In April 2022, the subsidiary Corp. Aceros Arequipa S.R.L. (Bolivia) signed a loan agreement with Banco Mercantil Santa Cruz for BOB 116.6 million, which will mature in 2033 with a two-year grace period and at a rate of 5.6% per annum, and another for BOB 20.58 million with the same conditions.
- (h.4) On December 14, 2022, the company entered into a 9-year Medium-Term Loan Agreement with Banco Internacional del Perú S.A.A. – Interbank in currency US\$, with a grace period and availability of 3 years, worth up to US\$ 75,000,000 at a rate of 7.15 percent per annum. In December 2022 we received a first disbursement for US\$ 17,000,000, then in December 2023 we received a second disbursement for US\$ 10,400,000, then in December 2023 we received a third disbursement for US\$ 21,600,000 and in April 2024 we received a fourth disbursement for US\$ 5,000,000, due in 2029. In October, through an addendum, the interest rate was modified to 5.70%
- (h.5) On December 14, 2022, the Company entered into a 9-year Medium-Term Loan Agreement with Banco de Crédito del Perú in Soles currency, with a grace and availability period of 2 years, for a value of up to S/ 343,200,000 and at a rate of 10.04 percent per annum. In December 2022, a first disbursement was received for S/ 95,912,000, then, in June 2023, a second disbursement was received for S/ 94,000,000 and in December 2023 a third disbursement was received for S/ 45,600,000. In August 2025, a new rate of 6.72% per year is negotiated, maintaining the validity until 2031. The final amount amounts to S/ 339,903,000.
- (h.6) On January 22, 2022, the subsidiary Aceros America Corporation (USA) through its subsidiaries (Aceros America Porta Manatee and Aceros America St Pete) entered into a 4-year Medium-Term Loan Agreement with Banco de Crédito de Miami, with a grace period and availability of 1 year, for a value of US\$ 22,400,000 at a rate of 3.87 percent per annum. In this loan, the Company participates as joint and several co-obligor and maintaining mortgage guarantees on company assets.
- (h.7) On August 21, 2025, the Company entered into a 7-year Medium-Term Loan Agreement with Banco Scotiabank, for a value of S/ 107,000,000 at a rate of 6.60 percent per annum.

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(h.8) In September 2025, the subsidiary Transporte Barcino entered into a 4-year Medium-Term Loan Agreement with Banco de Crédito del Perú, with a grace period and availability of 1 year, for a value of S/ 18,787,000 at a rate of 5.95 percent per annum.

- (i) As collateral for the loans with Banco de Crédito del Perú S.A., Banco Internacional del Perú S.A.A. – Interbank, Banco Santander Perú and Banco Scotiabank, the Company entered into a trust agreement as a guarantee where the Company acted as settlor, Banco de Crédito del Perú S.A. as representative of the trustees and as trustee La Fiduciaria S.A., pursuant to which the Company transferred to the trustee the fiduciary ownership over the Pisco production plant (excluding the assets committed to other financial entities) and the insurance policies corresponding to such assets, note 12(g).

In accordance with the provisions of the previous paragraph, an irrevocable Trust Equity is constituted, as long as the guaranteed obligations remain in force, for which the Company, in its capacity as settlor and in accordance with the provisions of Article No. 241 of the Banking Law, transfers in trust ownership to La Fiduciaria S.A., the Trust assets that constitute the Trust Estate. The purpose of this contract is that the Trust Estate serves in full as a guarantee of the total payment of the guaranteed obligations, mentioned in the previous sections.

- (j) The interest generated as of December 31, 2025 and 2024 by the financial obligations amounts to approximately thousands of S/ 97,792 and thousands of S/ 103,125, respectively, which are presented under the heading "Finance expenses" of the consolidated statement of income and other comprehensive results (note 28).
- (k) The movement of financial obligations for the years ended December 31, 2025 and 2024 was as follows:

<i>In thousands of soles</i>	2025	2024
Opening balance as of January 1	2,495,036	2,628,190
Acquisition of machinery and equipment through financial leasing contracts	25,792	14,679
Acquisition of machinery and equipment through operating lease agreements	12,309	5,729
Promissory notes obtained	3,969,043	5,094,698
Amortization of financial obligations	(4,340,428)	(5,209,530)
Net foreign exchange gain (loss)	(18,171)	(38,730)
Ending balance as of December 31	2,143,581	2,495,036

- (l) As part of the loans and financial leases maintained with Banco de Crédito del Perú, and the loans maintained with Banco Internacional del Perú S.A.A. – Interbank, Banco Santander Perú and Scotiabank, the Company (individually) has been obliged to comply with certain financial indicators. As of December 31, 2025, the Company has the following financial indicator commitments:

- Financial leverage ratio, not greater than 1.6.
- Debt service coverage ratio, not less than 1.2.
- Debt coverage ratio, not greater than 3.5.
- Interest coverage ratio, not less than 3.5.
- Liquidity ratio, not less than 1.

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The Company complies with the required financial ratios as of December 31, 2025 and 2024. The financing by financial lease referred to in point (e) is adhered to the Framework Agreement of creditors in order to guarantee the full and timely payment of the obligation.

18. Trade Accounts Payable

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Local Bills Payable (a)	387,066	362,097
Invoices payable from abroad (b)	111,888	84,350
Customer Advances	80,684	53,248
	579,638	499,695

- (a) Trade payables originate, mainly, from the acquisition of goods, raw materials, materials, supplies, and spare parts for production from unrelated third parties, are denominated in national and foreign currency, have current maturities, and no guarantees have been granted for these obligations.
- (b) Invoices payable abroad are financed directly with financial institutions through letters of credit and/or import promissory notes.

19. Other Accounts Payable

A. Other accounts payable

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Interest payable	9,417	15,487
Miscellaneous provisions (a)	36,768	24,513
Employee Holdings	32,137	27,007
Holidays to be paid	21,751	20,960
Taxes and withholdings	39,732	11,599
Compensation for time of service	2,189	2,125
Private pension fund payable	3,046	1,641
Other minors	16,123	11,918
Total current	161,163	115,250

- (a) The composition and movement of miscellaneous and labor provisions for the period of December 31, 2025 and December 31, 2024 is presented below:

<i>In thousands of soles</i>	Note	Balances initials	Addition	Application	Tax contingencies and guarantees	Balances finals
As of December 31, 2025						
Labor and tax contingencies	27	19,152	4,000	(15,251)	-	7,901
Labor Provisions	27	5,361	14,079	(11,901)	21,328	28,867
		24,513	18,079	(27,152)	21,328	36,768
As of December 31, 2024						
Labor and tax contingencies	27	26,868	5,356	(13,072)	-	19,152
Labor Provisions	27	1,657	4,815	(1,111)	-	5,361
		28,525	10,171	(14,183)	-	24,513

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- (b) These provisions are related to the current litigation between the Company and its subsidiaries, mainly of a tax and labor nature, the details of which are controlled by its external advisors. According to the assessment made by Management and its legal advisors, they consider that the recorded amount of the provisions is sufficient to cover such contingencies as of December 31, 2025 and 2024.
- (c) The items that comprise this item have a current maturity, do not generate interest and no specific guarantees have been granted for them.

B. Other long-term liabilities

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Warranty provisions and others	6,350	9,285
Total not current	6,350	9,285

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20. Deferred Income Tax

The following is the composition and movement of the item according to the items that originated it:

<i>In thousands of soles</i>	As of January 1, 2024	Other comprehensive results	(Charge) / credit to the consolidated income statement Integral	As of December 31, 2024	Other comprehensive results	(Charge) / credit to the consolidated income statement Integral	As of December 31, 2025
Deferred assets							
Miscellaneous provisions	13,231	-	(98)	13,133	-	(3,997)	9,136
Expected credit loss estimate	7,815	-	(798)	7,017	-	571	7,588
Accrued and unpaid holidays	5,722	-	429	6,151	-	236	6,387
Inventory depreciation estimate	10,957	-	928	11,885	-	(2,276)	9,609
Lease liabilities	6,120	-	(4,660)	1,460	-	3,465	4,925
Revaluations	8,827	3,903	-	12,730	1,180	-	13,910
Others	17,831	-	9,844	27,675	-	364	28,039
	70,503	3,903	5,645	80,051	1,180	(1,637)	79,594
Deferred liabilities							
Property, plant and equipment							
Intangible assets and right-of-use assets	(278,207)	-	(17,467)	(295,674)	-	(8,841)	(304,515)
Exploration and evaluation expenses	(3,843)	-	37	(3,806)	-	46	(3,760)
Revaluations	(5,882)	(125)	486	(5,521)	-	-	(5,521)
Others	(42)	(1,262)	611	(693)	-	(77)	(770)
	(287,974)	(1,387)	(16,333)	(305,694)	-	(8,872)	(314,566)
	(217,471)	2,516	(10,688)	(225,643)	1,180	(10,509)	(234,972)

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- (a) The income tax expense shown in the consolidated statement of comprehensive income is composed as follows:

<i>In thousands of soles</i>	2025	2024
Current	(103,665)	(70,697)
Deferred	(10,509)	(10,688)
	(114,174)	(81,385)

- (b) The net deferred tax is composed as follows:

<i>In thousands of soles</i>	2025		2024	
	Deferred assets, net	Deferred liabilities, net	Deferred assets, net	Deferred liabilities, net
Corporación Aceros Arequipa S.A.	-	244,734	-	229,346
Comfer S.A.	-	10,753	-	11,781
Transportes Barcino S.A.	-	12,520	-	11,479
Corporación Aceros Arequipa S.P.A.	7,306	-	6,337	-
Aceros Arequipa S.A.S.	14,459	-	11,399	-
Comercial del Acero S.A.	909	-	340	-
Technology and Construction Solutions S.AC.	418	-	508	-
Aceros América Corporation	1,848	-	2,635	-
Corporación Aceros Arequipa S.R.L.	6,715	-	4,160	-
Corporación Aceros Arequipa AA S.A.S	1,380	-	1,584	-
	33,035	268,007	26,963	252,606

- (c) As of December 31, 2025 and 2024, the reconciliation of the effective and legal income tax rate is presented below:

<i>In thousands of soles</i>	2025		2024	
Profit before income tax	410,296	100.00%	281,619	100.00%
Theoretical expenditure	(121,037)	(29.50%)	(83,078)	(29.50%)
Non-deductible permanent items	6,863	1.67%	1,693	0.60%
Income tax	(114,174)	(27.83%)	(81,385)	(28.90%)

- (d) As of December 31, 2025 and 2024, the Company and its Subsidiaries have generated an income tax expense of thousands of S/ 103,665 and thousands of S/ 70,697 to which the payments on account that are maintained to date have been applied, generating a profit tax in favor of thousands of S/ 21,742 and thousands of S/ 48,446. respectively.

21. Equity

A. Share capital

As of December 31, 2025 and 2024, the capital stock is represented by 890,858,308 fully subscribed and paid-up common shares, whose par value is S/ 1.00 per share.

As of December 31, 2025 and 2024, the stock price of the common share was S/ 1.77 and S/ 1.67 and its trading frequency has been 5.00 and 15.00 percent, in relation to the total of negotiations on the Lima Stock Exchange, respectively.

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As of December 31, 2025 and 2024, the shareholding structure of the Company and its Subsidiaries is as follows:

December 2025		
Percentage of individual equity	Number of Shareholders	Total participation percentage
Greater than 10 percent	2	26.97
Between 5.01 and 10 percent	5	33.29
Between 1.01 and 5 percent	14	22.01
Less than 1 percent	508	17.73
	529	100.00

December 2024		
Percentage of individual equity	Number of Shareholders	Total participation percentage
Greater than 10 percent	2	26.89
Between 5.01 and 10 percent	5	33.09
Between 1.01 and 5 percent	13	20.77
Less than 1 percent	507	19.25
	527	100.00

B. Investment Stocks

As of December 31, 2025 and 2024, the investment shares account is represented by 182,407,512 shares, whose nominal value is S/ 1.00 per share. The stock market price for each investment share as of December 31, 2025 has been S/ 1.13 and S/ 1.04 and its trading frequency has been 90.00 and 70.00 percent, in relation to the total of negotiations on the Lima Stock Exchange, respectively.

Investment shares confer on their holders the right to the distribution of dividends according to their nominal value. These shares will be held until the Company agrees to redeem them with their holders.

C. Revaluation surplus

As of December 31, 2025 and 2024, this item includes the revaluation surplus related to the land held by the Company and its Subsidiaries. The Company and its Subsidiaries calculate the fair value of their land every three years.

D. Legal reserve

According to the provisions of the General Companies Law, a minimum of 10 percent of the distributable profit for each year is required to be transferred to a legal reserve until it is equal to 20 per cent of the share capital. The legal reserve can offset losses or it can be capitalized, in both cases there being an obligation to replenish it. The Company registers the appropriation of the legal reserve when it is approved by the General Shareholders' Meeting.

During the years 2025 and 2024, and in accordance with the provisions of the General Companies Law, the Company paid the legal reserve of those dividends pending payment that are more than three years old.

E. Dividends distribution

The dividend distribution made by the Company as of December 31, 2025 and 2024 is detailed below:

Approved by	Date of approval	Approved amount and distributed 2025 S/(000)
General Shareholders' Meeting (iv)	March 27, 2025	28,926
Board Session (v)	July 24, 2025	26,682
Board Session (vi)	October 30, 2025	43,699
		99,307

Approved by	Date of approval	Approved amount and distributed 2024 S/(000)
General Meeting of Shareholders	March 22, 2024	13,831
Board Session (ii)	July 23, 2024	21,152
Board Session (iii)	October 31, 2024	28,519
		63,502

- i. At the General Shareholders' Meeting held on March 22, 2024, the delivery of a cash dividend of thousands of S/ 33,125 charged to the accumulated results of previous years was approved, an amount from which the cash dividend approved on July 18, 2023 corresponding to the advance dividends for the 2023 financial year and paid on August 9, 2023 for an amount of thousands of US\$ must be deducted 2,964 (equivalent for thousands of S/ 10,580) as well as the one approved on October 24, 2023 and delivered on November 15, 2023 for an amount of thousands of US\$ 2,248 (equivalent to thousands of S/ 8,714). The remaining amount amounting to thousands of S/ 13,831, which is equivalent to thousands of US\$ 3,737 applying the closing exchange rate of 3,701 paid on April 16, 2024, applies to both common shares and freely circulating investment shares totaling 1,073,265,820 shares, resulting in a dividend per share equivalent to US\$ 0.003482, which, as mentioned above, was paid in US dollars. The freely available profit will be channeled to the accumulated income statement.
- ii. The board of directors in a meeting held on July 23, 2024, and in line with the provisions of the dividend policy, agreed to deliver a cash dividend of thousands of US\$ 5,629, which is equivalent to thousands of S/ 21,152 charged to accumulated results from previous years paid on August 15, 2024. The dividend applied to both the 890,858,308 common shares and the 182,407,512 investment shares, in accordance with the General Companies Law, resulting in a dividend per share of US\$ 0.005245.
- iii. The board of directors in a meeting held on October 31, 2024, and in line with the provisions of the dividend policy, agreed to deliver a cash dividend of thousands of US\$ 7,553, which is equivalent to thousands of S/ 28,519 charged to accumulated results of previous years and paid on November 26, 2024. The dividend applies to both the 890,858,308 common shares and the 182,407,512 investment shares, in accordance with the General Companies Law, resulting in a dividend per share of US\$ 0.007037.

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- iv. At the General Shareholders' Meeting held on March 27, 2025, the delivery of a cash dividend of thousands of S/ 78,597 charged to the accumulated results of previous years was approved, an amount from which the cash dividend approved on July 23, 2024 corresponding to the advance of dividends for the 2024 financial year and paid on August 15, 2024 for an amount of thousands of US\$ must be deducted 5,629 (equivalent to thousands of S/ 21,152) as well as the one approved on October 31, 2024 and delivered on November 26, 2024 for an amount of thousands of US\$ 7,553 (equivalent to thousands of S/ 28,519). The remaining amount amounting to thousands of S/ 28,926, which is equivalent to thousands of US\$ 7,940 applying the closing exchange rate of 3,643 paid on April 21, 2025, applies to both common shares and freely circulating investment shares totaling 1,073,265,820 shares, resulting in a dividend per share equivalent to US\$ 0.007398. which, as mentioned above, was paid in US dollars. The freely available profit will be channeled to the accumulated income statement.
- v. The Board of Directors, at the meeting held on July 24, 2025, and in line with the provisions of the dividend policy, agreed to deliver a cash dividend of thousands of US\$ 7,493, equivalent to thousands of S/ 26,682, charged to accumulated results from previous years and paid on August 19, 2025. The dividend applied to both the 890,858,308 common shares and the 182,407,512 investment shares, in accordance with the General Companies Law, resulting in a dividend per share of US\$ 0.006981.
- vi. The Board of Directors, at the meeting held on October 30, 2025, and in line with the provisions of the dividend policy, agreed to deliver a cash dividend of thousands of US\$ 12,875, equivalent to thousands of S/ 43,699, charged to accumulated results from previous years and paid on November 20, 2025. The dividend applies to both the 890,858,308 common shares and the 182,407,512 investment shares, in accordance with the General Companies Law, resulting in a dividend per share of US\$ 0.011996.

22. Revenue

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Sales to third parties		4,812,365	4,374,783
Foreign sales to third parties		220,672	231,171
Related Party Sales	7	164,562	142,897
		5,197,599	4,748,851

<i>In thousands of soles</i>	Local sales to third parties	Foreign sales to third parties	Related party sales	Total
Year 2025				
Types of goods or services				
Income from the sale of goods	4,785,340	195,754	164,562	5,145,656
Freight and other revenue	27,014	24,657	-	51,671
Revenue from advisory services	11	261	-	272
	4,812,365	220,672	164,562	5,197,599
Schedule for the transfer of goods or services				
Goods or services from the previous period transferred to the current period	103,923	-	-	103,923
Goods or services transferred in the period	4,708,442	220,669	165,565	5,093,676
	4,812,365	220,669	164,565	5,197,599

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<i>In thousands of soles</i>	Local sales to third parties	Foreign sales to third parties	Related Party Sales	Total
Year 2024				
Types of goods or services				
Income from the sale of goods	4,347,416	203,388	142,897	4,693,701
Freight and other revenue	26,992	26,830	-	53,822
Revenue from advisory services	375	953	-	1,328
	4,374,783	231,171	142,897	4,748,851
Schedule for the transfer of goods or services				
Goods or services from the previous period transferred to the current period	116,240	-	-	116,240
Goods or services transferred in the period	4,258,543	231,171	142,897	4,632,611
	4,374,783	231,171	142,897	4,748,851

23. Cost of Sales

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Initial inventory of products in process	9	145,903	111,646
Initial inventory of finished goods	9	207,662	240,715
Initial inventory of goods	9	245,870	428,872
Initial inventory of auxiliary materials, supplies and spare parts	9	149,949	173,384
Initial Raw Material Inventory	9	246,243	191,836
Personnel costs	26(a)	175,138	158,674
Merchandise purchases		791,419	518,031
Raw material purchases		1,777,049	1,894,672
Supply Purchases		405,511	536,472
Other manufacturing costs		612,042	351,159
Depreciation for the year	12 and 13	212,948	174,647
Depreciation for the year	15	970	848
Freight Cost		223,281	168,775
Retirement of fixed assets	12	254	1,424
Final inventory of products in process	9	(111,530)	(145,903)
Final inventory of finished goods	9	(196,854)	(207,662)
Ending Merchandise Inventory	9	(293,130)	(245,870)
Final inventory of auxiliary materials, supplies and spare parts	9	(160,418)	(149,949)
Final Raw Material Inventory	9	(184,272)	(246,243)
Inventory devaluation	9	17,725	20,968
		4,265,760	3,976,496

24. Selling Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Services provided by third parties (a)		80,708	79,811
Personnel costs	26 (a)	37,316	33,946
Impairment estimate of accounts receivable	6	11,722	13,799
Depreciation for the year	12, 13 and 14	21,878	24,697
Miscellaneous management charges		7,588	6,845
Depreciation for the year	15	334	507
Tributes		2,217	2,126
Others		8	-
		161,771	161,731

- (a) As of December 31, 2025 and 2024, it corresponds mainly to advertising services, marketing services, warehouse outsourcing services, among others.

25. Administration Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Personnel costs	26 (a)	91,666	78,345
Services provided by third parties (a)		40,154	30,397
Depreciation for the year	12 and 13	4,150	4,692
Miscellaneous management charges		5,839	5,022
Amortization of intangibles	15	622	538
Tributes		2,199	3,225
Others		96	-
		144,726	122,219

- (a) As of December 31, 2025 and 2024, it corresponds mainly to services for legal advice, surveillance service, software support service, maintenance service, among others.

26. Personnel Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Staff compensation	176,877	160,265
Employee Shares	32,137	27,007
Gratuities	23,938	22,686
Holidays	21,437	20,433
Contributions	17,611	15,714
Social benefits for workers	13,721	13,150
Staff Terminations	14,079	4,800
Other minors	18,399	11,725
	318,199	275,780

(a) The distribution of staff costs is as follows:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of Sales	23	175,138	158,674
Administration expenses	25	91,666	78,345
Selling expenses	24	37,316	33,946
Other expenditures	27	14,079	4,815
		318,199	275,780

27. Other Operating Income and Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Other income			
Accounts Receivable Recovery	6	7,856	4,647
Sale of fixed assets		7,766	6,988
Building Rentals		2,768	2,680
Reimbursement for import expenses		21	3,088
Other minors		5,922	10,154
		24,333	27,557
Other expenses			
Contingency Provision	19	(4,000)	(5,356)
Local sales transaction tax and bank fees		(32,644)	(37,653)
Retirement of fixed assets (b)	12	(13,634)	(14,733)
Staff Incentives	19 and 26	(14,079)	(4,815)
Depreciation for the year	12 and 14	(1,229)	(1,056)
Depreciation of other assets for the year	16	(383)	(383)
Provision for Impairment of Other Accounts Receivable	8 (g)	(3,059)	-
Other minors		(5,223)	(12,096)
		(74,251)	(76,092)

(a) It corresponds to disbursements related to the dismissal of workers.

(b) It corresponds to the decommissioning of damaged and obsolete machinery and equipment located in the production sites.

28. Finance Income and Expenses

The composition of these items is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Finance income			
Interest on time deposits	5(b)	20,380	23,379
Interest on Receivables		7,038	6,527
		27,418	29,906
Finance expenses			
Interest on loans	17	(97,792)	(103,125)
Interest on financial leases		(29,681)	(37,799)
Right-of-Use Interest	13	(1,357)	(2,170)
Other minors		(2,995)	(1,130)
		(131,825)	(144,224)

29. Tax Situation

- A. Management considers that it has determined the taxable matter under the general income tax regime in accordance with current tax legislation, which requires adding and deducting to the result, shown in the consolidated financial statements, those items that the aforementioned legislation recognizes as taxable and non-taxable, respectively.

The income tax expense shown in the consolidated statement of comprehensive income corresponds to deferred and current income tax.

- B. The Company and its Subsidiaries are subject to the tax regime of each country in which it operates and are taxed on the basis of their unconsolidated results. When companies have tax losses in countries such as Chile and the United States, they are not taxed. They can be applied indefinitely in the following years until they are exhausted. In the case of Bolivia and Colombia, they only allow three and twelve years to apply them, respectively. In Ecuador it is five years. As of December 31, 2025 and 2024, the income tax rate on taxable profit in the main countries in which the Company and its Subsidiaries operate is:

	Tax rates	
	2025	2024
Peru	29.50	29.50
Bolivia	25.00	25.00
Ecuador	25.00	25.00
Chile	27.00	27.00
Colombia	35.00	35.00
United States	25.35	25.35

In accordance with the legal provisions in force in some countries as of December 31, 2025 and December 31, 2024, cash dividends in favor of non-domiciled shareholders are taxed with income tax at the following rates:

	Tax rates	
	2025	2024
Peru	5.0	5.0
Bolivia	12.5	12.5
Chile	35.0	35.0
Ecuador	25.0	25.0
Colombia	10.0	10.0
United States	30.0	30.0

- C. The temporary tax rate on net assets is 0.4% for 2025 and 2024 applicable to the amount of net assets that exceed S/ 1 million. This tax may be paid in cash or in nine successive monthly installments. The amount paid can be used against payments on account of the General Income Tax Regime. In case there is a remaining balance that is not applied, it can be requested for a refund. The Company has calculated the temporary tax on net assets for the year 2025 of thousands of S/ 18,163 (thousands of S/ 16,556 in the year 2024).

As of December 31, 2025 and 2024, according to the Peruvian tax regime, the General Sales Tax (IGV) rate is 18%.

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- D. The tax loss regime regulated in Article 50 of the Income Tax Law establishes 2 systems for compensating tax losses:
- (a) Offset them by imputing them year by year, until their amount is exhausted, against 100% of the net income of the third category obtained in the four years immediately counted from the following year of generation. The balance that is not offset after that period has elapsed may not be offset in subsequent years.
 - (b) Offset them by imputing them year by year, until their amount is exhausted, up to 50% of the net income of the third category obtained in the immediately following years, without a time limit.

Through Legislative Decree No. 1481 published on May 8, 2020, exceptionally, the period of carry-forward of losses under the A) loss compensation system, only for the total net loss of third category of Peruvian source obtained in the taxable year 2020, will be five years.

As of December 31, 2025, the Group has determined its carry-forward tax loss in thousands of S/ 92,633 (thousands of S/ 100,467 as of December 31, 2024). During the year 2025, tax losses were generated in thousands of S/ 17,162 and S/ 24,996 were offset (thousands of S/ 9,370 and thousands of S/ 10,861 as of December 31, 2024). As of the date of presentation of the consolidated financial statements, your tax loss has not expired.

<i>In soles</i>	Per year	Expiration	Accumulated balance
2024	1,492	Between 2028 and 2032	(100,467)
2025	7,834	Between 2029 and 2033	(92,633)

The Company recognized the deferred income tax asset related to the carry-forward tax loss that is considered to be recovered with the profits generated in the next fiscal years sufficient to offset the loss.

The Tax Authority has the power to review and, if applicable, correct the income tax calculated by the Company: in the four years in Peru, in eight years in Bolivia, three years in Chile and the USA, seven years in Ecuador and Colombia 3 years and 6 years in case of losses; deadlines that are computed in accordance with the regulations in force in each tax jurisdiction.

The Group's income tax returns for the years 2021 to 2025 are pending inspection by the Tax Authority. Due to the possible interpretations that the Tax Authority may give to the legal regulations in force, it is not possible to determine, to date, whether or not the revisions carried out will result in liabilities for the Group, so any higher tax or surcharge that may result from eventual tax revisions would be applied to the results of the year in which it is determined. However, in the opinion of the Company's Management and its legal advisors, any eventual additional tax assessment would not be material for the consolidated financial statements as of December 31, 2025.

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Likewise, the Income Tax and General Sales Tax Affidavits of the Subsidiaries are subject to inspection by the Tax Administration of each country for the periods detailed below:

	Period subject to Oversight
Foreign subsidiaries:	
Country	
Corporacion Aceros Arequipa S.R.L. Bolivia	2018 – 2025
Aceros Arequipa S.A.S Colombia	2021 – 2025
Corporación Aceros Arequipa SPA Chile	2022 – 2025
Corporacion Aceros Arequipa AA Ecuador	2022 – 2025
Aceros América Corporation	2022 – 2025
Aceros América Port Manatee LLC	2022 – 2025
Aceros América Sant Pete LLC	2022 – 2025
Aceros America Tampa LLC	2025
Local Subsidiaries	
Comercial del Acero S.A.	2021 – 2025
Corporación Aceros Arequipa Iquitos S.A.C.	2021 – 2025
Transporte Barcino S.A.	2021 – 2025
Tecnología y Soluciones Constructivos S.A.C.	2021 – 2025
Comfer S.A.C.	2021 – 2025

For the purpose of determining Income Tax, the transfer prices of transactions with related companies and with companies resident in territories with low or no taxation, must be supported with documentation and information on the valuation methods used and the criteria considered for their determination.

Based on the analysis of the Company's operations, Management and its advisors consider that, as a result of the application of transfer pricing rules, no significant contingencies will arise as of December 31, 2025 and 2024.

The Group has conducted an assessment of uncertain positions on tax treatments in accordance with IFRIC 23 and determined, based on its tax compliance and transfer pricing study, that its tax treatments are likely to be accepted by the tax authorities. The Interpretation had no impact on the Group's Consolidated Financial Statements as of December 31, 2025 and 2024.

The Company and its subsidiaries are not subject to the Additional Global Minimum Tax, also known as Pillar 2, because this legislation has not yet been approved for application in Peru or in any of the countries in which the Company's subsidiaries operate. The Company will evaluate the potential effects of this legislation on its Consolidated Financial Statements once it is approved for application.

Main tax regulations issued during the year 2025

E. Modification of transfer pricing provisions in the Income Tax Law

On September 24, 2024, Legislative Decrees No. 1662 and No. 1663 were published, which introduce modifications to the Income Tax Law regarding Advance Price Agreements (APAs) and alternative valuation methods in the field of transfer pricing. These amendments came into force on January 1, 2025.

Through Legislative Decree No. 1662, published on September 24, 2024, it was established that APAs between SUNAT and taxpayers may have retroactive effects for previous fiscal years. For this to be valid, the facts and circumstances of the previous years must be consistent with those covered by the APA, and the tax authority must not have prescribed the right to determine the Income Tax liability by transfer pricing rules.

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Likewise, Legislative Decree No. 1663, published on September 24, 2024, amended the Income Tax Law to regulate the application of alternative valuation methods in situations where traditional transfer pricing methods are not applicable due to the nature of the activities or transactions, or due to the lack of reliable comparable transactions.

Modifications on the annotation of receipts and exercise of the tax credit

Through Legislative Decree No. 1669, published on September 28, 2024, the General Sales Tax Law (IGV) and Law No. 29215 were amended, focusing on the annotation of payment vouchers and the exercise of the tax credit. Prior to the issuance of this rule, taxpayers had a period of 12 months to register the payment vouchers that granted the right to the tax credit. With the new regulations, the deadline was reduced, establishing the following deadlines for the annotation of the receipts:

- Electronic receipts: they must be noted in the Purchase Registry in the same month of their issuance or payment of the corresponding tax.
- Physical receipts: they must be noted up to two months following the month of their issuance or payment of the tax.
- Operations subject to the Tax Obligations Payment System (SPOT): the entry must be made up to three months following the month of issuance of the receipt.

If the receipts are not noted within these periods, the right to the corresponding tax credit is lost. However, the right to the tax credit will not be lost if the annotation is made before SUNAT requires the taxpayer to show and/or present their Purchase Record.

The aforementioned regulation conditioned the entry into force of its provisions to the issuance of the superintendence resolution by the Tax Administration, however, given that as of the date of issuance of these Consolidated Financial Statements this has not occurred, the previous provisions are maintained, that is, there is still a period of 12 months to register the payment vouchers.

Non-Operational Capacity Subjects (SSCO)

Legislative Decree No. 1532, published on March 19, 2022 and in force as of January 1, 2023, regulated the procedure for attributing the status of Subject without Operational Capacity-SSCO, within the framework of the fight against tax evasion.

In this sense, SSCO was defined as a subject that, although it appears as the issuer of payment vouchers or complementary documents, does not have the economic, financial, material, human and/or other resources, or these are not suitable, to carry out the operations for which such documents are issued.

Supreme Decree No. 319-2023-EF approved the Regulations for the procedure for attribution of SSCO status.

As of the date of issuance of this Note, the following superintendence resolutions have been issued, naming various taxpayers as SSCOs: i) Intendancy Resolution No. 024-0082937/SUNAT, ii) Intendancy Resolution No. 064-024-0008314/SUNAT, iii) Intendancy Resolution No. 084-024-0007652/SUNAT, iv) Intendancy Resolution No. 104-024-0007090/SUNAT and v) Intendancy Resolution No. 192-024-0000189/SUNAT.

Special regimes that establish tax benefits

Law No. 32449, in force since September 27, 2025, establishes a special tax treatment for Private Special Economic Zones (ZEEPs), establishing tax benefits staggered for 25 years, which include reduced rates of Income Tax, as well as a special customs regime that facilitates the entry and exit of goods. In addition, it sets minimum investment requirements and commitments to generate employment.

These zones, defined by law, will receive tax and customs benefits such as the application of reduced rates of Income Tax. Within them, the development of industrial, assembly and service activities that are duly accredited and that generate added value, that is, that involve the transformation of raw materials, will be allowed, in accordance with the provisions of the law's regulations.

Repo Operations and ETFs

Law No. 32218, enacted on December 29, 2024, amended the Single Harmonized Text of the Income Tax Law, incorporating in paragraph h) of Article 18 two new cases of interest and capital gains not subject to income tax.

- Repo transactions: As of January 1, 2025, the date of entry into force of this law, interest and capital gains from repo operations in which the securities that the acquirer receives from the transferor are Public Treasury bills issued by the Republic of Peru will be exempt from income tax. as well as bonds and other debt securities issued by the Republic of Peru under the Market Makers Program or its substitute mechanism, or in the international market as of 2003.
- Sale of ETFs: the exemption extends to interest and capital gains derived from the sale of participation units of Stock Traded Funds (ETFs) that aim to replicate the performance of publicly accessible indices, built on the basis of Public Treasury bills issued by the Republic of Peru, and bonds and debt securities issued by the Republic of Peru under the Market Makers Program or its substitute mechanism, or in the international market as of 2003.

Significant changes to the income tax regime that will begin from January 1, 2025 onwards and other relevant tax considerations:

F. Depreciation of assets

Through Legislative Decree No. 1488 Special Depreciation Regime and amending regulations, the depreciation percentages of assets acquired during the years 2020, 2021 and 2022 are increased in order to promote private investment and provide greater liquidity given the current economic situation due to the effects of COVID-19.

Law No. 31107 amended Legislative Decree No. 1488, which established that during the taxable years 2021 and 2022, buildings and constructions that as of December 31, 2020 have a value to be depreciated will be depreciated at an annual rate of 20%. This provision was applied to those fixed assets used in lodging establishments, travel and tourism agencies, restaurants and related services, as well as in the realization of non-sporting public cultural events. In addition, it was specified that land transport vehicles used for these activities may be depreciated at an annual rate of 33.3% during the same taxable years.

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Likewise, through Law No. 31652, a new Special Depreciation Regime was approved, through which the depreciation percentages were increased for taxpayers who acquire buildings and constructions during the years 2023 and 2024 (it does not apply to goods built totally or partially before January 1, 2023).

Compliance Profile

SUNAT has implemented the Tax Compliance Profile (PCT), a rating system aimed at taxpayers who generate third-category income. This profile aims to promote voluntary compliance with tax obligations and allow differentiated treatments according to the level of compliance assigned.

The implementation of the PCT is being carried out in a gradual manner. In July 2024, a test stage was initiated that includes four quarterly ratings of an informative nature, with no legal effects for taxpayers. During this phase, taxpayers are not required to file disclaimers related to their qualification.

The rating assigned by SUNAT will take legal effect as of July 2025. This implies that taxpayers with a low rating could face measures such as the imposition of prior precautionary measures, the extension of the term for a rectifying affidavit that determines a lower tax to take effect, and possible reputational risks both internal and external.

The issuance of the first qualification with tax effects as of the July 2026 period has been ordered.

Other relevant changes

Until December 31, 2025, the exemptions contained in Appendices I and II of the IGV Law are extended. Consequently, the sale of basic food and basic services such as public transport will not be taxed with IGV, among others. Link to the rule in commentary: Law No. 31651

Based on the preliminary analysis of the regulatory amendments referred to in points J and K, it is considered that these changes will not significantly affect the Group's operation or tax position.

30. Earnings per basic and diluted share

Below is the calculation of weighted average shares and basic and diluted earnings per share:

	Shares issued					Weighted Average Shares		Days of validity until the end of the year		
			Treasury		Total	Common	Investment	Common	Investment	Total
	Common	Investment	Common	Investment						
Balance as of January 1, 2024	890,858,308	182,407,512	-	-	1,073,265,820	365	365	890,858,308	187,501,132	1,078,359,440
Balance as of December 31, 2024	890,858,308	182,407,512	-	-	1,073,265,820	365	365	890,858,308	187,501,132	1,078,359,440
Balance as of December 31, 2025	890,858,308	182,407,512	-	-	1,073,265,820	365	365	890,858,308	187,501,132	1,078,359,440

The calculation of earnings per share as of December 31, 2025 and December 31, 2024 is presented below:

	2025			2024		
	Utility (numerator)	Shares (denominator)	Earnings per share	Utility (numerator)	Shares (denominator)	Earnings per share
<i>In thousands of soles</i>						
Basic and diluted earnings per share from common and investment shares	296,122	1,078,359	0.275	200,234	1,078,359	0.186

31. Contingencies and Guarantees Granted

A. Contingencies

- i As of December 31, 2025 and December 31, 2024, the Group maintains the following contingent processes:
- Various labor proceedings related to its operations referred to lawsuits for the payment of utilities and reimbursement of social benefits.
 - The Group has filed a lawsuit against the file related to the General Sales Tax for the 1998 financial year, having been resolved in second instance in favor of the Group, SUNAT and the Tax Court have filed an Appeal for Cassation. The amount paid as of December 31, 2025 amounts to approximately S/ 2.8 million.
 - As a result of the Tax Authority's review of 2004 and 2005, the Group received Determination and Fine Resolutions for Income Tax and General Sales Tax. As of December 31, 2025, the Group has sued before the Judiciary, with a total amount of approximately S/ 7.7 million being the subject of challenge.
 - With respect to 2006, the Group received Determination and Fine Resolutions for Income Tax and IGV. On April 25, 2022, the Quartermaster's Resolution resolving the Claim file was notified and on May 13, 2022, the Group filed an appeal against the Quartermaster's Resolution, a process that was resolved by RTF 3789-8-2023. During the audit process in 2021, the Group has alleged prescription referring to the power of the Tax Administration to determine the tax obligation and impose penalties in relation to Income Tax for the year 2006 and IGV. In April 2022, the Tax Court declared the statute of limitations for the determination of fines and a contentious tax lawsuit has been filed in the confirmed extreme. Having been resolved unfavorably, the company has filed an Appeal for Amparo which is still in process as of December 31, 2025.
 - SUNAT notified the Group with Intendancy Resolution No. 0150150003290 linked to the determination of payments on account of income tax for the periods from February to December of 2006 and the application of penalties linked to the infraction typified in numeral 1 of article 178 of the Tax Code associated with the periods from February and April to November of 2006. The Group filed an appeal and argued that the power of SUNAT to demand payment of the tax debt for the payments on account of income tax for the periods of fiscal year 2006 and the respective fine resolutions has expired. The appeal was resolved by the Tax Court through Tax Court Resolution No. 00768-8-2023. The Group filed a contentious tax claim, which is awaiting a new ruling from the Court. The debt paid claimed for refund amounts to S/ 1.00 MM.
 - On December 29, 2011, the Group received resolutions of determination and fine for Income Tax and General Sales Tax for the years 2007 to 2009 amounting to S/ 21.7 million, a debt that was offset by the Tax Authority with the balance in favor of the Income Tax for the year 2009. the return of which was requested by Management. The Group has filed a partial claim against the aforementioned resolutions for an approximate amount of S/ 8.8 million, an amount whose refund has also been requested. The process is pending resolution by the Tax Authority.

In this regard, during 2021, the Group's Management recorded an impairment estimate for thousands of S/ 5,141 under the heading "Other accounts receivable", note 8(g).

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- On November 5, 2024, the Tax Court notified RTF No. 09235-13-2024, resolving to lift some appealed objections. In February 2025, SUNAT issued the Compliance Resolution. The Group has sued the RTF in the resolved end against the Group and SUNAT has sued the RTF in the resolved end in favor of the Group.
- On June 27, 2017, an appeal was filed against the ficta denial of the appeal filed against the determination resolution for income tax for the period 2011. The Tax Court ruled that SUNAT notified in February 2025 the Intendancy Resolution 4070150000665 through which it determines a debt of S/. 2,764,077; The Management has appealed the decision. The Tax Court resolved the appeal filed against the RI through RTF No. 09202-4-2025-C. As of December 31, 2025, the Company has paid the total debt for S/ 2,325,530 and, within the term of the law, will sue the RTF.
- On December 31, 2019, the Group was notified with Determination Resolution No. 012-003-0109770, issued by the Income Tax (IR) corresponding to the taxable year 2016, and Fine Resolution No. 012-002-0033530, issued for the alleged commission of the infraction typified in numeral 1 of article 178 of the Tax Code, both for S/ 6.8MM.

Subsequently, an appeal was filed against the aforementioned values on the grounds that what was determined by SUNAT was not in accordance with the law. In November 2020, the oral report was carried out before Chamber 4 of the Tax Court and, on October 2, 2024, RTF 08324-4-2024 was notified, which resolves the appeal. The Management decided to accept the debt to the Special Fractionation of the Tax Debt D.Leg. 1634 by submitting the application for acceptance on December 4, 2024, which was approved.

- On October 31, 2023, the Group was notified with Determination Resolutions issued by the Income Tax (IR), payments on account of the IR for the periods January to December of the 2017 fiscal year and fine resolutions totaling S/ 3.8MM. On November 29, 2023, an appeal was filed and on May 16, 2024, an appeal was filed against the aforementioned values, considering that what was determined by SUNAT was not in accordance with the Law. As of December 31, 2024, the appeal process is pending, however, the Management decided to accept the PAC 2017 debt to the Special Fractionation of the Tax Debt D. Leg. 1634 by submitting the application for acceptance on December 4, 2024, which was approved.
- On February 1, 2024, the Group was notified by the Determination Resolution and Fine Resolution issued for the Income Tax (IR) and Payments on Account of the IR for the periods January to December of the 2021 fiscal year totaling S/ 1,257,640. On February 28, 2024, the group took advantage of the Graduality Regime with the payment of the debt, which will later be the subject of a claim.
- A process is maintained with the R&B supplier where payment has been ordered for the works performed in the Group's warehouse (additional works), compensation and interest. The amount paid by the Group for capital was S/ 4.4MM out of a total originally demanded of S/ 8.8MM, with the last payment credited on July 5, 2022.

As of December 31, 2025, the costs and expenses of the process are pending, having been proposed by the plaintiff the sum of S/ 1.4MM, which the Group has dismissed and appealed.

In the opinion of Management and its legal advisors, the Group has sufficient arguments to obtain favorable results in the processes mentioned in the previous points.

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- ii. On February 7, 2014, the Group acquired the property called Lomas de Calanguillo Zona Río Seco de Chilca Sector Hoyadas de la Joya, located in the district of Chilca, province of Cañete, with a registered area of 31 hectares 8,560.54 m², registered in Registry Item No. 21186464 of the Cañete Registry.

After the acquisition and the Company being in possession of the land, it was informed on February 17, 2014 of an overlap of the acquired land, with a rustic property owned by third parties. Once the overlap was confirmed, the Group modified the object of its sale, excluding the overlapping area (126,806.13 m²), maintaining an area of 19 hectares of 1,754.41 m² and reducing the price, for which it signed an addendum to the purchase agreement.

Despite the aforementioned exclusion, the owners of the overlapping property have initiated a series of actions against the Company and some officers, claiming the total area of the land acquired by the Group. The civil lawsuit includes as main claims: (i) the nullity of the legal act of sale entered into in 1999 by those who sold the Property to the Group; and, (ii) the claim of the property. As ancillary claims, it has been requested, among others, the nullity of the registration entry and compensation of US\$ 20,920,000, this litigation is in the Judicial Branch.

By resolutions of August 10, 2015, the Court has acquitted the exceptions raised by the Group referring to the lack of legitimacy, the extinguishing statute of limitations, the obscurity and ambiguity of the claim. As of the date of this report, the judgments of first and second instance have been issued, in which both instances declare that the Group acted in good faith in the acquisition of the property. Likewise, on April 12, 2023, we filed a brief requesting the inadmissibility of the appeals filed by the third parties. The plaintiff's request for cassation was rejected, so the civil proceedings have concluded in favor of the Group and consequently the court validated the legal act of sale of the land.

In the opinion of Management and its legal advisors, as of December 31, 2025 and 2024, the Group has sufficient arguments to obtain favorable results in this process.

B. Guarantees granted

As of December 31, 2025, the Group had an exposure of more than 10 percent of its equity with Banco de Crédito del Perú, such exposure includes promissory notes, financial leases, medium-term financing, letters of credit and letters of guarantee for an aggregate amount of S/ 1,259 million, an amount that represented 41.2 percent. of heritage. Likewise, as of December 31, 2024, the Group had an exposure of more than 10 percent of its equity with Banco de Crédito del Perú, Interbank, and BBVA, such exposure includes promissory notes, financial leases, medium-term financings and letters of credit for an aggregate amount of S/ 1,304 million, S/ 308 million and S/ 243 million. respectively, an amount that represented 47.3, 11.2 and 13.8 percent of the assets, respectively.

In addition, the Group has constituted a Trust Equity made up of machinery and real estate of the Pisco Plant, in support of loans granted by Banco de Crédito del Perú S.A., Banco Santander Perú and Banco Internacional del Perú S.A.A. – Interbank and Banco Scotiabank; the realization value of the assets in said trust amounts to US\$ 538 million (including committed assets), which represents 59.3% of the Group's equity.

32. Financial Risk Management, Objectives and Policies

A. Category of financial instruments

The Group's financial assets and liabilities are made up of:

<i>In thousands of soles</i>	2025	2024
Financial assets		
Cash and cash equivalent	645,137	500,114
Trade receivables, net	462,572	471,108
Other accounts receivable, net (*)	74,669	64,653
Related Party Accounts Receivable	25,460	28,533
	1,207,838	1,064,408
Financial liabilities		
At amortized cost:		
Other financial liabilities	2,143,581	2,495,036
Trade Accounts Payable	579,638	499,695
Other accounts payable (*)	127,781	112,936
Accounts Payable to Related Parties	33,858	25,132
	2,884,858	3,132,799

(*) Excludes taxes and withholdings.

The main financial liabilities of the Company and its Subsidiaries are financial obligations, trade payables, related parties and other accounts payable. The main purpose of such financial liabilities is to finance the operations of the Company and its Subsidiaries. It also maintains cash and short-term deposits, trade receivables, related party receivables, and other receivables arising directly from its operations. The Company and its Subsidiaries are exposed to credit, market and liquidity risk.

The Management of the Company and its Subsidiaries oversee the management of such risks. The Management of the Company and its Subsidiaries are supported by the Financial Management that advises on such risks and on the corporate financial risk management framework that is most appropriate for the Company and its Subsidiaries. Financial Management provides assurance to the Management of the Company and its Subsidiaries that the financial risk-taking activities of the Company and its Subsidiaries are regulated by appropriate corporate policies and procedures and that such financial risks are identified, measured and managed in accordance with the policies of the Company and its Subsidiaries and their preferences for risk-taking.

Management reviews and approves policies to manage each of the risks, which are summarized below:

B. Credit risk

Credit risk is the risk that a counterparty is unable to meet its obligations in relation to a financial instrument or sales contract, resulting in a financial loss. The Company and its Subsidiaries are exposed to credit risk due to their operating activities (mainly accounts receivable) and their deposits in banks.

Credit risk related to accounts receivable

The credit risk of customers is managed by Management, subject to duly established policies, procedures and controls. Outstanding balances of accounts receivable are periodically reviewed to ensure their recovery; likewise, the Company and its Subsidiaries have a broad customer base.

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Credit risk related to bank deposits

Credit risks of bank balances are managed by Management in accordance with the policies of the Company and its Subsidiaries. Investments of surplus cash are made with top-tier financial institutions. The maximum exposure to credit risk as of December 31, 2025 and 2024 is the carrying amount of the cash balances shown in note 5.

Accordingly, in Management's opinion, the Company and its Subsidiaries do not have any concentration that represents a significant credit risk as of December 31, 2025 and 2024.

C. Market risk

Market risk is the risk of losses on balance sheet positions resulting from movements in market prices. These prices comprise three types of risk: (i) exchange rate, (ii) interest rates, and (iii) commodity prices and others. All financial instruments of the Company and its Subsidiaries are affected only by exchange rate and interest rate risks.

The sensitivity analyses in the following sections refer to the positions as of December 31, 2025 and 2024. They are also based on the fact that the net amount of debt, the ratio of fixed interest rates, and the position in foreign currency instruments remain constant.

It has been assumed that the sensitivities in the consolidated income statement and other comprehensive statements are the effect of the changes assumed in the respective market risk. This is based on financial assets and liabilities held as of December 31, 2025 and 2024.

i. Exchange rate risk

Foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument fluctuates due to changes in exchange rates. The Financial Management is responsible for identifying, measuring, controlling and reporting the exposure to global foreign exchange risk of the Company and its Subsidiaries. Foreign exchange risk arises when the Company and its Subsidiaries have mismatches between their active, passive and off-balance sheet positions in the different currencies in which it operates, which are mainly Soles (functional currency), Chilean pesos, Colombian pesos, Bolivians and U.S. dollars. The Management monitors this risk through the analysis of the country's macroeconomic variables.

The activities of the Company and its Subsidiaries, mainly its indebtedness, expose it to the risk of fluctuations in the exchange rates of the U.S. dollar against the Sol. The Company and its Subsidiaries also present exchange rate operations in euros, however, as of December 31, 2025, these amounts are not significant, having no impact on the consolidated comprehensive income statements of the Company and its Subsidiaries. In order to reduce this exposure, the Company and its Subsidiaries make efforts to maintain an appropriate balance between assets and liabilities expressed in U.S. dollars. It is worth mentioning that the revenues of the Company and its Subsidiaries are received in U.S. dollars (or its equivalent in Soles at the exchange rate of the day), a significant part of its production costs are related to the U.S. dollar and the short- and medium-term debt is partially agreed in U.S. dollars. Despite this alignment between revenues, costs and debt, by keeping the accounting in Soles, the debt, as well as the obligations payable in foreign currency, are adjusted with any variation in the exchange rate. Management is constantly evaluating alternatives for economic coverage that may be adapted to the reality of the Company and its Subsidiaries.

Operations in foreign currency are carried out at the free-market exchange rates published by the Superintendencia of Banking, Insurance and Pension Fund Administrators.

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As of December 31, 2025, the free market weighted average exchange rates for U.S. dollar transactions were as follows:

- **Peru:** S/ 3,358 for US\$ 1 for purchase and S/ 3,368 for US\$ 1 for sale (S/ 3,758 and S/ 3,770 as of December 31, 2024, respectively).
- **Bolivia:** Bs 6.96 for US\$ 1 (Bs 6.96 as of December 31, 2024).
- **Chile:** Ch\$ 911.18 for US\$ 1 (Ch\$ 992.12 as of December 31, 2024).
- **Colombia:** COP 3,757.08 per US\$ 1 (COP 4,409.15 as of December 31, 2024).

The Group's foreign exchange exposure is mainly caused by transactions carried out in currencies other than the functional currency of each subsidiary, as well as by the translation of the financial statements of the subsidiaries into the Group's presentation currency.

As of December 31, 2025 and 2024, the Company and its Subsidiaries do not have derivative financial instruments.

As of December 31, 2025 and 2024, the Company and its Subsidiaries had the following assets and liabilities in foreign currency:

<i>In thousands of US dollars</i>	2025	2024
Assets		
Cash and cash equivalents	138,696	121,326
Trade receivables, net	174,944	174,196
Related Party Accounts Receivable	7,575	7,593
	321,215	303,115
Liabilities		
Trade Accounts Payable	(71,219)	(56,542)
Accounts Payable to Related Parties	-	(6)
Financial obligations, current and non-current	(307,429)	(303,236)
	(378,648)	(359,784)
Passive, Net Position	(57,433)	(56,669)

For the year 2025, the Company has recorded a net loss due to exchange difference of thousands of S/ 73,678 (net loss of thousands of S/ 49,926 in 2024), which is presented in the consolidated statement of income and other comprehensive statements.

The following table shows the sensitivity analysis of U.S. dollars (the only non-functional currency in which the Company and its Subsidiaries have significant exposure as of December 31, 2025 and 2024), in their monetary assets and liabilities and their estimated cash flows. The analysis determines the effect of a reasonably possible change in the exchange rate of the U.S. dollar, considering the other constant variables in the consolidated statement of comprehensive income before income tax. A negative amount shows a net potential reduction in the consolidated statement of comprehensive income, while a positive amount reflects a net potential increase.

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<i>In thousands of soles</i>	Change in type of change	Profit (loss) before taxes	
	%	2025	2024
Sensitivity analysis			
Devaluation			
Dollars	(5)	9,832	10,864
Dollars	(10)	19,665	21,728
Revaluation			
Dollars	+5	(9,832)	(10,864)
Dollars	+10	(19,665)	(21,728)

ii. Interest rate risk

As of December 31, 2025 and 2024, the Company and its Subsidiaries hold financial instruments that accrue fixed and variable interest rates in top-tier financial institutions in the country. The operating cash flows of the Company and its Subsidiaries are substantially independent of changes in market interest rates, so in Management's opinion, the Company and its Subsidiaries do not have a material exposure to interest rate risks.

Interest rate sensitivity

The following table demonstrates sensitivity to a reasonably possible change in interest rates on fixed- and variable-rate loans. Keeping all other variables constant, the profit before income tax of the Company and its Subsidiaries would be affected by a variation in the rate as follows:

<i>In thousands of soles</i>	Increase/decrease in basis points	Effect on profit before income tax
December 2025		
Soles	+/-50	2,517
December 2024		
Soles	+/-50	2,888

iii. Price risk

In general, the Company and its Subsidiaries are exposed to the risk of price fluctuations for the steel products that the Company and its Subsidiaries manufacture, market and process, with domestic prices being influenced by the variation in international steel prices. For this reason, the Management maintains strict control of its operating costs and makes significant productive and technological investments, in order to maintain competitive cost levels.

The following table shows the sensitivity in the results of the Company and its Subsidiaries as of December 31, 2025 and 2024 if the internal price had increased/decreased by 5 percent and the other variables had remained constant.

<i>In thousands of soles</i>	Increase/decrease in basis points	Effect on profit before income tax
December 2025		
Soles	+5%	183,215,
	-5%	(183,215)
December 2024		
Soles	+5%	167,397
	-5%	(167,397)

D. Liquidity risk

Liquidity risk is the risk that the Company and its Subsidiaries will be unable to meet their payment obligations related to financial liabilities at maturity and replace the funds when they are withdrawn.

The consequence would be the default in the payment of its obligations to third parties.

Liquidity is controlled by matching the maturities of its assets and liabilities, obtaining credit lines and/or maintaining surplus liquidity, which allows the Company and its Subsidiaries to carry out their activities normally.

Liquidity risk management involves maintaining sufficient cash and availability of financing, through an adequate amount of committed credit sources and the ability to settle mainly debt transactions. In this regard, the Company's Management and its Subsidiaries are directing their efforts to maintain sufficient resources to allow them to meet their disbursements.

The following table shows the maturity of future payments of the Company and its Subsidiaries on the basis of contractual obligations:

<i>In thousands of soles</i>	As of December 31, 2025			
	Up to 3 months	From 3 to 12 months	From 1 to 5 years old	Total
Financial obligations				
Capital amortization	303,756	829,785	1,010,040	2,143,581
Interest payment flow	26,581	54,050	143,899	224,530
Trade Accounts Payable (*)	498,954	-	-	498,954
Accounts Payable to Related	33,858	-	-	33,858
Other accounts payable (*)	121,431	-	-	121,431
Total liabilities	984,580	883,835	1,153,939	3,022,354

<i>In thousands of soles</i>	As of December 31, 2024			
	Up to 3 months	From 3 to 12 months	From 1 to 5 years old	Total
Financial obligations				
Capital amortization	254,181	1,169,897	1,070,958	2,495,036
Interest payment flow	37,203	79,106	135,110	251,419
Trade Accounts Payable (*)	446,447	-	-	446,447
Accounts Payable to Related	25,132	-	-	25,132
Other accounts payable (*)	103,651	-	-	103,651
Total liabilities	866,614	1,249,003	1,206,068	3,321,685

(*) Tax obligations and advances to customers are not included.

E. Capital Management

The objectives of the Company and its Subsidiaries in managing capital are to safeguard the ability to continue as a going concern for the purpose of generating returns to its shareholders, benefits to other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company and its Subsidiaries may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce their debt.

Consistent with the industry, the Company and its Subsidiaries monitor their capital on the basis of the leverage ratio. This ratio is calculated by dividing net debt by total capital, net debt corresponds to total indebtedness (including current and non-current debt) minus cash and cash equivalents. Total capital corresponds to equity as shown in the consolidated statement of financial position plus net debt.

<i>In thousands of soles</i>	2025	2024
Financial obligations	2,143,581	2,495,036
Trade, related and other accounts payable	781,009	649,362
Less: Cash and cash equivalents	(645,137)	(500,114)
Net debt (a)	2,279,453	2,644,284
Equity	3,055,957	2,864,734
Total capital and net debt (b)	5,335,410	5,509,018
Leverage Ratio (a/b)	43%	48%

During the years ended December 31, 2025 and 2024, there were no changes in the objectives, policies, or processes related to capital management.

33. Fair Value of Financial Instruments

Fair value

Fair value is defined as the amount for which an asset could be exchanged or a settled liability between knowledgeable and willing parties in a current transaction, under the assumption that the entity is a going concern.

Accounting standards define a financial instrument as cash, evidence of ownership in an entity, or a contract in which an entity is agreed or imposed on a contractual right or obligation to receive or deliver cash or other financial instrument. Fair value is defined as the amount at which a financial instrument can be exchanged in a transaction between two parties who so desire, other than a forced sale or a settlement, and the best evidence of its value is its quotation, if any.

The methodologies and assumptions used depend on the terms and risks characteristic of the different financial instruments, and include the following:

- Cash and cash equivalents do not represent a significant credit or interest rate risk. Therefore, it has been assumed that their carrying values are close to their fair value.
- Accounts receivable, because they are net of their provision for uncollectibility and, mainly, have maturities of less than one year, Management has considered that their fair value is not significantly different from their carrying amount.
- In the case of financial obligations, given that these liabilities are subject to fixed and variable interest rates, Management estimates that their accounting balance is close to their fair value.
- In the case of trade payables and other accounts payable, given that these liabilities have current maturity, Management estimates that their accounting balance is close to their fair value.

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Based on the criteria described above, Management estimates that there are no material differences between the carrying amount and fair value of the financial instruments of the Company and its Subsidiaries as of December 31, 2025 and 2024.

34. Information by Operating Segments

As described in note 2.C(xix), the Company and its Subsidiaries have a single operating segment called "Steel Derivatives".

The only operating segment managed by the Company and its Subsidiaries is reported in a manner consistent with the internal report (Board of Directors) that is reviewed by the Executive President, the highest authority in making operating decisions, responsible for allocating resources and evaluating the performance of the operating segments.

The Board of Directors evaluates the results of the business on the basis of the consolidated financial statements representative of its single operating segment and based on the management information generated by the information systems.

For the years ended December 31, 2025 and 2024, sales by product type, which do not constitute an operating segment, were as follows:

<i>In thousands of soles</i>	2025	2024
Construction bars and wire rod	3,384,975	3,138,215
Smooth profiles and bars	555,367	576,847
Plates, coils and others	1,257,257	1,033,789
	5,197,599	4,748,851

Likewise, sales were developed in the following locations:

<i>In thousands of soles</i>	2025	2024
Peru	4,262,791	3,876,221
Other countries	934,808	872,630
	5,197,599	4,748,851

Sales made in other countries are under the export modality and, therefore, there are no non-current assets related to that geographical location.

Sales to major distributors are not concentrated because they individually represent less than 10.00 percent of the total sales of the Company and its Subsidiaries.

35. Subsequent Events

Between January 1, 2026 and the issuance of this report, no significant additional events or facts have occurred that require adjustments or disclosures to the consolidated financial statements as of December 31, 2025.

36. Explanation added for English Translation

The accompanying financial statements were originally issued in Spanish and are presented based on International Financial Reporting Standards, as described in Note 2. These financial statements should be read in conjunction with the financial statements in Spanish. In the event of a discrepancy, the Spanish language version prevails.