



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

PERUVIAN
STEEL THAT
BUILDS TRUST

Corporación Aceros Arequipa S.A. Separate 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 Separate financial statements of Corporación Aceros Arequipa S.A. and its subsidiaries (the Company), which comprise the separate statements of financial position as of December 31, 2025, the separate 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 separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as of December 31, 2025, and its unconsolidated financial performance and its unconsolidated 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 Separate 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 separate 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 separate financial statements of the current period. This matter was addressed in the context of our audit of the separate 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/.1,092,671. 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 Company's production and operations.</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.
<p>This matter has been considered a key audit matter due to the relevance of the balance of the Inventories presented in the separate financial statements (19% of total assets). To validate the existence of inventories, the Company 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>	<ul style="list-style-type: none"> ▪ 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. ▪ 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 separate financial statements.

Other Matters

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

We draw attention to note 1 to the separate financial statements which describes that these separate financial statements of Corporación Aceros Arequipa S.A. have been prepared in compliance with the legal requirements in force in Peru for the presentation of financial information. These financial statements reflect the value of investments in subsidiaries under the equity method and not on a consolidated basis, so they should be read together with the consolidated financial statements of Corporación Aceros Arequipa S.A. and its subsidiaries, which are presented separately, on which we have issued an unqualified opinion dated February 23, 2026.



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 separate financial statements or our Auditors report.

Our opinion on the separate 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 separate 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 Separate Financial Statements

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

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 separate 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.

Separate Financial Statements

December 31, 2025 and 2024

Contents	Page
Separate Statement of Financial Position	1
Separate Statement of Profit or Loss and Other Comprehensive Income	2
Separate Statement of Changes in Equity	3
Separate Statement of Cash Flows	4
Notes to the Separate Financial Statements	5 - 70

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Separate Statement of Financial Position

As of December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Assets			
Current assets			
Cash and cash equivalents	5	609,389	464,460
Trade accounts receivables, net	6	428,345	442,125
Related parties accounts receivable	7	137,183	174,363
Other accounts receivable, net	8	54,410	78,164
Inventories, net	9	1,092,671	1,193,199
Prepaid expenses	10	7,087	8,066
Income tax asset	20(c)	-	28,558
Total current assets		2,329,085	2,388,935
Non-current assets			
Investments in subsidiaries and associates	11	301,112	235,298
Related party accounts receivable long term	7	45,525	12,341
Other long-term receivables, net	8	29	10,509
Property, plant and equipment, net	12	3,032,246	3,085,581
Right-of-use asset, net	13	10,930	22,675
Investment properties	14	16,402	18,155
Intangibles assets, net	15	2,290	5,400
Other assets, net	16	33,874	34,239
Total non-current assets		3,442,408	3,424,198
Total assets		5,771,493	5,813,133

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Liabilities and equity			
Current liabilities			
Financial obligations	17	901,900	1,184,336
Trade accounts payable	18	512,650	467,040
Related parties accounts payable	7	50,041	35,981
Other accounts payable	19.A	172,252	123,310
Income tax liability	20	5,681	-
Total current liabilities		1,642,524	1,810,667
Non-current liabilities			
Long-term financial obligations	17	871,074	941,945
Other long-term liabilities	19.B	-	9,202
Deferred income tax liability, net	20(c)	245,659	230,204
Total non-current liabilities		1,116,733	1,181,351
Total liabilities		2,759,257	2,992,018
Equity			
	21		
Share capital		890,858	890,858
Investment shares		182,408	182,408
Legal reserve		179,066	178,927
Revaluation surplus		185,441	183,447
Retained earnings		1,574,463	1,385,475
Total equity		3,012,236	2,821,115
Total liabilities and equity		5,771,493	5,813,133

The notes attached on pages 5 to 70 form an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Separate Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Revenue	22	4,750,922	4,369,096
Cost of sales	23	(4,069,959)	(3,742,639)
Gross profit		680,963	626,457
(Expenses) Operating income			
Selling expenses	24	(144,583)	(138,828)
Administration expenses	25	(126,840)	(105,610)
Other income	27	21,793	15,129
Other expenses	27	(33,898)	(17,180)
		(283,528)	(246,489)
Operating profit		397,435	379,968
Finance income	28	28,344	31,556
Finance expenses	28	(106,879)	(119,103)
Net foreign exchange gain (loss)	32	11,850	1,198
Share in the results of subsidiaries and associates	11(h)	65,223	(10,368)
Profit before income tax		395,973	283,251
Income tax expense	20(a)	(100,045)	(86,758)
Net income		295,928	196,493
Other comprehensive income			
Effect of other equity adjustments on associates	11(h)	390	(769)
Effect of the revaluation surplus, net of its tax effect	12	1,604	(9,751)
Other comprehensive income for the year net of income tax		1,994	(10,520)
Total comprehensive income for the year, net of income tax		297,922	185,973
Net income per basic and diluted share	30	0.27	0.18
Weighted average of outstanding shares (in thousands of units)	30	1,078,359	1,078,359

The notes attached on pages 5 to 70 form an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Separate Statement of Changes in Equity

For the years ended December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	Share capital	Investment shares	Legal reserve	Revaluation surplus	Retained earnings	Total
Balances as of January 1, 2024		890,858	182,408	178,742	193,967	1,251,639	2,697,614
Comprehensive result for the period							
Net income for the year		-	-	185	-	196,493	196,678
Other changes in equity		-	-	-	-	845	845
Other comprehensive income		-	-	-	(10,520)	-	(10,520)
Total comprehensive income of the year		-	-	185	(10,520)	197,338	187,003
Transactions with the Company's owners							
Dividends distribution	21(e)	-	-	-	-	(63,502)	(63,502)
Total transactions with the owners of the Company		-	-	-	-	(63,502)	(63,502)
Balances as of December 31, 2024		890,858	182,408	178,927	183,447	1,385,475	2,821,115
Balance as of 1 January 2025		890,858	182,408	178,927	183,447	1,385,475	2,821,115
Comprehensive result for the period							
Net income for the year		-	-	-	-	295,928	295,928
Other comprehensive result	11(h) and 12	-	-	-	1,994	-	1,994
Total comprehensive income for the year		-	-	-	1,994	295,928	297,922
Transactions with the Company's owners							
Dividends distribution	21(e)	-	-	-	-	(99,307)	(99,307)
Other changes in equity		-	-	139	-	(7,633)	(7,494)
Total transactions with the owners of the Company		-	-	139	-	(106,940)	(106,801)
Balances as of December 31, 2025		890,858	182,408	179,066	185,441	1,574,463	3,012,236

The notes attached on pages 5 to 70 form an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
 Separate Statement of Cash Flows
 For the 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		4,724,349	4,285,878
Payment to suppliers of goods and services		(3,596,763)	(3,631,344)
Payment of salaries and social benefits		(268,612)	(221,822)
Income tax payments		(50,277)	-
Other tax payments		-	(34,291)
Other cash receipts related to the activity		-	(22,171)
Net cash flow generated by operating activities		808,697	376,250
Cash flows from investing activities			
Dividends received	11(h)	7,504	6,045
Sale of property, plant and equipment	27	7,741	-
Interest received	28	28,344	31,556
Payment for contribution in subsidiaries	11	(6,064)	-
Purchase of property, plant and equipment	12	(170,236)	(342,530)
Purchase of intangibles and other assets	15 and 16	(45)	(720)
Net cash flow used in investing activities		(132,756)	(305,649)
Cash flows from financing activities			
Collection from financial obligations	17(j)	3,527,272	4,796,378
Repayment of borrowings	17(j)	(3,848,997)	(4,801,828)
Interest payment	28	(106,879)	(119,103)
Dividends paid to shareholders	21(e)	(99,307)	(63,502)
Net cash flows used in financing activities		(527,911)	(188,055)
Net increase (decrease) in cash and cash equivalents		148,030	(117,454)
Effect of exchange rate changes on cash and cash equivalent held		(3,101)	(290)
Cash balance and cash equivalents at the beginning of the year		464,460	582,204
Cash and cash equivalents at year-end	5	609,389	464,460
Transactions that do not generate cash movements			
Acquisition of assets under financial and operating leases	17(j)	1,665	5,042
Revaluation of investment properties	14	(1,753)	325
Land revaluation	12	-	(13,831)

The notes attached on pages 5 to 70 form an integral part of these separate financial statements

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

1. Identification and Economic Activity

A. Identification

Corporación Aceros Arequipa S.A. (hereinafter referred to as "the Company"), is a Peruvian company listed on the Lima Stock Exchange that was incorporated in December 1997 as a result of the merger of Aceros Arequipa S.A. and its subsidiary Aceros Calibrados S.A. The Company's legal domicile, where its main production plant and main warehouse are located, is Carretera Panamericana Sur N° 241, Paracas, Ica.

B. Economic activity

The Company 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 Company 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. 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\$ 75,000,000 plus IG, it began operations during the second quarter of 2025. According to the Company'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 be able to accompany the growth of the market.

In December 2025 Aceros América 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") as a purchase of assets of 02 scrap yards located in Florida, United States and owned by Infrabuild for thousands of USD9, 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. Approval of financial statements

The separate financial statements as of December 31, 2024 and for the year ended on that date, were approved by the virtual General Shareholders' Meeting held on March 27, 2025. The accompanying separate financial statements as of December 31, 2025 have been approved by the Company's Board of Directors on February 23, 2026 and are expected to be approved by the Annual General Meeting during the first quarter of 2026. In addition, the accompanying separate financial statements, which have been prepared in compliance with the legal requirements in force in Peru for the presentation of separate financial information to the Superintendence of the Securities Market (SMV), reflect the Company's individual activity, excluding the effects of consolidation with those of its subsidiaries. These separate financial statements reflect the value of its investments in its subsidiaries and associates under the equity method (see note 2.8.VIII), and not on a consolidated basis, so they should be read together with the consolidated financial statements as of December 31, 2025 and 2024 of Corporación Aceros Arequipa S.A. and Subsidiaries, which will be submitted separately within the deadlines established by the regulatory entity.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

The Company has also prepared consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements", which are presented separately. For a proper interpretation of the separate financial statements in accordance with IFRS, they should be read in conjunction with the consolidated financial statements.

The consolidated financial statements as of December 31, 2025 and 2024 show the following balances for the most significant items:

<i>In thousands of soles</i>	2025	2024
Current assets	2,532,681	2,523,696
Total assets	6,248,554	6,261,738
Current liabilities	1,908,200	2,064,155
Total liabilities	3,192,597	3,397,004
Equity	3,055,957	2,864,734
Total income from ordinary activities	5,197,599	4,748,851
Net income for the year	296,122	200,234

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

At the General Shareholders' Meeting of the subsidiary Comercial del Acero S.A.C. 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, Management has considered that the investment held in the Company by such 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 Company and in the activities that are maintained as a group.

As of December 31, 2025 and 2024, the liquidation process has been executed in accordance with the plan established by 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 S.A. were acquired for a total amount of US\$ 16,800,000. In September 2021, the additional 4 percent was purchased, obtaining 100 percent of the share capital (total net paid for 100 percent S/ 66,929,000).

At the General Shareholders' Meeting of the subsidiary Comfer S.A. on August 2, 2021, its dissolution and liquidation was 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, Management has considered that the investment held in the Company by such 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 Company and in the activities that are maintained as a group.

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

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

F. Purchase of shares in Transportes Barcino S.A.

At the board meeting held on July 22, 2022, the acquisition of up to 25,421 common shares issued by Transportes Barcino S.A. equivalent to 0.08% of its capital was approved. The objective was to obtain from Corporación Aceros Arequipa S.A. the ownership of 100% of the common shares issued by Transportes Barcino S.A., considering that on that date Corporación Aceros Arequipa S.A. already owned 99.92% of said shares. It is worth noting that in order to define the purchase price of the Shares, an independent third party was hired to carry out the valuation of the equity of Transportes Barcino S.A., determining the purchase price at S/ 1.72 for each share, so the disbursement for the transaction was below S/ 45 thousand soles. reaching 99.99% of capital.

2. Bases of Presentation and Summary of Material Accounting Policies and Practices

A. Preparation bases

i. Compliance Statement

The information contained in these separate financial statements is the responsibility of the Company's Management, which expressly states that the accompanying separate 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, respectively.

ii. Measuring base

According to these standards, there is no obligation to prepare separate financial statements; however, in Peru, companies have the obligation to prepare them in accordance with current legal regulations. Because of this, the Company has prepared the separate financial statements in accordance with IAS 27 "Separate Financial Statements". The Company also prepares consolidated financial statements in accordance with IFRS 10, which are presented separately. For a proper interpretation of the separate financial statements in accordance with IFRS, they should be read in conjunction with the consolidated financial statements of the Company and its Subsidiaries that are presented separately.

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

iii. Bases of preparation and presentation

The Company applied for the first time certain rules and modifications, which were effective as of January 1, 2025. The Company did not adopt in advance any other rules, interpretations or modifications that have been issued but were not in force.

Amendments to IFRS	Effective date
Lack exchangeability (amendments to IAS 21)	Annual periods beginning on or after January 1, 2025. Early adoption allowed

The Company adopted these modifications and did not generate significant impacts on the separate financial statements as of December 31, 2025.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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 Company plans to adopt the pronouncements on their respective dates of application and not in advance.

B. Material accounting policies

The following are the main accounting principles and practices used in the preparation of the Company's separate financial statements:

i. Cash and cash equivalents

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

ii. 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 financial asset's contractual cash flows and the Company's business model for handling them. With the exception of trade receivables that do not contain a material financial component or for which the Company has applied the practical record, the Company initially measures 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 practice record are measured at the transaction price determined in accordance with IFRS 15, see 2.B.xvi.

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.

The Company's business model 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.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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 for the Company. The Company measures 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; y
- (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 Company's financial assets held at amortized cost include trade receivables, related party receivables, and other related party receivables and loans and loans.

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 comprehensive income are held in the statement of financial position at fair value with net changes in fair value, recognized in the separate 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 accounts, i.e., removed from the separate statement of financial position, when:

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

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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

Impairment of financial assets

The Company recognizes a provision for expected credit loss (ECL) 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 expects 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 applies a simplified approach when calculating ECL. Therefore, the Company does not monitor changes in credit risk, but instead recognizes an impairment provision on a "lifetime ECL" basis at each reporting date. The Company has established a provision matrix that is based on historical loss experience, adjusted for expected factors specific to debtors and the economic environment.

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

iii. 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 trade payables, related party payables, other accounts payable, and other long-term liabilities.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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.

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 taken by the Company 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 has 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 separate statement of comprehensive income when liabilities are derecognized as well as through the interest accrual process using 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 separate statement of comprehensive income.

Generally, 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 separate statement of comprehensive income.

iv. Offsetting of financial assets and liabilities

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

v. Classification of items into current and non-current

The Company presents the assets and liabilities in the separate statement of financial position classified as current and non-current.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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 expect 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.

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 cancellation of the 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.

vi. Foreign currency transactions

Functional currency and presentation currency

The Company has defined the Sol as its functional and presentation currency.

Foreign currency transactions and balances

Transactions in foreign currency are considered to be those carried out in a currency other than the functional currency. Foreign currency transactions are initially recorded in the functional currency using the exchange rates in effect on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are subsequently adjusted to the functional currency using the exchange rate in effect as of the date of the separate statement of financial position. Gains or losses on foreign exchange resulting from the settlement of such transactions and the translation of monetary assets and liabilities in foreign currency at the exchange rates as of the date of the separate statement of financial position are recognized under the heading "Net foreign exchange gain (loss)" in the separate statement of comprehensive income. Non-monetary assets and liabilities determined in foreign currency are transferred to the functional currency at the exchange rate in effect on the date of the transaction.

vii. Inventories

Inventories are valued 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:

Raw materials, merchandise, auxiliary materials, supplies and spare parts

At the acquisition cost, following the averaging method.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Finished and in-process products

Raw material cost, direct labor, other direct costs, manufacturing overhead, and a proportion of fixed and variable manufacturing costs based on normal operating capacity, following the averaging method. Likewise, financing costs and Net foreign exchange gain (loss) are excluded.

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.

Estimates for depreciation and obsolescence are determined based on an analysis of inventory conditions and turnover. These estimates are recorded against the results of the year in which they are identified.

viii. Investment in subsidiaries and associates

Investments in subsidiaries and associates are recorded under 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 Company's participation in the equity movements and in the profits or losses of the subsidiaries and associates, recognizing them in the corresponding equity accounts and in the comprehensive income of the year, as applicable.

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

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

ix. Property, plant and equipment

Except for land that is measured under the revaluation model, Property, Plant and 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 significant components of Property, Plant and Equipment need to be replaced, the Company retires the replaced component, and recognizes the new component, with its useful life and its respective depreciation. All other repair and maintenance costs are recognized in the separate statement of other comprehensive income as they are incurred.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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 and 75
Machinery and equipment	Between 2 and 30
Miscellaneous equipment	Between 4 and 10
Transport units	5
Furniture and fixtures	5

Work in progress relates to facilities under construction and is recorded at cost. This includes the cost of construction and other direct costs. Constructions in progress are not depreciated until the relevant assets are completed and operational. 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 separate statement of other comprehensive income when the asset is derecognized.

Any revaluation increase is recognized in the separate statement of other 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 separate income statements, in which case such increase is recognized in that statement. A revaluation decrease is recognized in the separate 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.

x. *Investment properties*

Investment properties are presented at acquisition cost, in accordance with the provisions of IAS 40 "Investment Properties", after their initial recognition they are 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 proceeds from the sale and the carrying amount of the asset is recognized in the separate statement of other comprehensive income in the period in which the asset was derecognized.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

xí. 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.

xii. Leases

At the outset of a contract, the Company assesses 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 assesses 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 has the right to obtain substantially the entire economic benefits of using the asset during the entire period of use; y
- The Company has the right to direct the use of the identified asset throughout the entire period in use. The Company has 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 has the right to direct the use of the asset if:
 1. The Company has the right to operate the asset; or
 2. The Company has designed the asset in a way that predetermines the form and purpose for which it is to be used.

In its role as lessee, the Company recognizes 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 adjusted lease liability 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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

Exceptions to recognition

The Company does 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 does not recognize the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

xiii. Impairment on non-financial assets

At each closing date of the reporting period, the Company assesses 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 estimates 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 separate statement of other comprehensive income in those expense categories that correspond to the function of the impaired asset.

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 makes 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 separate statement of other comprehensive income.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

xiv. Provisions

Provisions are recognized when the Company has 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 expects provisions to be repaid in whole or in part, for example, under an insurance contract, the repayment is recognized as a contingent asset but only when this repayment is virtually certain. The expense related to any provision is presented in the separate statement of other 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 provision over time is recognized as a financial cost in the separate statement of other comprehensive income.

The Company recognizes 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. In accordance with the Company's policies, the distribution of dividends is authorized when approved by the General Meeting of Shareholders. The corresponding authorized amount is recorded directly against the estate.

xv. 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.

xvi. Customer contract revenue

The Company is engaged in the marketing of corrugated iron, wire rod for construction, steel profiles and other products derived from steel. 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 has 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 the agreed timeframe, which ranges from 30 to 90 days.

Performance obligation

The Company has 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 estimates 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.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Sales contracts with customers contain a right of return, which gives rise to a variable consideration. The Company uses 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 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.

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 recognizes 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 separate statement of financial position with an increase or decrease in interest income. The adjustment is subsequently amortized through interest in the separate income statement.

xvii. Cost and expense recognition

The cost of sales, which corresponds to the cost of production and purchase cost of the marketed products, 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.

xviii. Worker benefits

Vacations and gratuities

Workers' annual leave, gratuities and other benefits are calculated on the basis of legal provisions in force in Peru and are recorded on the basis of accrual. The estimated obligation for annual leave, gratuities and other benefits to workers resulting from their services rendered is recognized as of the date of the statement of financial position.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Compensation for time of service

Workers' compensation for time of service (CTS) corresponds to their right to compensation equivalent to a remuneration per year worked, calculated in accordance with current legislation, which must be deposited in the bank accounts chosen by the workers, divided into two moments, in the month of May (CTS from November 1 to April 30) and November (CTS from May 1 to October 31) of each year. Such deposits are cancelling, in accordance with the provisions of the law. The Company has no additional payment obligations once it makes the annual deposits of the funds to which the employee is entitled.

Worker participation

The shares of the employees in the Company's profits are calculated in accordance with current legal regulations (Legislative Decree N° 892) on the same net taxable base used to calculate the income tax. In the case of the Company, the rate of profit sharing is 10 percent on the net taxable base of the current year. According to Peruvian law, there is a limit to the participation that a worker can receive, equivalent to 18 monthly salaries.

The Company recognises the current portion of the shares in earnings paid directly in accordance with IAS 19 "Employee Benefits", whereby it treats such shares as any benefit that the entity provides to employees in exchange for its services. Based on this, the Company recognizes the shares as a cost or expense, depending on the function performed by the workers.

xix. 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.

The current income tax that relates to items that are recognized directly in equity is also recognized in equity and not in the separate statement of other 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 separate 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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;
- 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 separate statement of financial position, or whose approval procedure is nearing completion.

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 separate statement of financial position.

xx. 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 separate 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 does not have financial instruments with dilutive effect so the basic and diluted earnings per share are the same.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

xxi. Information by segments

The Management has organized the Company on the basis of a single product, steel derivatives. The goods produced and marketed by the Company are the result of a single production process, share the same marketing channels, are substantially destined for the same geographical market and are subject to the same legislation. As of December 31, 2025, merchandise sales (20 percent of total sales) and exports (9 percent of sales) are not considered representative to designate as separate operating segments and therefore such information is not required for a proper understanding of the Company's operations and performance. 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 currently operates in a single business segment. The Board of Directors has been identified as the body in charge of the Company's operational decision-making. The Board of Directors is the body of the Company in charge of allocating its resources and evaluating its performance as a single operating unit.

xxii. Share capital buyback (treasury shares)

When the equity recognized as equity is repurchased, the amount paid, including the costs directly attributable to the transaction, is recognized as a separate equity deduction. 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.

3. Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the Company's separate financial statements 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 separate financial statements relate to:

- Estimate of expected credit loss – note 2.B.ii.
- Estimation of useful life of assets for depreciation and amortization purposes - note 2.B.ix.
- Estimate for devaluation and obsolescence of inventories – note 2.B.vii.
- Impairment on non-financial assets – note 2.B.xiii.
- Provision for contingencies – note 2.B.xv.
- Income tax – note 2.B.xix.
- Estimate of the rate used to determine the assets per right in use – note 2.B.xii.

Management believes that the estimates included in the separate financial statements were made on the basis of its best knowledge of the relevant facts and circumstances as of the date of preparation thereof, however, the final results may differ from the estimates included in the separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

4. Accounting Standards Issued but not yet Effective

The following accounting pronouncements issued are applicable to annual periods beginning after January 1, 2025, and have not been applied in advance in the preparation of these separate financial statements. The Company 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 IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	Annual periods beginning on or after January 1, 2027. Early adoption is allowed.

The Company plans to adopt the pronouncements on their respective dates of application and not in advance.

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	7	9
Current accounts (a)	89,444	38,556
Savings accounts (a)	1,195	1,464
Time deposits (b)	518,743	424,431
	609,389	464,460

- (a) Current 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 to deposits in foreign currency for thousands of US\$ 15,291 equivalent to thousands of S/ 51,347 and deposits in national currency for thousands of S/ 38,097 (thousands of US\$ 7,151 equivalent to thousands of S/ 26,874 and deposits in national currency for thousands of S/ 11,682 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/ 308 (thousands of S/ 1,464, as of December 31, 2024).
- (b) As of December 31, 2025, corresponds to deposits in foreign currency for thousands of US\$ 118,711, equivalent to thousands of S/ 398,630 and deposits in national currency for thousands of S/ 120,113 (thousands of US\$ 108,684, equivalent to thousands of S/ 408,433 and deposits in national currency for thousands of S/ 15,998 as of December 31, 2024), with current maturities of less than 90 days accrues interest at effective annual rates between 4.25 and 4.57 percent, which is recognized under the heading "Finance income" of the separate statement of other comprehensive income (note 28), for thousands of S/ 19,902 for the year ended December 31, 2025 (thousands of S/ 23,021 for the year ended December 31, 2024).

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 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)	485,760	511,628
Bills of exchange (b)	7,298	2,804
	493,058	514,432
Less		
Expected credit loss estimate (d)	(64,713)	(72,307)
	428,345	442,125

- (a) It corresponds mainly to accounts receivable originated from the sales of merchandise and finished products made to various local and foreign companies, are of current maturity and are denominated mainly in US dollars. As of December 31, 2025, these accounts are guaranteed with bank letters of guarantee for an 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 are of current maturity and generate interest at an annual rate of 8.73 percent for the year 2025 and 2024.
- (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	371,348	-	371,348
Expired:			
From 1 to 30 days	56,997	-	56,997
From 31 to 180 days	-	-	-
Older than 180 days	-	64,713	64,713
	428,345	64,713	439,058

<i>In thousands of soles</i>	2024		
	Trade receivables	Expected credit loss	Total
Not expired	424,441	-	424,441
Expired:			
From 1 to 30 days	17,061	-	17,061
From 31 to 180 days	623	-	623
Older than 180 days	-	72,307	72,307
	442,125	72,307	514,432

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

(d) The movement of the expected impairment estimate was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening Balance		72,307	63,607
Additions	24	9,825	11,906
Recoveries	27	(7,038)	(3,891)
Write-offs		(2,329)	-
Net foreign exchange gain (loss)		(8,052)	685
Ending balance		64,713	72,307

In the opinion of the Company's Management, the estimate for expected credit loss as of December 31, 2025 and 2024 has been adjusted to take into account the credit risk of accounts receivable and adequately covers the credit risk of this item as of those dates.

7. Related Party Transactions

During the years 2025 and 2024, the Company has mainly carried out the following transactions with related companies:

<i>In thousands of soles</i>	Type	2025	2024
Sale of construction bars, wire rod and others			
Tradi S.A.	Related	164,562	142,897
Corporación Aceros Arequipa S.R.L.	Subsidiary	185,244	152,688
Aceros Arequipa S.A.S.	Subsidiary	43,415	97,649
Transportes Barcino S.A.	Subsidiary	189	-
Corporación Aceros Arequipa AA SAS	Subsidiary	32,556	25,188
		425,966	418,422
Procurement of goods and services			
Aceros América Port Manatee LLC	Subsidiary	(194,150)	(156,828)
Corporación Aceros Arequipa S.R.L.	Subsidiary	(164,003)	(100,773)
Corporación Aceros Arequipa S.P.A.	Subsidiary	(56,019)	(57,973)
Comercial del Acero S.A.C. - (In Liquidation)	Subsidiary	-	(610)
Transportes Barcino S.A.	Subsidiary	(74,685)	(71,171)
Comfer S.A. - In Liquidation	Subsidiary	(675)	(1,076)
Tecnología y Soluciones Constructivos S.A.C.	Subsidiary	(11,955)	(11,277)
Tradi S.A. (c)	Related	(336)	(242)
		(501,823)	(399,950)

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

As a result of these and other transactions, the following is the balance of accounts receivable and payable to related parties as of December 31, 2025 and 2024:

<i>In thousands of soles</i>	Type	2025	2024
Accounts receivable -			
Commercial			
Aceros Arequipa S.A.S.	Subsidiary	32,833	52,530
Corporación Aceros Arequipa S.R.L.	Subsidiary	132	30,642
Corporación Aceros Arequipa AA SAS	Subsidiary	51,366	41,664
Tradi S.A. (a)	Related	25,460	28,532
		109,791	153,368
Non-commercial			
Corporación Aceros Arequipa S.P.A. (b)	Subsidiary	5,337	1,258
Aceros Arequipa S.A.S	Subsidiary	-	5
Aceros América Corporation (c) and (b)	Subsidiary	50,877	15,927
Aceros América Port Manatee (b)	Subsidiary	320	24
Tecnología y Soluciones Constructivos S.A. (b) and (d)	Subsidiary	1,265	1,877
Corporación Aceros Arequipa de Iquitos S.A.C.	Subsidiary	51	450
Corporación Aceros Arequipa AA S.A.S (e)	Subsidiary	11,554	12,890
Transporte Barcino S.A. (b)	Subsidiary	331	93
Comercial del Acero S.A.C - (In Liquidation)	Subsidiary	3,182	812
		72,917	33,336
		182,708	186,704
By expiration			
Current portion		137,183	174,363
Non-current portion (e)		45,525	12,341
		182,708	186,704
Accounts payable			
Commercial			
Transportes Barcino S.A.	Subsidiary	8,690	8,469
Comercial del Acero S.A.C. - In Liquidation	Subsidiary	78	258
Tecnología y Soluciones Constructivos S.A.C.	Subsidiary	785	743
Comfer S.A. - In Liquidation	Subsidiary	67	311
Aceros América Port Manatee (c)	Subsidiary	37	-
Corporación Aceros Arequipa S.R.L.	Subsidiary	6,226	870
Corporación Aceros Arequipa S.P.A.	Subsidiary	284	13
Tradi S.A. (a)	Related	25	21
Corporación Aceros Arequipa AA S.A.S	Subsidiary	16	185
		16,208	10,870
Non-commercial			
Remuneration to the Board of Directors and Management		31,171	22,656
Dividends payable		2,662	2,455
		33,833	25,111
		50,041	35,981

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 Company's Management, 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (a) Tradi S.A. meets the requirements of the accounting standards to be considered related due to the relationship that the Company maintains with its shareholders. However, the Company has no direct interest in the assets of this company, nor any interference in the management of its operations. Consequently, in the opinion of Management, the Company and this company are not part of an economic group.
- (b) As of December 31, 2025, it corresponds mainly to charges for intercompany administrative services that the company performs to its subsidiaries.
- (c) It corresponds mainly to a loan granted in July 2022 to finance working capital for thousands of US\$ 5,600 which accrues interest at a rate of 6.50%. The Company's Management estimates that it will be repaid in the medium term, and no specific guarantees have been provided for this loan. In March 2024, the partial capitalization of the loan was carried out for the amount of thousands of US\$ 2,200 according to the Board of Directors' agreement. The balance is financed in the medium term and during 2025 loans were made that served to finance working capital for the total amount of thousands of US\$ 3,543, which accrues interest at a rate of 5.86% and matures in June 2030. In December 2025, a new loan for thousands of US\$ 9,738 was made to finance the purchase of assets in the new Tampa yard, this loan generates interest at a rate of 6.00% and matures in December 2032.
- (d) It corresponds mainly to loans granted to finance working capital for thousands of S/ 1,651, which accrue interest at an average interest rate of 8.70%. Likewise, no specific guarantees have been constituted for these loans.
- (e) It corresponds mainly to loans granted to finance working capital for thousands of US\$ 3,430 equivalent to thousands of S/ 11,554, which accrue interest at an average interest rate that fluctuates between 7.45% and 8.11%. These loans do not have set maturities; however, the Company's Management estimates that they will be repaid in the medium term and no specific guarantees have been constituted for these loans.
- (f) The Company's Management considers that it carries out its operations with related companies under the same conditions as those carried out with third parties, therefore, there are no differences in the 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.
- (g) Below is the breakdown of the compensation of the Company's key personnel for the years ended December 31, 2025 and December 31, 2024:

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

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

8. Other Accounts Receivable, Net

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
General sales tax credit (a)		-	41,472
Contract asset (f)		41,099	25,836
Payments on account Municipality of Paracas (b)		10,978	10,978
Escrow Account (c)	19.B	-	9,202
Claims related to income tax (d)		7,896	7,896
Third-party claims		7,856	5,492
Interest receivable		2,533	2,206
Loans to employees and workers		3,324	3,159
Other minors		6,135	6,141
		79,821	112,382
Less			
Impairment estimate of other accounts receivable (e)		(25,383)	(23,709)
		54,438	88,673
Due to expiration			
Current portion		54,410	78,164
Non-current portion		28	10,509
		54,438	88,673

- (a) Corresponds to the credit for the general sales tax paid by the Company on the acquisition of goods and services; likewise, said tax credit originates mainly from the disbursements made in the investment that is being executed in the plant located in Pisco and to the acquisition of goods and services for the operation of the business. As of December 2025, there is a general sales tax liability recognized in note 19.A.
- (b) As of December 31, 2025 and 2024, it mainly includes payments made to the Municipality of Paracas for the property tax of 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 and 2024, there is a risk of uncollectibility of such disbursements, so an impairment provision has been made for the entire balance.
- (c) Corresponds to the guarantee accounts that the Company maintains for the acquisition of two of its subsidiaries carried out in 2018 and 2021. During 2025, the return that was kept in the *escrow account was made*.
- (d) As of December 31, 2025 and 2024, they correspond to claims 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 has constituted an impairment provision in the amount of thousands of S/ 7,896.
- (e) The movement of the expected impairment estimate was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening Balance		23,709	20,749
Additions	27	396	-
Reclassifications		1,278	2,960
Ending balance		25,383	23,709

In Management's opinion, as of December 31, 2025 and 2024, the expected credit loss

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

estimate for other accounts receivable adequately covers the credit risk of these items as of the date of the separate statement of financial position and it is not necessary to constitute an additional provision for impairment under this item.

- (f) It corresponds mainly to rights to receive consideration in exchange for the delivery of goods that the Company is going to make to the customer over a certain period.

9. Inventories, Net

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Merchandise	215,975	189,003
Finished products	182,473	201,793
Products in process	109,157	141,607
Raw material	138,567	196,930
Ancillary materials, supplies & spare parts	156,655	148,614
Inventories receivable (a)	307,077	339,139
	1,109,904	1,217,086
Less		
Estimation for depreciation and obsolescence (b)	(17,233)	(23,887)
	1,092,671	1,193,199

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, it corresponds to raw materials, merchandise and miscellaneous supplies imported by the Company, which are estimated to be received during the first quarter of 2026.
- (b) The movement of the estimate for devaluation and obsolescence 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		23,887	15,101
Additions	23	14,726	19,062
Write-offs		(21,380)	(10,276)
Ending balance		17,233	23,887

As of December 31, 2025, the Company'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, a provision for obsolescence was recorded for thousands of S/ 14,726 (thousands of S/ 19,062 as of December 31, 2024).

In the opinion of the Company's Management, the estimate for inventory impairments as of December 31, 2025 and 2024 adequately covers the risk of impairment of its inventories as of those dates, so it is not necessary to record any additional provisions.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

10. Prepaid Expenses

The composition of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Prepaid leave and other (a)	3,545	4,865
Subsidies to be collected from Essalud	2,469	2,464
Prepaid Insurance (b)	1,056	707
Other minors	17	30
	7,087	8,066

- (a) As of December 31, 2025, it corresponds to license renewals of the various software used by the Company in the development of its operations, which will accrue in the following year.
- (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 are valid during 2026 and 2025, respectively.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

11. Investments in Subsidiaries and Associates

The composition of the item is presented below:

In thousands of soles	Activity	Country	Percentage of equity share (%)		Original investment cost paid		Total equity			
			2025	2024	2025	2024	2025	2024	2025	2024
Company										
Investments in subsidiaries										
Transportes Barcino S.A. (a)	Transportation and land freight services	Peru	99.99	99.99	16,961	16,961	50,164	48,208	67,508	67,707
Comfer S.A. – In liquidation (b)	Marketing of steel products	Peru	100.00	100.00	66,929	66,929	32,849	33,256	21,197	22,732
Aceros America Corporation (c)	Entity that is dedicated to providing financing to subsidiaries located in the United States.	USA	100.00	100.00	-	-	31,657	19,961	31,658	19,962
Corporación Aceros Arequipa S.R.L.	Purchase and sale of scrap metal, as well as the marketing of steel products.	Bolivia	99.97	99.97	580	580	69,943	22,800	70,868	23,723
Tecnología y Soluciones Constructivos S.A.C. (d)	Provision of value-added services for construction through detailed engineering and virtual design, and construction supervision of ancillary consulting works, among others.	Peru	99.99	99.99	4,274	4,274	3,254	3,070	3,254	3,070
Acero Instalado S.A.C.	Provision of works supervision services.	Peru	99.90	99.90	1	1	1	1	1	1
Comercial del Acero S.A.C-In liquidation(e)	Marketing of steel products	Peru	99.99	99.99	103,204	103,204	10,774	13,983	-	(3,034)
Aceros Arequipa S.A.S.	Marketing of steel products	Colombia	100.00	100.00	34	34	4,671	5,025	7,439	7,793
Corporación Aceros Arequipa S.P.A.	Buying and selling scrap metal	Chile	100.00	100.00	5	5	(26,221)	(25,746)	-	-
Corporación Aceros Arequipa AA S.A.S.	Marketing of steel products	Ecuador	100.00	100.00	3	3	(11,457)	(12,085)	-	-
Corporación Aceros Arequipa de Iquitos S.A.C.	Marketing of steel products	Peru	99.90	99.90	3	3	(323)	(440)	-	-
									201,925	141,960
Investments in associates										
Compañía Eléctrica El Platanal S.A. (f)	Electric Power Generation	Peru	10.00	10.00	63,125	63,125	914,766	852,911	91,482	85,291
Inmobiliaria Comercial de Acero Cajamarquilla S.A.C. (g)	Rental of property to related third parties	Peru	33.65	33.65	1,073	1,073	22,853	23,870	7,689	8,031
Inmobiliaria Comercial de Acero Argentina S.A.C. (g)	Rental of property to related third parties	Peru	33.65	33.65	3,746	3,746	43	45	16	16
									99,187	93,338
									301,112	235,298

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (a) Transportes Barcino S.A. is a subsidiary that provides transportation services mainly to the Company. It also provides a lease service for its warehouse called "El Cural" to a third party. The equity value of this subsidiary includes a surplus of revaluation of its land for thousands of S/ 17,372. At the board meeting held on July 22, 2022, the acquisition of up to 25,421 common shares issued by Transportes Barcino S.A. equivalent to 0.08% of its capital was approved. The objective was to obtain from Corporación Aceros Arequipa S.A. the ownership of 100% of the common shares issued by Transportes Barcino S.A., considering that on that date Corporación Aceros Arequipa S.A. already owned 99.92% of said shares. It is worth noting that in order to define the purchase price of the Shares, an independent third party was hired to carry out the valuation of the equity of Transportes Barcino S.A., determining the purchase price at S/ 1.72 for each share, so the disbursement for the transaction was below S/ 45 thousand soles. reaching 99.99% of capital.
- (b) On February 25, 2021, the Company acquired 96 percent of the shares representing the capital stock of Comfer S.A. for a total of US\$ 16,800,000. Likewise, in September 2021, the Company acquired an additional 4 percent, thus obtaining 100 percent of the capital stock of said subsidiary. Likewise, on August 2, 2021, the General Meeting of Shareholders of Comfer S.A. approved its liquidation, note 1(E).
- (c) In July 2021, the Company incorporated Aceros América Corporation, a holding company located in Delaware, United States. On July 12, 2021, through the financing granted by the Company, two scrap yards located in Florida belonging to the entities Port Manatee Scrap Metal and San Pete Scrap Metal LLC were acquired for a total amount of thousands of US\$ 28,000, in which scrap metal purchase and sale businesses were developed. 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 a business unit of 2 scrap yards located in Florida, United States and owned by Infrabuild for thousands of US\$ 9,039. In March 2024, the partial capitalization of the loan granted for the amount of thousands of US\$ 2,200,000, equivalent to S/ 8,131,200, was carried out. According to the agreement of the Board of Directors; in December 2025, the partial capitalization of the loan granted for the amount of thousands of US\$ 1,800, equivalent to thousands of S/ 6,064, was carried out, according to the Board of Directors' agreement.
- (d) Tecnología y Soluciones Constructivos S.A.C. is a subsidiary established in November 2018, with the purpose of providing value-added services for construction through detailed engineering and virtual design services, and construction through the BIM (Building Information Modelling) system.
- (e) On January 4, 2021, at the General Meeting of Shareholders of Comercial del Acero S.A., the liquidation of this Company was approved, note 1.D.
- (f) 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 Marañón hydroelectric plant with 19.92 MW and a thermal power plant in Chilca with 319MW power. In 2025, Celepsa's hydroelectric plants (El Platanal and Marañón) accounted for 2.3% of the national production of the National Interconnected Electric System (SEIN) and 4.3% of participation at the level of hydroelectric generation. The Celepsa thermal power plant represented 2.0% of the national production of the National Interconnected Electric System (SEIN) and 5.5% of participation at the thermoelectric generation level.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

Celepsa has five subsidiaries: (i) Celepsa Renovables S.R.L. (ex Hidro Maraón S.R.L.), (ii) Ambiental Andina S.A., (iii) Ecorer S.A.C., iv) Termochilca, and v) Compañía Eléctrica San Bernardino S.A.C.

- (g) 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 was to develop a real estate housing complex with commercial development and sale areas. As of December 31, 2022, one of the properties was sold and the other was leased to Corporación Aceros Arequipa until September 2024.
- (h) Below is the movement of the item for the years ended December 31, 2025 and 2024:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening balance		235,298	227,909
Shares in the results of subsidiaries and associates		65,223	(10,368)
Dividends received from subsidiaries and associates		(7,504)	(6,045)
Capital contribution in subsidiary Aceros America Corp.		6,064	8,131
Effect of investments in subsidiaries with losses on equity	19.A	7,000	15,595
Participation in other associated equity adjustments		389	(769)
Other minors		(5,358)	845
Ending balance		301,112	235,298

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

(i) The most relevant information of the subsidiaries and associates as of December 31, 2025 and 2024, is the following:

<i>In thousands of soles</i>	Comercial del Acero S.A.C In liquidation (*)		Trasportes Barcino S.A.		Corporación Aceros Arequipa S.R.L. (*)		Corporación Aceros Arequipa de Iquitos S.A.C. (*)		Tecnología y Soluciones Constructivos S.A.C.	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	3,032	4,278	25,533	20,226	121,677	92,210	66	418	2,424	2,922
Non-current assets	13,789	13,527	89,725	67,544	112,667	126,094	-	-	3,644	3,749
Current liabilities	6,047	3,823	17,153	27,158	113,953	131,243	377	879	2,125	2,406
Non-current liabilities	-	-	47,941	12,416	50,447	64,262	-	-	690	1,195
Equity	10,774	13,982	50,164	48,196	69,944	22,799	(311)	(461)	3,253	3,070
Income	-	-	65,721	58,124	633,602	493,208	-	-	12,227	12,569
Net income	(3,209)	(6,323)	1,945	3,002	51,788	5,103	112	(21)	184	(29)

(*) Unaudited

<i>In thousands of soles</i>	Comfer S.A. In clearance (*)		Aceros Arequipa S.A.S		Compañía Eléctrica El Platanal S.A. (*)		Inmobiliaria Comercial del Acero Argentina S.A.C. (*)		Inmobiliaria Comercial del Acero Cajamarquilla S.A.C. (*)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	5,892	7,532	64,885	56,689	249,779	203,200	43	94	1,682	2,444
Non-current assets	34,560	34,904	45,020	40,963	1,554,690	1,568,359	-	-	24,622	25,044
Current liabilities	1,522	2,940	105,212	92,571	143,934	100,187	-	45	12	224
Non-current liabilities	6,081	6,240	21	59	745,770	810,983	-	-	3,438	3,438
Equity	32,849	33,256	4,672	5,022	914,765	860,389	43	49	22,854	23,826
Income	-	-	85,828	146,799	576,526	472,924	-	-	-	1,491
Net Income	(407)	424	(578)	(8,672)	130,729	59,338	(4)	3	(973)	546

(*) Unaudited

<i>In thousands of soles</i>	Corporación Aceros Arequipa AA S.A.S		Corporación Aceros Arequipa S.P.A.		Aceros America Corporation (*)		Aceros America Port manatee		America St Pete steels		America Tampa steels (*)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	53,645	43,176	29,527	33,491	6,269	2,215	30,376	17,894	2,928	7,488	6,777	-
Non-current assets	3,076	5,973	16,833	9,832	59,033	19,309	87,788	83,273	8,358	8,741	28,526	-
Current liabilities	56,559	47,319	67,525	69,069	6,373	2,181	61,334	40,586	4,148	9,692	3,396	-
Non-current liabilities	11,618	13,915	5,049	-	44,874	11,181	49,677	60,208	3,904	5,621	31,919	-
Equity	(11,456)	(12,085)	(26,214)	(25,746)	14,055	8,162	7,153	373	3,234	916	(12)	-
Income	56,245	63,524	55,742	57,973	-	-	278,272	195,272	22,913	21,180	386	-
Net income	(729)	(6,152)	(1,182)	(11,316)	(165)	(9)	1,307	1,024	2,571	911	(12)	-

(*) Unaudited

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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		427,821	1,285,180	2,012,951	49,873	3,838	8,781	473,266	4,261,710
Additions (b)		17	71,099	113,368	6,642	-	397	151,007	342,530
Sales and recalls	27 and 23	-	-	(8,642)	(9)	-	(30)	(3,719)	(12,400)
Revaluations		(13,831)	-	-	-	-	-	-	(13,831)
Transfers		555	65,844	107,231	1,357	-	57	(175,044)	-
Balances as of December 31, 2024		414,562	1,422,123	2,224,908	57,863	3,838	9,205	445,510	4,578,009
Additions (a)		-	12,906	111,081	6,569	291	97	39,291	170,235
Sales and withdrawals (j)	27	(8,203)	(697)	(27,900)	(605)	(1,079)	(118)	(2,216)	(40,818)
Transfers		-	130,435	287,252	3,996	-	105	(422,486)	(698)
Balances as of December 31, 2025		406,359	1,564,767	2,595,341	67,823	3,050	9,289	60,099	4,706,728
Accumulated depreciation									
Balances as of January 1, 2024		-	240,299	1,039,421	31,523	3,259	7,394	-	1,321,896
Additions (e)		-	53,159	110,651	3,535	163	309	-	167,817
Sales and recalls	27 and 23	-	-	(5,379)	(9)	-	(30)	-	(5,418)
Balances as of December 31, 2024		-	293,458	1,144,693	35,049	3,422	7,673	-	1,484,295
Additions (e)		-	60,953	137,948	4,506	164	388	-	203,959
Sales and withdrawals (j)	27	-	(291)	(24,715)	(603)	(1,039)	(117)	-	(26,765)
Balances as of December 31, 2025		-	354,120	1,257,926	38,952	2,547	7,944	-	1,661,489
Accumulated impairment losses									
Balances as of January 1, 2024		-	-	8,086	-	-	-	-	8,086
Provision for the year	27 and 23	-	-	2,456	-	-	-	-	2,456
Provision withdrawals		-	-	(2,409)	-	-	-	-	(2,409)
Balances as of December 31, 2024		-	-	8,133	-	-	-	-	8,133
Provision for the year	27	-	-	7,786	-	-	-	-	7,786
Provision withdrawals	27	-	-	(2,926)	-	-	-	-	(2,926)
Balances as of December 31, 2025		-	-	12,993	-	-	-	-	12,993
Equity as of December 31, 2024		414,562	1,128,665	1,072,082	22,814	416	1,532	445,510	3,085,581
Equity as of December 31, 2025		406,359	1,210,647	1,324,422	28,871	503	1,345	60,099	3,032,246

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (a) The additions for the 2025 period correspond mainly to projects for the new 3 rolling mill for thousands of S/ 40,054, the new 160 T spoons for thousands of S/ 11,480, new scrap metal cleaning machine for thousands of S/ 9,064, *Stretching* for Corrugated Bars for thousands of S/ 5,373, new central dining room in Pisco for thousands of S/ 3,131, Baco 4.7 Drawing Machine and mining meshes for thousands of S/ 2,225, renovation of ACEDIM equipment for thousands of S/ 4,890, Reheating Furnace N° 2 for thousands of S/ 8,860, internal roads Pisco Plant 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, among other projects that are being carried out at the Pisco plant.
- (b) The additions for the 2024 period correspond mainly to projects for the construction and implementation of rolling mill N° 3 for thousands of S/ 127,068, Lurín distribution center for thousands of S/ 11,171, Wire and nail plant for thousands of S/ 57,232, repowering of rotary furnaces for thousands of S/ 31,633, New machinery for scrap cleaning for thousands of S/ 14,911 among other projects that are being carried out at the plant of Pisco.

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

- (c) The Property, Plant and Equipment category 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:

	December 31, 2025			December 31, 2024		
	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
<i>In thousands of soles</i>						
Buildings	647,840	(136,985)	510,855	647,841	(113,065)	534,775
Machinery and equipment	497,463	(207,765)	289,698	507,174	(191,006)	316,168
Transport units	-	-	-	997	(997)	-
Other assets	2,799	(747)	2,052	3,684	(184)	3,500
	1,148,102	(345,498)	802,604	1,159,696	(305,252)	854,443

- (d) As of December 31, 2025 and 2024, the Company has registered in the "Land" category a higher assigned value of thousands of S/ 267,325 and thousands of S/ 265,051 respectively. This higher assigned value is presented net of its deferred income tax under the heading "Revaluation surplus" in the separate statement of changes in equity.

As of December 31, 2025 and 2024, the historical cost of the land measured at revalued values amounts to thousands of S/ 139,034 and thousands of S/ 149,511, respectively.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

- (e) The depreciation expense for the year has been recognized in the following items of the separate statement of other comprehensive income:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of sales	23	186,311	152,965
Selling expenses	24	15,041	12,705
Administration expenses	25	2,163	1,703
Other Expenses	27	444	444
		203,959	167,817

- (f) 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 loans granted by Banco de Crédito del Perú S.A. As of December 31, 2025 and 2024, the Company holds in said equity movable and immovable property for an approximate value of S/ 1,687,255,000 and S/ 1,308,363,000 respectively, note 17(e).
- (g) The Company maintains current insurance on its main assets in accordance with the policies established by Management.
- (h) As of December 31, 2025 and 2024, based on the projections made by Management on the results expected for the coming years, there are no indicators that the recoverable value of its Property, Plant and Equipment is less than its book value. Therefore, it is not necessary to make any additional provision for impairment of these assets as of the date of the separate statement of financial position.
- (i) The expense for the decommissioning of machinery and equipment has been recorded in the following items of the statement separated from other comprehensive income:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of sales	23	-	1,417
Other expenses	27	12,967	5,612
Derecognition of assets for scrapping (*)		5,946	-
		18,913	7,029

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

- (j) The losses in the 2025 period correspond mainly to the sale of land for thousands of S/ 8,202 and various equipment from the Pisco production headquarters for thousands of S/ 2,960 (net of depreciation).

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

13. Right of Use Asset, Net

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	Buildings	Machinery & team	Units of transportation	Other equipment	Total
Cost					
Balances as of January 1, 2024	32,101	35,868	2,108	4,885	74,962
Additions	(640)	-	104	1,847	1,311
Sales and withdrawals (c)	(2,673)	-	-	(156)	(2,829)
Balances as of December 31, 2024	28,788	35,868	2,212	6,576	73,444
Additions	715	453	497	-	1,665
Sales and withdrawals (c)	-	-	-	(851)	(851)
Balances as of December 31, 2025	29,503	36,321	2,709	5,725	74,258
Accumulated amortization					
Balances as of January 1, 2024	23,632	8,967	652	4,885	38,136
Additions (b)	4,603	8,967	600	917	15,087
Sales and withdrawals (c)	(2,376)	-	-	(78)	(2,454)
Balances as of December 31, 2024	25,859	17,934	1,252	5,724	50,769
Additions (b)	2,554	9,098	907	180	12,739
Sales and withdrawals (c)	-	-	-	(180)	(180)
Balances as of December 31, 2025	28,413	27,032	2,159	5,724	63,328
Net book value					
As of December 31, 2024	2,929	17,934	960	852	22,675
As of December 31, 2025	1,090	9,289	550	1	10,930

- (a) It corresponds mainly to the contracts that the Company maintains 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 2.2(m).

The value of the duty in use was determined based on the future flows of the payment schedules using a discount rate between 5.12 and 5.86 percent.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (b) Depreciation expense as of December 31, 2025 and 2024 has been recognized under the following items in the separate statement of other comprehensive income:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of sales	23	8,619	7,660
Selling expenses	24	2,062	4,521
Administration expenses	25	2,058	2,906
		12,739	15,087

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

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Opening balance		25,535	41,333
Lease liability additions		1,665	1,311
Financial interest expenses	28	(1,001)	(1,679)
Withdrawals		(851)	(375)
Lease liability payments		(14,077)	(15,055)
		11,271	25,535
Classification			
Current		10,909	13,633
Not ordinary		362	11,902
		11,271	25,535

- (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	Total
As of December 31, 2025				
Lease liabilities	3,083	7,826	362	11,271
As of December 31, 2024				
Lease liabilities	4,441	9,192	11,902	25,535

- (e) Commitments

The Company has not entered into any other type of lease-related commitments.

The Company also has certain equipment and machinery leases with lease terms of 12 months or less and low-value office equipment leases. The Company applies the "short-term lease" and "low-value asset lease" recognition exemptions for these leases.

14. Investment Properties

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	2025	2024
Opening balance	18,155	17,830
Fair value	(1,753)	325
Ending balance	16,402	18,155

As of December 31, 2025 and 2024, it corresponds to a property located in the city of Arequipa and is intended for the generation of capital gains. This property is free of encumbrances.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

The Company maintains insurance on its investment property in accordance with 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 Company's assets as of those dates.

- (a) As of December 31, 2025, the fair value of the property is for thousands of S/ 16,402 equivalent to thousands of US\$ 4,884 (thousands of S/ 18,155 equivalent to thousands of US\$ 4,802 as of December 31, 2024), which has been determined using appraisals carried out by an independent expert appraiser, 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%	(820)	(908)
Soles	10%	(1,640)	(1,816)
Increase			
Soles	5%	820	908
Soles	10%	1,640	1,816

- (b) 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.

15. Intangibles Assets, Net

The composition and movement of the item is presented below:

<i>In thousands of soles</i>	System SAP (a)	Other (a)	Total
Cost			
Balance as of January 1, 2024	81,305	24,051	105,356
Additions (a)	275	445	720
Transfers	367	-	367
Balance as of December 31, 2024	81,947	24,496	106,443
Additions (a)	-	28	28
Withdrawals (c)	(79,265)	(18,745)	(98,010)
Transfers	698	-	698
Balance as of December 31, 2025	3,381	5,779	9,160
Accumulated amortization			
Balance as of January 1, 2024	78,103	21,745	99,848
Additions (b)	1,195	-	1,195
Balance as of December 31, 2024	79,298	21,745	101,043
Additions (b)	1,260	-	1,260
Withdrawals (c)	(77,583)	(17,851)	(95,434)
Balance as of December 31, 2025	2,976	3,894	6,870
Equity as of December 31, 2024	2,649	2,751	5,400
Equity as of December 31, 2025	405	1,885	2,290

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (a) As of December 31, 2025 and 2024, the additions correspond mainly to the implementation, development and commissioning of the integrated computer system "SAP R4 Hanna", as well as disbursements made to make improvements to its computer systems necessary for the development of its operations.
- (b) The amortization expense for the year has been recognized in the following items of the separate statement of other comprehensive income:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of sales	23	678	650
Selling expenses	24	275	336
Administration expenses	25	307	209
		1,260	1,195

- (c) 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 respectively.

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		17	46
Ending balance		38,037	38,020
Accumulated amortization			
Opening balance		3,781	3,398
Additions (a)	27	382	383
Ending balance		4,163	3,781
Net book value		33,874	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 an approximate value of thousands of S/ 38,037 and thousands of S/ 38,020 respectively net of an accumulated amortization of thousands of S/ 4,163 and thousands of S/ 3,781 respectively. 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 separate statement of 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.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

17. Financial Obligations

The composition of the item is presented below:

<i>In thousands of soles</i>	Current		Non-current		Total	
	2025	2024	2025	2024	2025	2024
Financial leases (a)	151,512	130,555	264,810	451,296	416,322	581,851
Operating leases (b)	10,909	13,633	362	11,902	11,271	25,535
Promissory notes (c)	684,324	1,011,834	-	-	684,324	1,011,834
Loans (d)	55,155	28,314	605,902	478,747	661,057	507,061
	901,900	1,184,336	871,074	941,945	1,772,974	2,126,281

(a) As of December 31, 2025 and 2024, the financial leases are composed as follows:

<i>In thousands of soles</i>	Warranty	Interest rate yearly (%)	Expiration	Currency of origin	Original amount	2025	2024
Type of obligation							
Financial leases							
Banco de Crédito del Perú S.A.	Fixed assets acquired	5.23	2025 – 2028	US\$	135,208	290,528	404,070
Banco de Crédito del Perú S.A.	Fixed assets acquired	6.50	2025 - 2028	S/	290,714	123,604	174,050
Banco Internacional del Perú S.A.A. (ii)	Fixed assets acquired	7.10	2024-2027	US\$	990	2,190	3,731
						416,322	581,851

Financial lease obligations are secured by the assignment of title to the acquired property that revert to the lessor in the event of default, and include primarily acquired fixed assets, note 12(c).

- i. On September 14, 2018, two financial lease agreements were entered into for the construction of a new steel 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 effective annually. 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 (note 12).

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- ii. In December 2024, the Company acquired computer equipment for USD990,000 through a financial lease with Banco Internacional del Perú S.A.A. – Interbank with an annual effective rate of 7.10 percent due in 2027.

- (b) As of December 31, 2025 and 2024, the operating leases are composed as follows:

<i>In thousands of soles</i>	Warranty	Interest rate yearly (%)	Expiration	Currency of origin	2025	2024
Type of obligation						
Operating leases						
Leases for right-in-use assets	No specific warranties	5.75	2026	S/	11,271	25,535

Corresponds to the lease contracts for assets by right of use that the Company maintains for the lease of real estate and various equipment. This obligation has been calculated based on the duration of the contracts maintained by the Company, which fluctuate from 51 to 57 months, and a discount rate of 5.75 percent, note 13 (a).

- (c) As of December 31, 2025 and 2024, the promissory notes have a current maturity 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. Promissory notes are used to finance working capital, have no specific collateral and are expected to be paid off by Company Management at maturity and are composed as follows:

<i>In thousands of soles</i>	Expiration	Interest rate yearly (%)	Currency of origin	Original amount	2025	2024
Financial institution						
Banco de Crédito del Perú S.A.	June 2026	Between 4.30 and 4.89	S/	40,000	40,000	464,500
BBVA Banco Continental S.A.	December 2026	Between 3.87 and 4.78	US\$	10,000	33,680	243,165
Banco de Crédito del Perú S.A.	June 2026	3.88	US\$	125,500	422,684	-
Banco BCI Peru S.A.	November 2025	4.85	S/	24,000	-	24,000
Banco BCI Peru S.A.	September 2025	4.53	US\$	22,000	-	82,940
Bank of China Peru S.A.	December 2025	4.85	S/	24,000	-	24,000
Pichincha Bank	June 2026	Between 4.40 and 4.90	S/	118,000	118,000	90,000
ICBC Peru Bank	March 2026	4.38	S/	69,960	69,960	-
ICBC Peru Bank	June 2025	4.78	US\$	7,077	-	26,679
Banco Internacional del Perú S.A.	December 2025	4.58	US\$	15,000	-	56,550
					684,324	1,011,834

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

(d) As of December 31, 2025 and 2024, the loans are made up as follows:

<i>In thousands of soles</i>	Warranty	Interest rate yearly (%)	Expiration	Currency of origin	Original amount	2025	2024
Type of obligation							
Banco de Crédito del Perú S.A. (iii)	With specific guarantees	6.72	2031	S/	339,902	316,721	232,663
Banco Internacional del Perú S.A. (ii)	With specific guarantees	5.70	2031	US\$	54,000	180,410	202,367
Banco Internacional del Perú S.A.	With specific guarantees	6.75	2029	S/	68,501	35,508	44,990
Banco Santander Perú S.A.	With specific guarantees	6.75	2029	S/	41,100	21,339	27,041
Scotiabank Bank (iv)	With specific guarantees	6.60	2026	S/	107,054	107,074	-
Bank overdraft						5	-
						661,057	507,061

- i. 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 at a rate of 6.75 percent per year.
- ii. On December 14, 2022, a Medium-Term Loan Agreement was signed with Banco Internacional del Perú S.A.A. – Interbank for 9 years in U.S. dollars, with a grace and availability period of 3 years, for a value of up to thousands of US\$ 75,000 at a rate of 7.15 percent per annum. In December 2022, a first disbursement was received for thousands of US\$ 17,000. Subsequently, in June 2023, a second disbursement was received for thousands of US\$ 10,400. In December 2023, a third disbursement was received for thousands of US\$ 21,600 and in April 2024 a fourth disbursement was received for thousands of US\$ 5,000. In October, through an addendum, the interest rate was modified to 5.70%
- iii. On December 14, 2022, a Medium-Term Loan Agreement was signed with Banco de Crédito del Perú S.A. for 9 years 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 of S/ 95,912,500 was received. 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/ 339,902,000.

On July 30, 2025, the Company entered into a loan agreement with Banco Scotiabank for a loan of up to S/ 107 million. The payment conditions of this loan are through 28 quarterly installments at a rate of 6.60 percent per year.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (e) As collateral for the loans detailed in paragraph (d) above, the Company entered into a trust agreement in which the Company acts 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 for such property, note 12(f).
- (f) In accordance with the provisions of the previous paragraph, an irrevocable Trust Equity was 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 N° 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.
- (g) 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	-	1,184,336
2026	901,900	941,945
2027 onwards	871,074	-
	1,772,974	2,126,281

- (h) The minimum future payments for finance leases and lease liabilities described in subsections (a) and (b) of this note, net of future finance charges are as follows:

	December 31, 2025		December 31, 2024	
	Minimum payments	Present value of lease payments	Minimum payments	Present value of lease payments
In one year	181,358	162,420	173,785	144,188
Older than one year	277,461	265,173	496,782	463,197
Total payments to be made	458,819	427,593	670,567	607,385
Less interest to pay	(31,226)	-	(63,182)	-
	427,593	427,593	607,385	607,385

- (i) The interest generated as of December 31, 2025 and 2024 by the financial obligations amounts to approximately thousands of S/ 76,095 and thousands of S/ 80,847, respectively, which are presented under the heading "Finance expenses" of the separate statement of other comprehensive income (note 28).

As of December 31, 2025 and 2024, accrued interest pending payment of financial obligations amounts to thousands of S/ 8,132 and thousands of S/ 13,025, respectively, note 19.A.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

(j) As of December 31, 2025 and 2024, the movement of financial obligations was as follows:

<i>In thousands of soles</i>	2025	2024
Opening balance as of January 1	2,126,281	2,162,951
Acquisition of machinery and equipment through contracts of financial leasing	-	3,731
Acquisition of machinery and equipment through contracts Operating Lease	1,665	1,311
Promissory notes obtained	3,527,272	4,796,378
Amortization of financial obligations	(3,848,997)	(4,801,828)
Net foreign exchange gain (loss)	(33,247)	(36,262)
Ending balance as of December 31	1,772,974	2,126,281

(k) As part of the loans and financial leases held with Banco de Crédito del Perú, Banco Internacional del Perú – Interbank, Banco Santander and Scotiabank, the Company has undertaken to meet certain financial ratios as of December 31, 2025 and 2024 in accordance with the following:

- 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.

The Company complies with the required financial ratios as of December 31, 2025 and December 31, 2024. The financing by financial lease referred to in point (b) 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)	367,416	348,062
Invoices payable from abroad (b)	87,149	73,750
Customer advances (c)	58,085	45,228
	512,650	467,040

- (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 mainly current maturities, and no guarantees have been granted.
- (b) Invoices payable abroad are financed directly with financial institutions through letters of credit and/or import promissory notes.
- (c) Corresponds to the advances granted by customers which will be applied against the shipments made in the following period.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

19. Other Accounts Payable

A. Other short-term liabilities

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Interest payable	17(i)	8,132	13,025
Worker participation		32,012	26,374
Equity in subsidiaries	11(h) and (a)	45,270	38,270
Miscellaneous provisions (b)		32,879	10,852
Holidays to be paid		19,706	19,212
Taxes and withholdings		7,417	4,496
Private pension fund		1,455	1,504
Compensation for time of service		1,621	1,602
General sales tax		11,250	-
Other minors		12,510	7,975
		172,252	123,310

- (a) It corresponds to the equity interest held by investments in subsidiaries that present losses and is made up of the following subsidiaries:

<i>In thousands of soles</i>	2025	2024
Corporación Aceros Arequipa S.P.A.	26,221	25,750
Corporación Aceros Arequipa AA S.A.S	11,457	12,085
Comercial del Acero S.A.C - (In Liquidation)	7,269	-
Corporación Aceros Arequipa de Iquitos S.A.C	323	435
	45,270	38,270

- (b) The composition and movement of miscellaneous provisions for the years 2025 and 2024 is as follows:

<i>In thousands of soles</i>	<i>Note</i>					Tax contingencies and guarantees	Balances finals
		Balances initials	Addition	Application			
As of December 31, 2024							
Labor and tax contingencies (d)	27	11,216	2,500	(8,209)	-	5,507	
Labor provisions	27	1,656	4,800	(1,111)	-	5,345	
		12,872	7,300	(9,320)	-	10,852	
As of December 31, 2025							
Labor and tax contingencies (d)	27	5,507	1,500	(3,118)	-	3,889	
Labor provisions	27	5,345	14,079	(11,762)	21,328	28,990	
		10,852	15,579	(14,880)	21,328	32,879	

- (c) The contingencies are related to the current litigation that the Company maintains, mainly of a tax and labor nature, the details of which are controlled with our external consultants. 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.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- (d) 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>	<i>Note</i>	2025	2024
Warranty provisions and others	<i>8(c)</i>	-	9,202
		-	9,202

Corresponds to the guarantee accounts that the Company maintains for the acquisition of two of its subsidiaries carried out in 2018 and 2021. During 2025, the return that was kept in the escrow account was made.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

20. Deferred Income Tax Liability, Net

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

<i>In thousands of soles</i>	Balance as of January 1, 2024	Effect on profit or loss due to changes in time items	Other effects on equity accounts	Balance as of December 31, 2024	Effects of changes in time items	Other effects on equity accounts	Balance as of December 31, 2025
Deferred assets							
Lease liabilities	12,193	(4,660)	-	7,533	(4,202)	-	3,331
Expected credit loss estimate	7,807	76	-	7,883	1,065	-	8,948
Inventory depreciation estimate	9,262	928	-	10,190	(2,449)	-	7,741
Accrued and unpaid holidays	5,334	334	-	5,668	145	-	5,813
Provisions for labor and tax contingencies	4,413	(302)	-	4,111	(1,136)	-	2,975
Miscellaneous and other minor provisions	(940)	1,327	-	387	386	-	773
	38,069	(2,297)	-	35,772	(6,191)	-	29,581
Deferred liabilities							
Land revaluation surplus and investment property fair value	(88,520)	-	4,080	(84,440)	-	(671)	(85,111)
Difference in depreciation rates for financial leasing operations	(121,714)	(14,086)	-	(135,800)	(9,610)	-	(145,410)
Right-of-use assets	(10,864)	4,175	-	(6,689)	3,465	-	(3,224)
Increased value of property, plant and equipment	(31,608)	(3,633)	-	(35,241)	(2,494)	-	(37,735)
Exploration and evaluation expenses	(3,843)	37	-	(3,806)	46	-	(3,760)
	(256,549)	(13,507)	4,080	(265,976)	(8,593)	(671)	(275,240)
Deferred liabilities, net	(218,480)	(15,804)	4,080	(230,204)	(14,784)	(671)	(245,659)

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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

<i>In thousands of soles</i>	2025	2024
Current	(85,261)	(70,954)
Deferred	(14,784)	(15,804)
	(100,045)	(86,758)

- (b) The reconciliation of the effective income tax rate with the tax rate is as follows:

<i>In thousands of soles</i>	December 2025		December 2024	
Profit before income tax	395,973	100.00%	283,251	100.00%
Theoretical expenditure	(116,812)	(29.50%)	(83,559)	(29.50%)
Net effect of non-deductible or taxable items of a permanent nature	16,767	4.24%	(3,199)	(1.13%)
Income tax	(100,045)	(25.26%)	(86,758)	(30.63%)

- (c) As of December 31, 2025 and 2024, the Company has generated an income tax of thousands of S/ 85,261 and thousands of S/ 70,954, respectively, to which the payments on account that are maintained to date have been applied, generating a net liability of thousands of S/ 5,681 and a net asset of thousands of S/ 28,558. 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 December 31, 2024, the stock market price of the common stock 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 number of trades on the Lima Stock Exchange, respectively.

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

As of December 31, 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

As of December 31, 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

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

B. Investment shares

As of December 31, 2025 and 2024, the balance of this account is made up as follows:

<i>In thousands of soles</i>	2025	2024
Investment Stocks	182,408	182,408
	182,408	182,408

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 on those dates has been S/ 1.13 and S/ 1.04, 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. The Company calculates the fair value of its land every three years.

D. Legal reserve

According to the provisions of the General Companies Law, a minimum of 10 per cent 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. Dividend distribution

The dividend distribution made by the Company in 2025 and 2024 is detailed below:

<i>In thousands of soles</i>	Date of approval	Amount approved and distributed 2025
Approved by		
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

<i>In thousands of soles</i>	Date of approval	Amount approved and distributed 2024
Approved by		
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

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- i. At the General Shareholders' Meeting session on March 22, 2024, the delivery of a cash dividend of thousands of S/ 33,125 charged to accumulated results from previous years was approved, an amount from which the cash dividend approved on July 18, 2023 corresponding to the advance of 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 to 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 to be 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, were paid in U.S. 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, equivalent to thousands of S/ 21,152 charged to accumulated results of previous years and paid on August 15, 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\$ 0.005245.
- 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 from 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.
- iv. At the meeting of the General Shareholders' Meeting on March 27, 2025, the delivery of a cash dividend of thousands of S/ 78,597 charged to 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\$ 7,553 applying the closing exchange rate of 3,643 that was 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, were 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 applies to both the 890,858,308 common shares and the 182,407,512 investment shares, according to 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.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

22. Revenue

The composition of the item is presented below:

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Local sales to third parties		4,104,323	3,727,355
Foreign sales to third parties		220,633	223,319
Related party sales	7	425,966	418,422
		4,750,922	4,369,096

<i>In thousands of soles</i>	Local sales to third parties	Foreign sales to third parties	Related party sales	Total
2025				
Types of goods or services				
Income from the sale of goods	4,077,309	195,976	425,966	4,699,252
Freight and other revenue	27,014	24,657	-	51,671
	4,104,323	220,633	425,966	4,750,922
Schedule for the transfer of goods or services				
Prior period goods or services transferred to current period	87,026	3,855	13,874	104,755
Goods or services transferred in the period	4,017,297	216,778	412,092	4,646,167
	4,104,323	220,633	425,696	4,750,922
2024				
Types of goods or services				
Income from the sale of goods	3,701,500	198,273	418,325	4,318,098
Freight and other revenue	25,952	25,046	-	50,998
	3,727,452	223,319	418,325	4,369,096
Schedule for the transfer of goods or services				
Prior period goods or services transferred to current period	106,966	-	-	106,966
Goods or services transferred in the period	3,620,486	223,319	418,325	4,262,130
	3,727,452	223,319	418,325	4,369,096

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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	141,607	106,531
Initial inventory of finished goods	9	201,793	232,587
Initial merchandise inventory	9	189,003	306,421
Initial inventory of auxiliary materials, supplies and spare parts	9	148,614	171,934
Initial raw material inventory	9	196,930	107,418
Personnel costs	26 (a)	145,160	135,330
Merchandise purchases		791,419	501,239
Raw material purchases		1,777,049	1,894,672
Supply purchases		402,651	536,472
Manufacturing costs		488,162	313,256
Depreciation for the year	12 and 13	194,930	160,625
Disposal of machinery and equipment	12	-	1,417
Freight cost		180,064	132,972
Depreciation for the year	15	678	650
Final inventory of products in process	9	(109,157)	(141,607)
Final inventory of finished goods	9	(182,473)	(201,793)
Ending merchandise inventory	9	(215,975)	(189,003)
Final inventory of auxiliary materials, supplies and spare parts	9	(156,655)	(148,614)
Final raw material inventory	9	(138,567)	(196,930)
Estimation for devaluation and obsolescence of inventories	9	14,726	19,062
		4,069,959	3,742,639

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)		75,587	71,738
Personnel costs	26 (a)	33,459	29,877
Expected loss impairment estimate	6	9,825	11,906
Depreciation for the year	12 and 13	17,103	17,226
Miscellaneous management charges		6,810	6,436
Depreciation for the year	15	275	336
Tributes		1,524	1,309
		144,583	138,828

- (a) For the years 2025 and 2024, it corresponds mainly to advertising services, marketing services, warehouse outsourcing services, among others.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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)	84,326	71,424
Services provided by third parties (a)		32,073	24,305
Depreciation for the year	12 and 13	4,221	4,609
Depreciation for the year	15	307	209
Miscellaneous management charges		4,417	3,509
Tributes		1,496	1,554
		126,840	105,610

- (a) For the years 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	150,290	135,399
Worker participation	32,012	26,374
Gratuities	21,311	20,416
Holidays	20,015	19,244
Contributions	15,375	13,641
Social benefits for workers	12,148	11,390
Other minors	25,873	14,967
	277,024	241,431

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

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Cost of Sales	23	145,160	135,330
Selling expenses	24	33,459	29,877
Administration expenses	25	84,326	71,424
Other expenditures	27	14,079	4,800
		277,024	241,431

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 operating income			
Accounts receivable recovery	6	7,038	3,891
Reimbursement for import expenses		-	2,969
BackOffice service to subsidiaries		1,059	1,151
Sale of fixed assets		7,741	-
Other minors		5,955	7,118
		21,793	15,129

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

<i>In thousands of soles</i>	<i>Note</i>	2025	2024
Other operating expenses			
Cost of disposal and decommissioning of machinery and equipment (a)	12	(12,967)	(5,612)
Staff incentives (b)	19 and 26(a)	(14,079)	(4,800)
Provisions for contingencies	19	(1,500)	(2,500)
Depreciation for the year	12	(444)	(444)
Depreciation for the year	16	(382)	(383)
Provision for impairment of other accounts receivable	8(e)	(396)	-
Other minors		(4,130)	(3,441)
		(33,898)	(17,180)

- (a) It corresponds mainly to the decommissioning of machinery, damaged and obsolete equipment located in the production sites.
- (b) It corresponds to disbursements related to the dismissal of workers.

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)	19,902	23,021
Interest on receivables		8,442	8,535
		28,344	31,556
Finance expenses			
Interest on financial obligations	17	(76,095)	(80,847)
Interest on financial leases		(27,494)	(35,653)
Interest on lease liabilities	13	(1,001)	(1,679)
Other minors		(2,289)	(924)
		(106,879)	(119,103)

29. Tax Situation

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

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

- B. The Company is subject to the Peruvian tax regime. As of December 31, 2025 and 2024, the income tax rate was 29.50 percent on taxable profit after deducting the participation of workers, which is calculated at a rate of 10 percent on taxable profit.

Legislative Decree N° 1261, promulgated on December 10, 2016, establishes the dividend tax rate to which natural persons and non-domiciled legal entities are subject at 5 percent, for dividends from 2017 onwards.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- C. The Tax Authority has the power to review and, if applicable, correct the income tax calculated by the Company in the four years following the year of filing the tax return. The Company's income tax affidavits for the years 2022 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 Company, 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 to the separate financial statements as of December 31, 2025.
- D. 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 legal advisors are of the opinion that, as a result of the application of these standards, no contingencies of material importance will arise for the Company as of December 31, 2025 and 2024.
- E. 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/ 17,884 (thousands of S/ 16,226 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%.

- F. The Company 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 Company's separate financial statements as of December 31, 2025 and 2024.
- G. The Company is 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 separate financial statements once it is approved for implementation.
- H. **Main tax regulations issued during the year 2025**

Modification of transfer pricing provisions in the Income Tax Law

On September 24, 2024, Legislative Decrees N° 1662 and N° 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

Through Legislative Decree N° 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 tax liability by transfer pricing rules.

Likewise, Legislative Decree N° 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 N° 1669, published on September 28, 2024, the General Sales Tax Law (IGV) and Law N° 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 N° 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

Supreme Decree N° 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 SSCO: i) Intendancy Resolution N° 024-0082937/SUNAT, ii) Intendancy Resolution N° 064-024-0008314/SUNAT, iii) Intendancy Resolution N° 084-024-0007652/SUNAT, iv) Intendancy Resolution N° 104-024-0007090/SUNAT and v) Intendancy Resolution N° 192-024-0000189/SUNAT.

Special regimes that establish tax benefits

Law N° 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 N° 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.

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

Depreciation of assets

Through Legislative Decree N° 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

Law N° 31107 amended Legislative Decree N° 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.

Likewise, through Law N° 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 comment: Law N° 31651.

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

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

30. Earnings per Basic and Diluted Share

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

	Shares issued					Days of validity until		Weighted average shares		
	Common	Investment	Treasury		Total	the end of the year		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 for the years ended December 31, 2025 and 2024 is presented below:

	December 31, 2025			December 31, 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	295,928	1,078,359	0.274	196,493	1,078,359	0.182

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

31. Contingencies and Guarantees Granted

A. Contingencies

- i. As of December 31, 2025 and 2024, the Company 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 Company has filed a lawsuit against the file related to the General Sales Tax for the 1998 fiscal year, having been resolved in the second instance in favor of the company, SUNAT and the Tax Court have filed an Appeal of Cassation, an appeal that was declared inadmissible by the Supreme Court. The process is awaiting the enforceable sentence. The amount paid as of December 31, 2025 amounts to approximately S/ 2.8 million.
 - As a result of the review by the Tax Authority in 2004 and 2005, the Company received Determination and Fine Resolutions for Income Tax and General Sales Tax. The Company sued the Judiciary; in the second instance, the Superior Chamber confirmed the non-application of interest for excessive delay in resolving the process, a judgment that was demanded in Cassation by SUNAT but disqualified by the Superior Chamber; the same instance issued a judgment of Cassation unfavorable to the company with respect to the aspects declared appropriate in the application for Cassation; with respect to the aspects declared inadmissible in the self-qualification, the Company filed an Amparo Lawsuit, which is in process. As of December 31, 2025, the amount subject to challenge is approximately S/ 7.7 million.
 - With respect to 2006, the Company received Determination and Fine Resolutions for Income Tax and IG. On April 25, 2022, the Intendance Resolution resolving the Claim file was notified and on May 13, 2022, the Company filed an appeal against the Intendance Resolution, a process that was resolved through RTF 3789-8-2023. During the audit process in 2021, the Company has alleged prescription referring to the power of the Tax Administration to determine the tax obligation and impose penalties in relation to the Income Tax for the year 2006 and IG. In April 2022, the Tax Court declared the statute of limitations for the determination of fines and a contentious tax lawsuit was filed in the confirmed end. Having been resolved unfavourably, the company has filed an Appeal for Amparo which is still in process as of December 31, 2025.
 - SUNAT notified the Company with Intendancy Resolution No.0150150003290 related to the determination of payments on account of income tax for the periods from February to December of fiscal year 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 of February and April to November of fiscal year 2006. The Company 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 the 2006 fiscal year and the respective fine resolutions has expired. The appeal was resolved by the Tax Court through Tax Court Resolution N° 00768-8-2023. The company filed a contentious tax lawsuit, which as of December 31, 2025, is awaiting a new pronouncement from the Court. The debt paid claimed for refund amounts to S/ 1.00 MM.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- On December 29, 2011, the Company received resolutions of determination and fine for the 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 the Company. The Company 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. In this regard, during 2021, the Company's Management recorded an impairment estimate for an approximate value of S/ 5,141,000 under the heading "Other accounts receivable", note 8(e).

On November 5, 2024, the Tax Court notified RTF N° 09235-13-2024, resolving to lift some appealed objections. In February 2025, SUNAT issued the Compliance Resolution. The company has sued the RTF in the resolved end against the company and SUNAT has sued the RTF in the resolved end in favor of the company.

- 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 resolved that SUNAT wait for the resolution in the IR 2007-2009 process, having resolved said process SUNAT notified in February 2025 the Resolution of the Intendancy 4070150000665 by which it determines a debt of S/ 2,764,077. The Tax Court resolved the appeal filed against the RI through RTF N° 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.
- Process followed by the R&B supplier where payment has been ordered for the works executed in the company's warehouse (additional works), compensation and interest. The amount paid by the company for capital is S/ 4.4 million out of a total originally demanded of S/ 8.0 million, with the last payment credited on July 5, 2022. As of December 31, 2025, the costs and expenses of the process are pending the final fixation, having been proposed by the plaintiff the sum of S/ 1.4 million, which the company has dismissed and appealed.
- ii) On February 7, 2014, the Company signed 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 N° 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.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

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 Company and consequently the court validated the legal act of sale of the land

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

B. Guarantees granted

As of December 31, 2025, the Company 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/ 1,233 million, an amount that represents 40.9 percent of equity respectively. Likewise, as of December 31, 2024, the Company had an exposure of more than 10 percent of its equity with Banco de Crédito del Perú, Banco Internacional del Perú and BBVA Banco Continental, such exposure includes promissory notes, financial leases, medium-term financing and letters of credit for an aggregate amount of S/ 1,327 million. S/ 321 million and S/ 395 million respectively, amounts that represented 47.0, 11.4 and 14.0 percent of the equity respectively.

In addition, the company 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 realisation value of the assets in said trust amounts to US\$ 538 million (including committed assets), which represents 60% of the Company's equity.

32. Financial Risk Management, Objectives and Policies

Category of financial instruments

The Company's financial assets and liabilities are composed of:

<i>In thousands of soles</i>	2025	2024
Financial assets		
Loans and accounts receivable:		
Cash and cash equivalent	609,389	464,460
Trade receivables, net	428,345	442,125
Other accounts receivable, net (*)	54,438	47,201
Related party accounts receivable	182,708	186,704
	1,274,880	1,140,490
Financial liabilities		
At amortized cost:		
Other financial liabilities	1,772,974	2,126,281
Trade accounts payable	512,650	467,040
Other accounts payable (*)	119,566	80,544
Accounts payable to related parties	50,041	35,981
	2,455,231	2,709,846

(*) Participation in subsidiaries, taxes and withholdings are not included.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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

The Company's Management oversees the management of such risks. The Company's Management is 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. Financial Management provides assurance to Company Management that the Company's financial risk-taking activities are regulated by appropriate corporate policies and procedures and that such financial risks are identified, measured and managed in accordance with the Company's policies and risk preferences.

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

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 is exposed to credit risk due to its operating activities (mainly accounts receivable) and its 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 has a wide customer base.

Credit Risk Related to Bank Deposits: Credit risks of bank balances are managed by Management in accordance with Company policies. 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 does not have any concentration that represents a significant credit risk as of December 31, 2025 and 2024.

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 of the Company's financial instruments 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 separate statement of other comprehensive income are the effect of changes assumed in the respective market risk. This is based on financial assets and liabilities held as of December 31, 2025 and 2024.

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
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 Company's exposure to global foreign exchange risk. Foreign exchange risk arises when the Company presents mismatches between its active, passive and off-balance sheet positions in the different currencies in which it operates, which are mainly Soles (functional currency) and U.S. dollars. The Management monitors this risk through the analysis of the country's macroeconomic variables.

The Company's activities, mainly its indebtedness, expose it to the risk of fluctuations in the exchange rates of the U.S. dollar against the Sol. The Company also presents exchange rate transactions in euros, however, at the end of 2025 these amounts are not significant, having no impact on the Company's other comprehensive income statements. In order to reduce this exposure, the Company makes efforts to maintain an appropriate balance between assets and liabilities denominated in U.S. dollars. It is worth mentioning that the Company's revenues 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 Company's reality.

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

As of December 31, 2025, the free market weighted average exchange rates for transactions in U.S. dollars were S/ 3,358 per US\$ 1 for purchase and S/ 3,368 per US\$ 1 for sale, respectively (S/ 3,758 per US\$ 1 for purchase and S/ 3,770 per US\$ 1 for sale as of December 31, 2024, respectively).

As of December 31, 2025 and 2024, the Company does not have derivative financial instruments and has the following assets and liabilities in thousands of U.S. dollars:

<i>In thousands of dollars</i>	2025	2024
Assets		
Cash and cash equivalents	134,266	115,835
Trade receivables, net	170,498	152,482
Related Party Accounts Receivable	48,576	53,150
	353,340	321,467
Liabilities		
Trade Accounts Payable	(59,676)	(37,743)
Financial obligations, current and non-current	(280,430)	(279,962)
	(340,106)	(317,705)
Net Active Position	13,234	3,762

For the period ended December 31, 2025, the Company has recorded a net foreign exchange difference gain of approximately S/ 11,850,000 (net gain of approximately S/ 1,198,000 for the year ended December 31, 2024), which are presented in the separate statement of other comprehensive income.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

The following table shows the sensitivity analysis of U.S. dollars (the only non-functional currency in which the Company has significant exposure as of December 31, 2025 and 2024), in its monetary assets and liabilities and its 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 separate statement of other comprehensive income before income tax. A negative amount shows a net potential reduction in the separate statement of other comprehensive income, while a positive amount reflects a net potential increase.

Sensitivity analysis	Change in type of change %	Effect on outcomes before income tax	
		2025	2024
Devaluation			
Dollars	5%	(2,052)	(516)
Dollars	10%	(4,104)	(1,033)
Revaluation			
Dollars	5%	2,052	516
Dollars	10%	4,104	1,033

(ii) Interest rate risk

As of December 31, 2025 and 2024, the Company holds financial instruments that accrue fixed and variable interest rates, in top-tier financial institutions in the country. The Company's operating cash flows are substantially independent of changes in market interest rates, so in Management's opinion, the Company does 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 Company's profit before income tax 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
2025		
Soles	+/- 50	1,752
	+/- 100	3,503
2024		
Soles	+/- 50	2,231
	+/- 100	4,463

(iii) Price risk

In general, the Company is exposed to the risk of price fluctuations for the steel products that the Company manufactures, markets and processes, 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.

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

The following table shows the sensitivity in the Company's results 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 price	Effect on profit before income tax
December 2025	+5%	167,470
	-5%	(167,470)
December 2024	+5%	154,011
	-5%	(154,011)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its 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 to carry out its 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 directs its efforts to maintain sufficient resources to allow it to meet its disbursements.

The following table shows the maturity of the Company's future payments based on contractual obligations:

<i>In thousands of soles</i>	Less than 3 months	From 3 to 12 months	From 1 to 5 years old	Total
As of December 31, 2025				
Financial obligations:				
Capital amortization	125,070	776,830	871,074	1,772,974
Interest payment flow	22,746	46,977	127,584	197,307
Trade accounts payable (*)	454,565	-	-	454,565
Accounts payable to related parties	50,041	-	-	50,041
Other accounts payable (*)	119,566	-	-	119,566
	771,988	823,807	998,658	2,594,453
As of December 31, 2024				
Financial obligations:				
Capital amortization	132,338	1,051,998	941,945	2,126,281
Interest payment flow	29,964	66,625	122,806	219,395
Trade accounts payable (*)	421,810	-	-	421,840
Accounts payable to related parties	35,981	-	-	35,981
Other accounts payable (*)	80,544	-	-	80,544
	700,637	1,118,623	1,064,751	2,884,041

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

Corporación Aceros Arequipa S.A.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Capital management

The Company's objectives in managing capital are to safeguard the ability to continue as a going concern in order to generate returns to its shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with the industry, the Company monitors its 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 equity corresponds to equity as shown in the separate statement of financial position plus net debt.

<i>In thousands of soles</i>	2025	2024
Financial obligations	1,772,974	2,126,281
Trade, related party and other accounts payable	734,943	635,533
Less		
Cash and cash equivalents	(609,389)	(464,460)
Net debt (a)	1,898,528	2,297,354
Net worth	3,012,236	2,821,115
Total capital and net debt (b)	4,910,764	5,118,469
Leverage ratio (a/b)	39%	45%

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 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.

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

- 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.

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

34. Information by Operation Segments

As described in note 2.B(xxii), the Company has a single operating segment called "Steel Derivatives".

The Board of Directors evaluates the results of the business on the basis of the separate 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	3,259,403	2,943,706
Smooth profiles and bars	533,226	543,607
Plates, coils and others	958,293	881,783
	4,750,922	4,369,096

Likewise, sales were developed in the following locations:

<i>In thousands of soles</i>	2025	2024
Peru	4,269,072	3,877,126
Bolivia	201,970	166,624
Colombia	49,049	105,784
Brazil	-	90,669
Ecuador	36,300	27,559
Other countries	194,531	101,334
	4,750,922	4,369,096

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 Company's total sales.

35. Subsequent Events

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

(Translation of Financial Statements originally issued in Spanish)

Corporación Aceros Arequipa S.A.

Notes to the Separate Financial Statements

December 31, 2025 and 2024

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.