



CORPORATE PRESENTATION



April 2024



This Presentation may contain forward-looking statements concerning management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid and recent acquisitions, its financial and business impact, management's beliefs and objectives with respect thereto. Forward-looking statements are all statements other than statements of historical facts. The words "anticipates", "may", "can", "plans", "believes", "estimates", "expects", "projects", "intends", "likely", "will", "should", "to be", and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Aceros Arequipa whether individually or as a consolidated Company. Aceros Arequipa and its subsidiaries do not undertake any obligation to update the forward-looking statements included in this Presentation to reflect subsequent events or circumstances.



- Company overview

Market & business overview

Financial highlights

Corporate information & ESG*

Why Aceros Arequipa?

(*) Environmental, Social, and Governance

#1 player in the Peruvian steel market with a growing regional footprint



REVENUE 2023
1,249 US\$ million

REVENUE BY DESTINATION



REVENUE BY PRODUCT



Rebar	Merchant bars**	Steel wire	Steel tubes	Sheets, plates & coils
Wirerod	Round bars for grinding balls	Nails	Steel beams	Corrugated Steelsheets

100% imported

*Other Countries category includes recurrent markets (Bolivia, Colombia and Ecuador), and non-recurrent markets (Brazil, Dominican Republic, Chile, among others)
** Some merchant bars and Steel tubes are imported

SUBSIDIARIES / AFFILIATES



Not included as part of Aceros Arequipa's Consolidated Financial Statements

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-

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Why Aceros Arequipa?

Peruvian steel market 2023

(thousand tons)

Total

Peruvian steel market

3,436

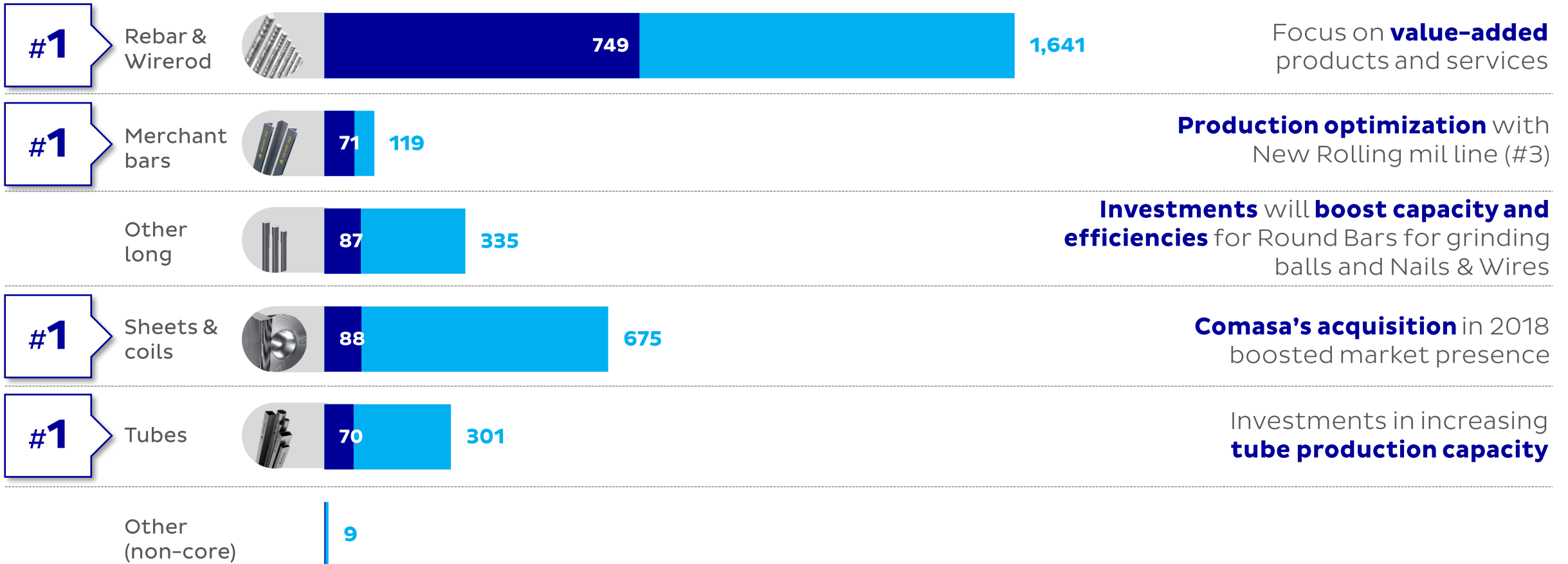
Competitive market*

3,081

Sales volume (Peru)  1,067



Sustained **leadership** in all core categories... ..with initiatives to leverage on **growth potential**



SOURCE: Company estimates based on imports, production and other public information.
*Competitive market is the total Peruvian Steel market excluding products that are not commercialized by Aceros Arequipa

Go-to-market & distribution capabilities



SELF-CONSTRUCTION

Homebuilding & domestic metalwork



Better reach to self-constructors through nationwide distribution capabilities and strategic partnerships with small retailers



Comfer acquisition (2021) and investments complemented our portfolio with a nails and wires plant.



CONSTRUCTION COMPANIES

Whole-range building



Value-added services to provide efficiencies and minimize costs for construction companies

TSC innovation.

Design and BIM services for construction companies and industrial clients

ACEDIM

Cut & bend steel products for construction

ACERO INSTALADO

On-site Rebar & Wirerod installation service



INDUSTRY

Industrial products & equipment



Comasa acquisition (2018)

- Increased our **market presence** in the industrial segment
- Complemented our portfolio and services with a **steel center and tubes plant**



Investments in increasing and modernizing **tubes production capacity** (Peru and Bolivia)



MINING

Consumables for mineral grinding and mine support



Round bars for grinding mining balls:

- **Melt-shop N°2 / Vaccum Degasser** allows us to produce special billets required for **Round balls for grinding mining balls**
- **New Rolling mill line (#3)** will allow us to boost production capacity for Round Bars for grinding balls.



Annual Production Capacity (thousand tons)

MARKET



State-of-the-art equipment makes ours one of the most efficient plants in the region



Track Record of strategic investments



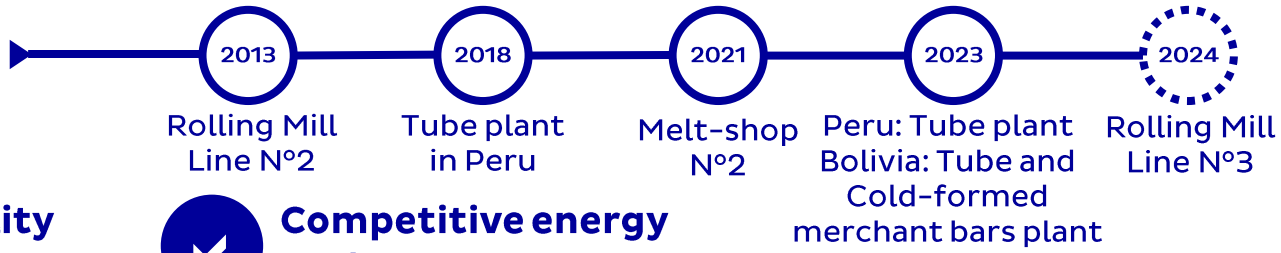
Largest long-steel products producer in Peru



Product availability vs importers



Competitive energy costs



(*) The Melt Shop Nº1 is currently in standby mode.
 (**) The company imported billets only up to 2021.

RAW MATERIALS FLEXIBILITY



Current and future initiatives

Non-Ferrous recovery



Waste reuse



Scrap cleaning process



Further growth (organic / inorganic) in **regional and international scrap yards**



Investment in restarting the **Melt-Shop N°1** to supply billets for further growth





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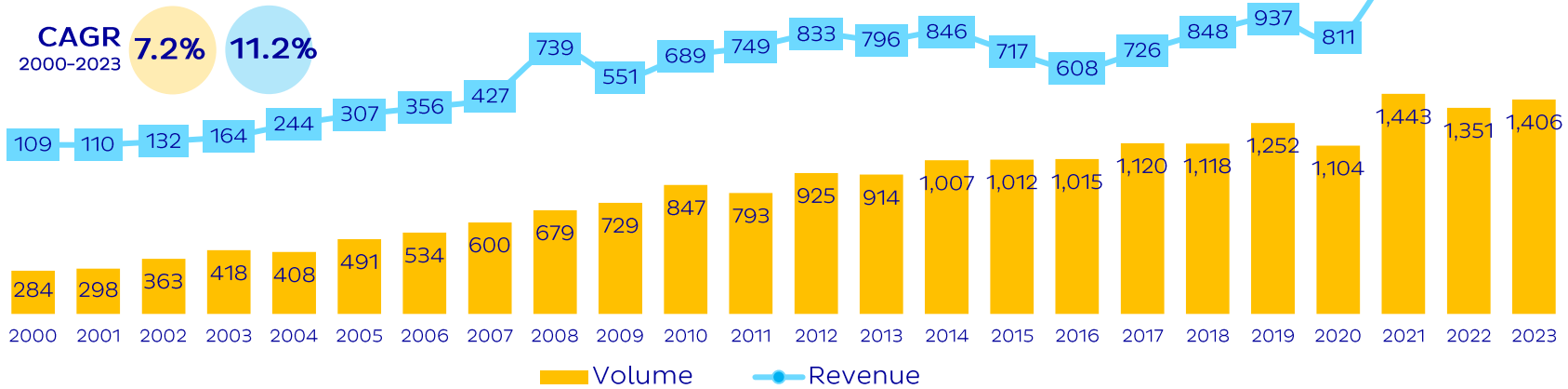
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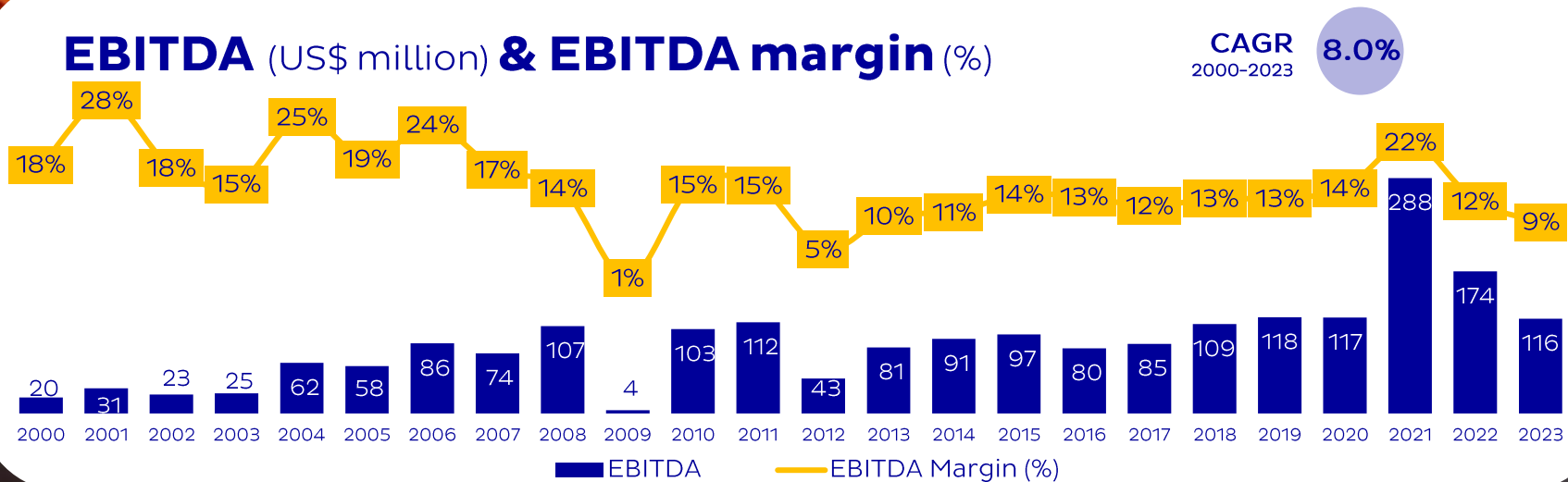
Why Aceros Arequipa?

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Volume (thousand tons) & Revenue (US\$ million)



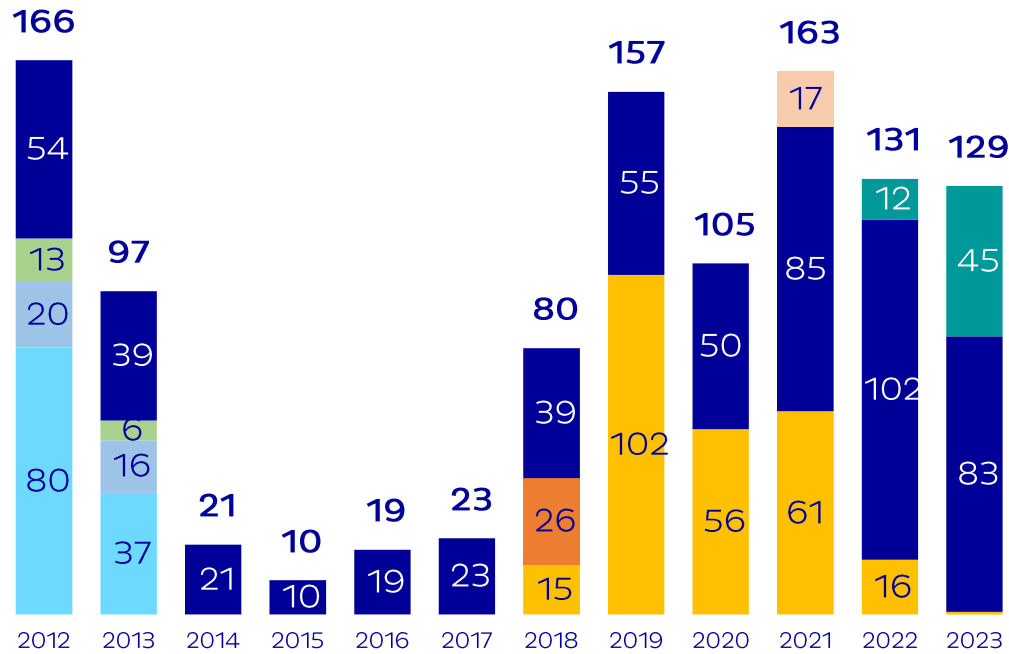
EBITDA (US\$ million) & EBITDA margin (%)



*Since 2011, the Company reports under IFRS, previously it reported under Peru GAAP

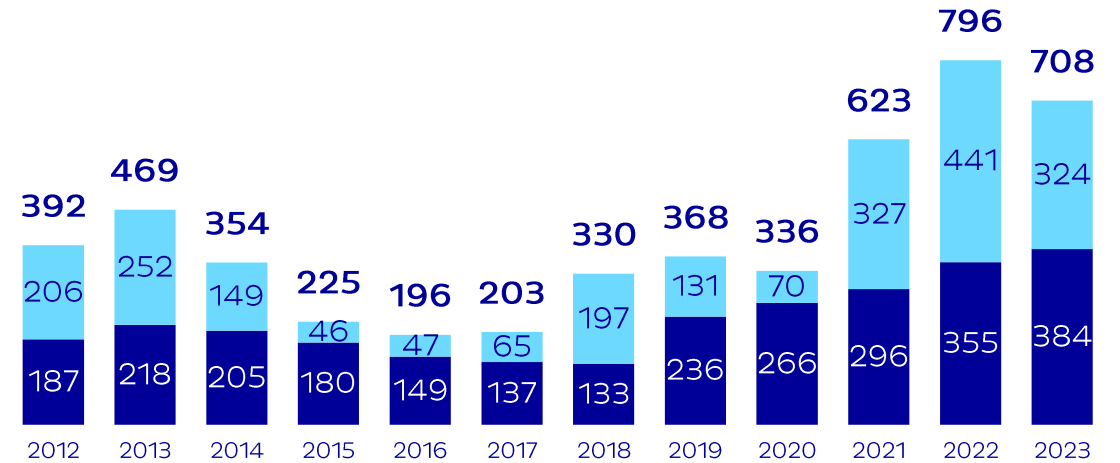
Following a roadmap of timely investments

CAPEX (US\$ million)



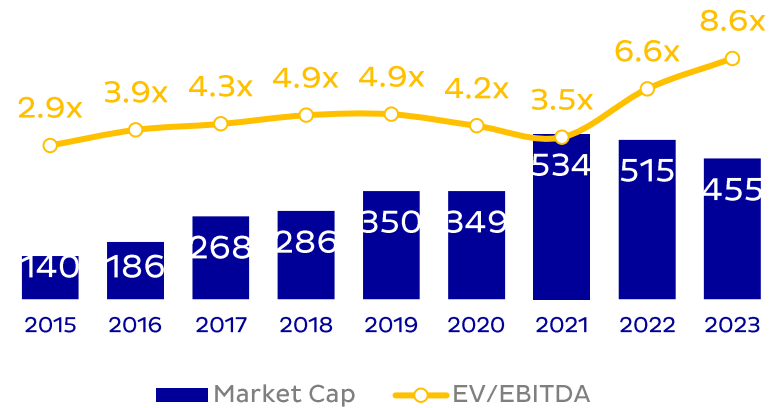
- Rolling mill - Line N°2
- SAP - ERP
- Comasa
- Comfer
- Warehouses (Pisco)
- Melt-Shop N°2
- Other
- Rolling mill - Line N°3

Total Debt (US\$ million)



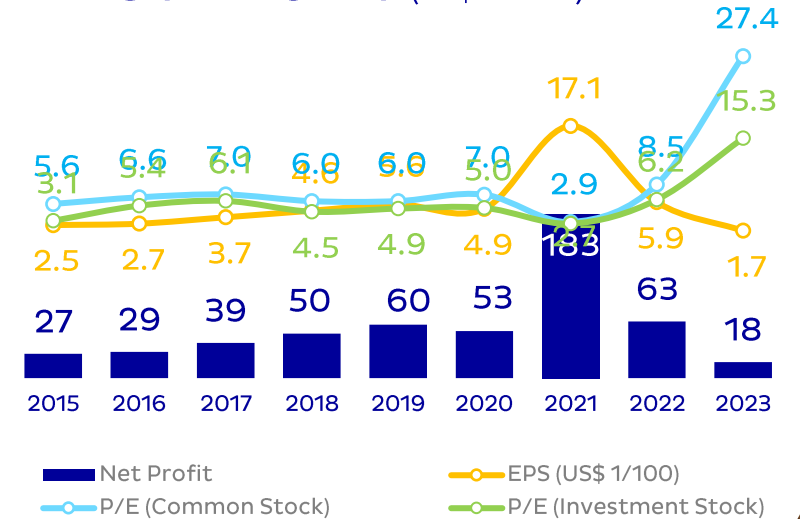
- Long-Term
- Short-Term

Market Valuation (US\$ million)



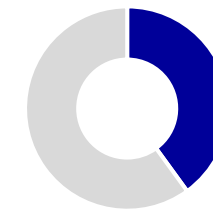
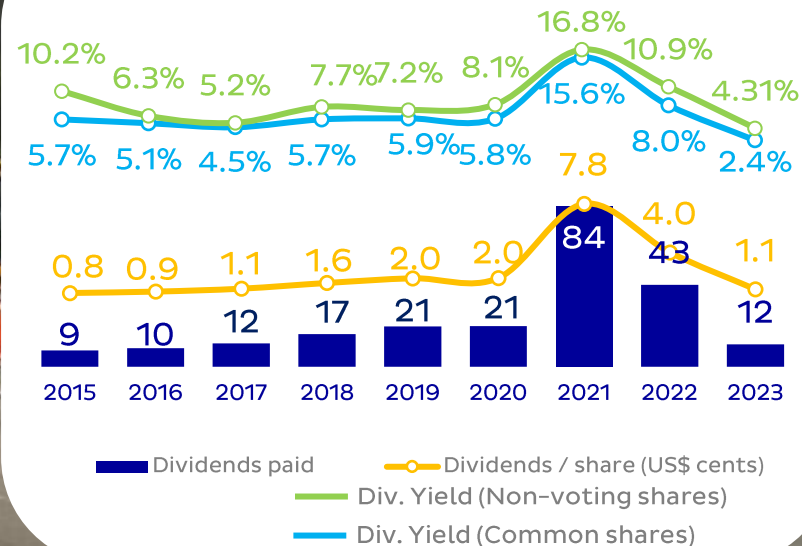
Note: Market Cap does not factor in treasury stock

Net Profit (US\$ million)



Note: Net Profit of 2018 not considering badwill

Dividends paid (US\$ million)



Dividend payout policy of 40% of annual net profit

The approved dividend amount is disbursed in full following two advance payments of 10% and 24% during the period

Common Shares:
CORAREC1

Investment Shares:
CORAREI1

Note: Investment shareholders do not hold voting rights

Member of
S&P/BVL Peru General Index

Member of
S&P/BVL Peru General ESG Index

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



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Why Aceros Arequipa?

Corporate Governance

Board of directors

Ricardo **Cillóniz C.** (P)
Fernando **Carbajal** (VP)
Jordan **Ponce**
Pedro **Blay**
Ricardo **Bustamante**
Renee **Cillóniz**

Giselle **Ferrand***
Manuel **Montori***
Enrique **Olazabal**
Pablo **Peschiera**
Jorge **Von Wedemeyer**
Andreas **Von Wedemeyer**

*Independent

Executive management

Management team



Ricardo Cillóniz C.
Chairman
MBA - Michigan State University



Gonzalo Arróspide
Commercial



Mariana Talavera
Supply Chain



Ricardo Guzmán
CFO, IRO



Ricardo Cillóniz R.
Projects & Mining & CSR



Augusto Cornejo
Production



Fernando Bustamante
Strategy, Environment & Risks



Mariana Olivares
Legal Affairs



Humberto Barragán
Internal Audit



Tulio Silgado
CEO
Kellogg School of Management



Diego Arróspide
Strategic Sourcing



Juan Manuel Otoy
Human Resources




Rafael Cáceres
IT

Corporate Governance



Fair treatment

Dividend Policy  **40%** of Net Profit After advancements of 10% & 24%

Corporate Information Policy



Shareholder Meeting Regulations

2 Special Committees

AUDIT & RISK MANAGEMENT	HUMAN RESOURCES
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Risk Management Policy

Big 4 audit Firms To be reviewed every **3 years**

12 members  **17%** Women  **17%** Independent

Sustainable Management



Received the “**Empresa con Gestión Sostenible**” (Sustainable Management Company) award, for actively promoting sustainable development through its business practices in 2022, with a special recognition in the “Value Chain” category

Received “**Empresa Socialmente Responsable**” distinctive in 2017, 2018, 2019, 2020 and 2021. This distinctive recognized the management commitment with the social, environmental and economic sustainability.

Safety is our priority

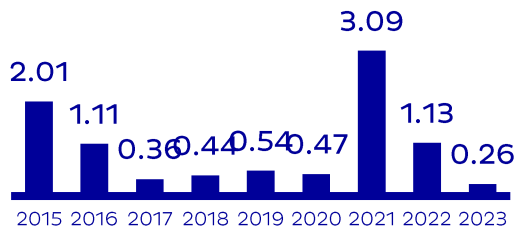


ISO 45001
Since 2018

- ✓ Sustainable safety culture

Our goal is to always reach **zero accidents** in our operations

Accident rate
(frequency index x severity index)



Focus on Quality Management



ISO 9001
Since 1997

- ✓ Process management and continuous improvement
- ✓ Our metallurgical testing laboratory has ISO/IEC 17025 accreditation
- ✓ Our products have Colombian and Brazilian quality certificates



Reduced environmental impact



ISO 14001
Since 2010



Awarded a **2° star in Carbon Footprint Perú** by MINAM for its inventory greenhouse effect verification

Recognized in the environmental category at the ESR 2021 event for its **circular economy strategy**

Ongoing investments in new technologies and developments to reduce environmental impact

Financing:

- Short-term and loan labelled as Green Loan (USA)
- Line of credit for working capital (scrap imports) certified as “sustainable”

Responsible management under a control and value framework



ISO 37001 Anti-bribery management systems
Since 2023

- ✓ Solid corporate guidelines
- ✓ Comprehensive risk management
- ✓ Communication channel for complaints about unethical practices

Member of
S&P/BVL Peru General ESG Index

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

(4th consecutive year)



Among top 5 Steel companies
(DJSI)



Corporación Aceros Arequipa S.A.
Sustainability Yearbook Member
S&P Global Corporate Sustainability Assessment (CSA) Score 2023



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● Why Aceros Arequipa?

Why Aceros Arequipa?



1 **Market leader** in Peru, with local & regional upside



Market Growth

- Infrastructure gap in Peru is still high
- Mining sector: round bars for grinding mining balls
- Potential growth in international markets



Market Share Gain

- New products
- Potential acquisitions
- Value-added services

2 **Efficient** Operational Model



Nationwide distribution with an expanding footprint over the region



State of the art-equipment

- Rolling mill N°2 (2013)
- Melt-Shop N°2 (2021)
- Non-ferrous recovery (2023)
- Tube plants (2018 and 2023)



#1 Scrap buyer in Peru, an atomized market with low volatility



Further investments

- Rolling mill N°3 (2024)
- Scrap yards
- New distribution center
- Nails & Wires plant renewal

3 **Track record** of growth and value creation



Sustained growth CAGR '00-'23
Revenue: 11%
EBITDA: 8%



Expected margin rebound in 2024

4 **Sustainable** platform



Solid and motivated professional team in a lean corporate structure



Recognized **top-notch ESG performance**



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Or scan the following **QR code:**



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