



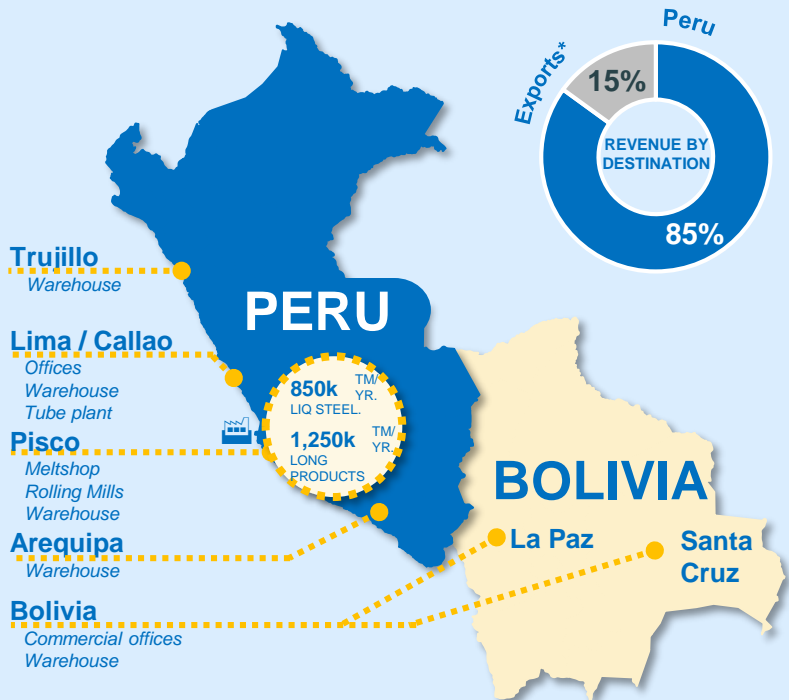
CORPORATE PRESENTATION

Pisco – November 2019

ABOUT ACEROS AREQUIPA

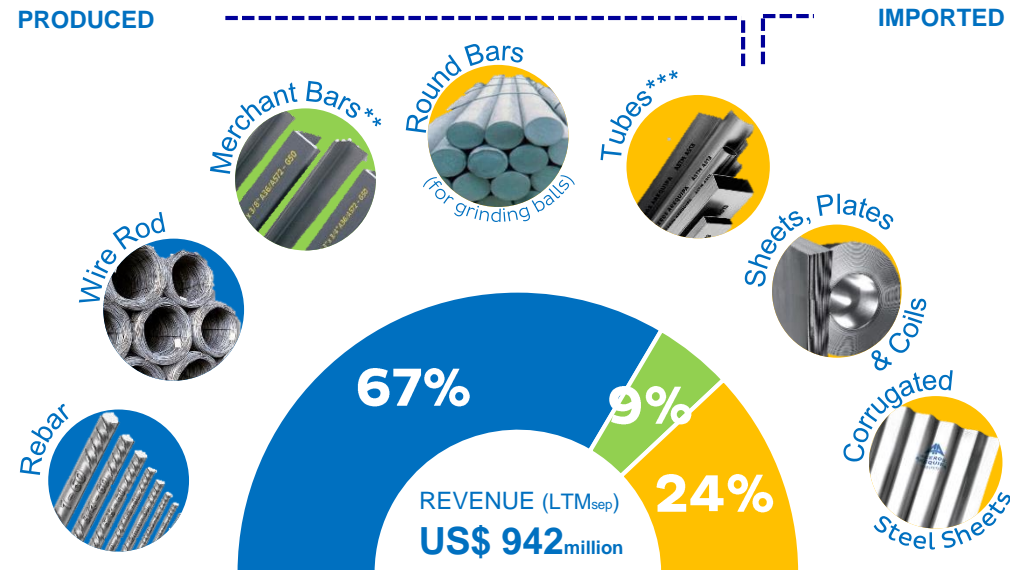


#1 player in the Peruvian steel market with a growing regional footprint...

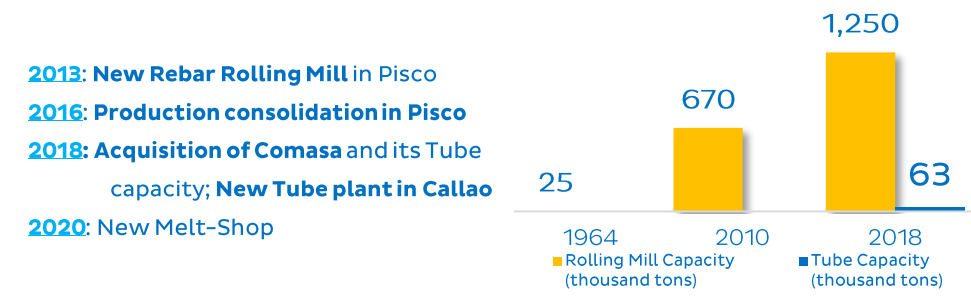


*Exports: mainly to Bolivia, USA, Colombia, Brazil, Chile, Panama and Argentina.

Broad product portfolio



A story defined by growth through timely investments



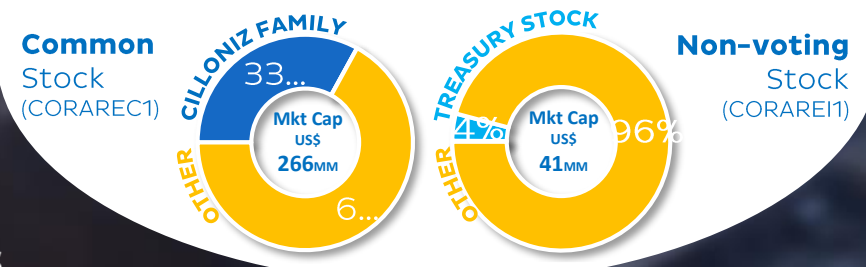
**Includes angles, flats, rounds, squares and steel channels. Some merchant bars are imported.
 ***The Company began its Tube production in November 2018. Some Tube varieties are still imported.

ABOUT ACEROS AREQUIPA



Trading on the Lima Stock Exchange with two different stocks

Total Market Cap US\$ 306 million



SUBSIDIARIES / AFFILIATES

Ownership %	Company Name	Description	Revenue 2018	Flag
99.99%	COMERCIAL DEL ACERO	Steel products trader Steel services supplier	S/ 484 MM	Peru
99.00%	ACEROS DEL ALTIPLANO	Bolivian Scrap Supplier and strategic commercial arm of The Company	S/ 65 MM	Bolivia
99.92%	TRANSPORTES BARCINO S.A.	Local and regional cargo transportation	S/ 25 MM	Peru
99.90%	TSC innovation.	Value-added design and engineering services for the construction industry		Peru
99.99%	ACERO INSTALADO	Value-added on-site installation services for the construction industry		Peru
33.65%	INMOBILIARIA COMERCIAL DEL ACERO ARGENTINA S.A.	Real Estate Company	21,279 m2 Note: Pre-Acquisition Real Estate spin-off of Comercial del Acero	Peru
33.65%	INMOBILIARIA COMERCIAL DEL ACERO CAJAMARQUILLA S.A.	Real Estate Company	24,865 m2 Note: Pre-Acquisition Real Estate spin-off of Comercial del Acero	Peru
10.00%	celepsa	O2 Hydroelectric power plants	1. El Platanal 220MW 2. Marañón 18.4MW	Peru

Ⓢ Not included as part of the consolidated financial statements.

ABOUT ACEROS AREQUIPA

Go-To-Market

SELF-CONSTRUCTION



Homebuilding & domestic metalwork

✓ **Self-Construction** through nationwide distribution capabilities and partnerships with small retailers

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**
 i) Increased our market presence in the industrial segment
 ii) Complemented our portfolio and services with a steel center and tube plant

MINING

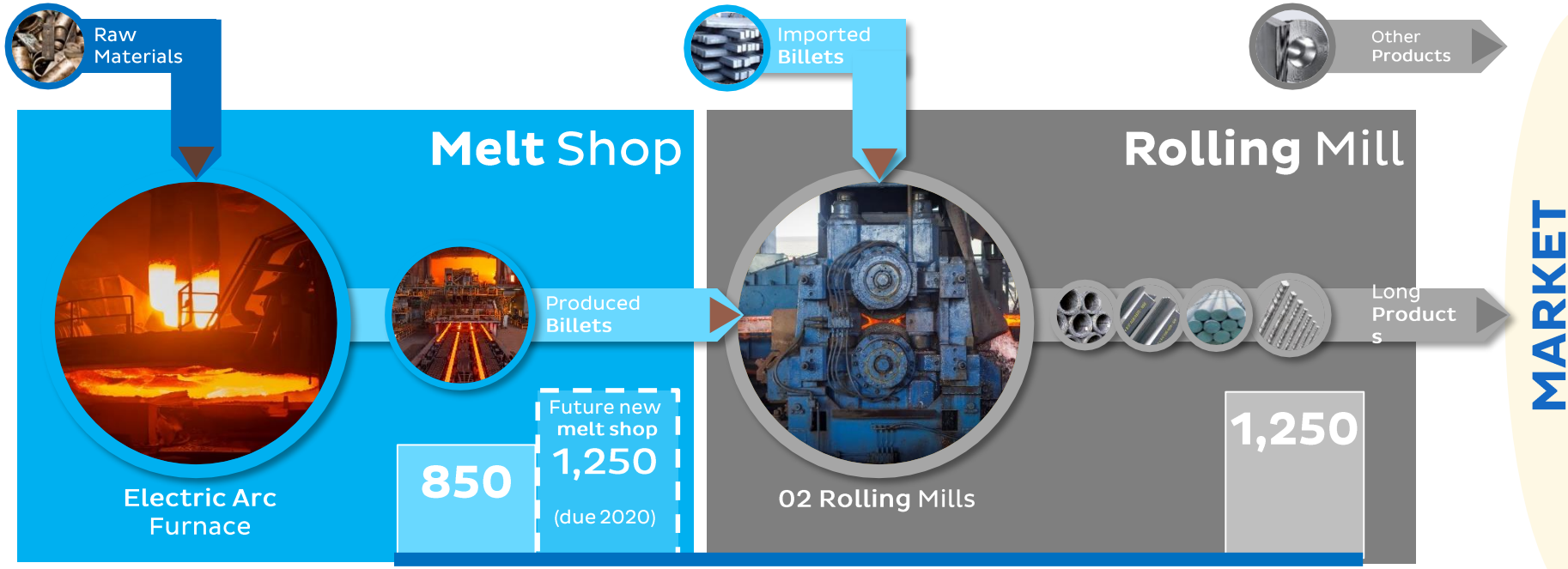


Consumables for crushing and mine support

✓ **New melt-shop (2020)**
Opens a new market:
 Round balls for grinding mining balls



PRODUCTION PROCESS



Future new melt shop
1,250
(due 2020)

Annual Production Capacity (thousand tons)

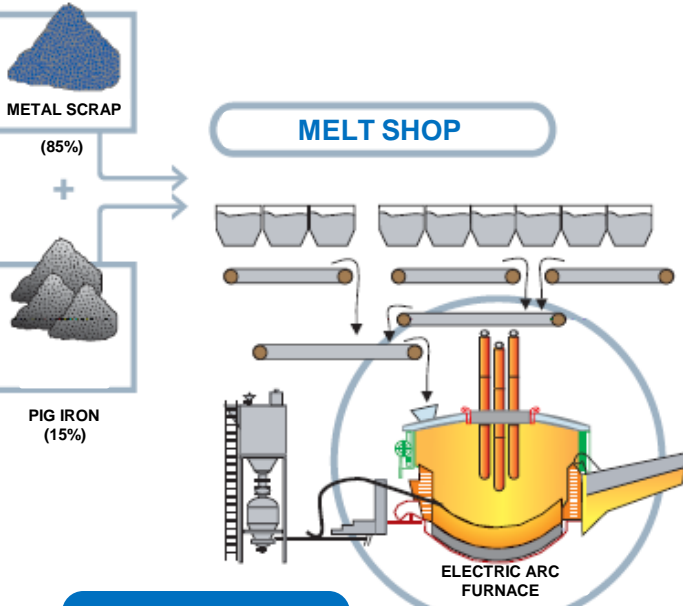
- ✓ **State-of-the-art** equipment makes ours one of the most efficient plants in the region
- ✓ **Track Record of strategic investments**
- ✓ **Largest long-steel products producer** in Peru
- ✓ **Product availability** vs importers

Timeline of strategic investments:

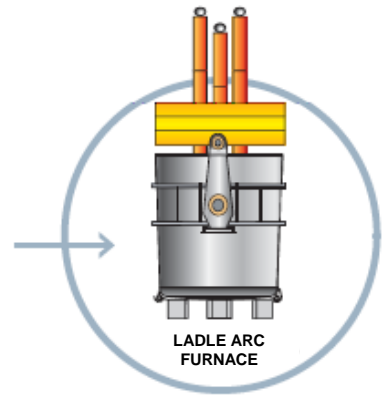
- 2013**: Rolling Mill Line n°2
- 2018**: Tube plant
- 2020**: New Melt-shop

- ✓ **Competitive energy costs**

Steel is an alloy obtained after the fusion of iron and carbon; achieved through the mixing of metal scrap, iron pellets or pig iron.

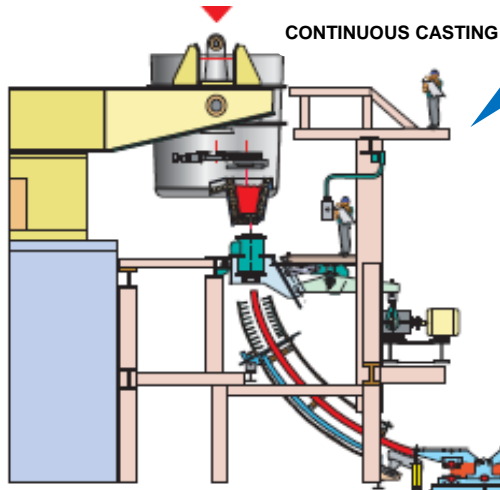


Fusion at 1600°C



Chemical composition adjustment

Liquid steel solidification into Billets



MELT SHOP

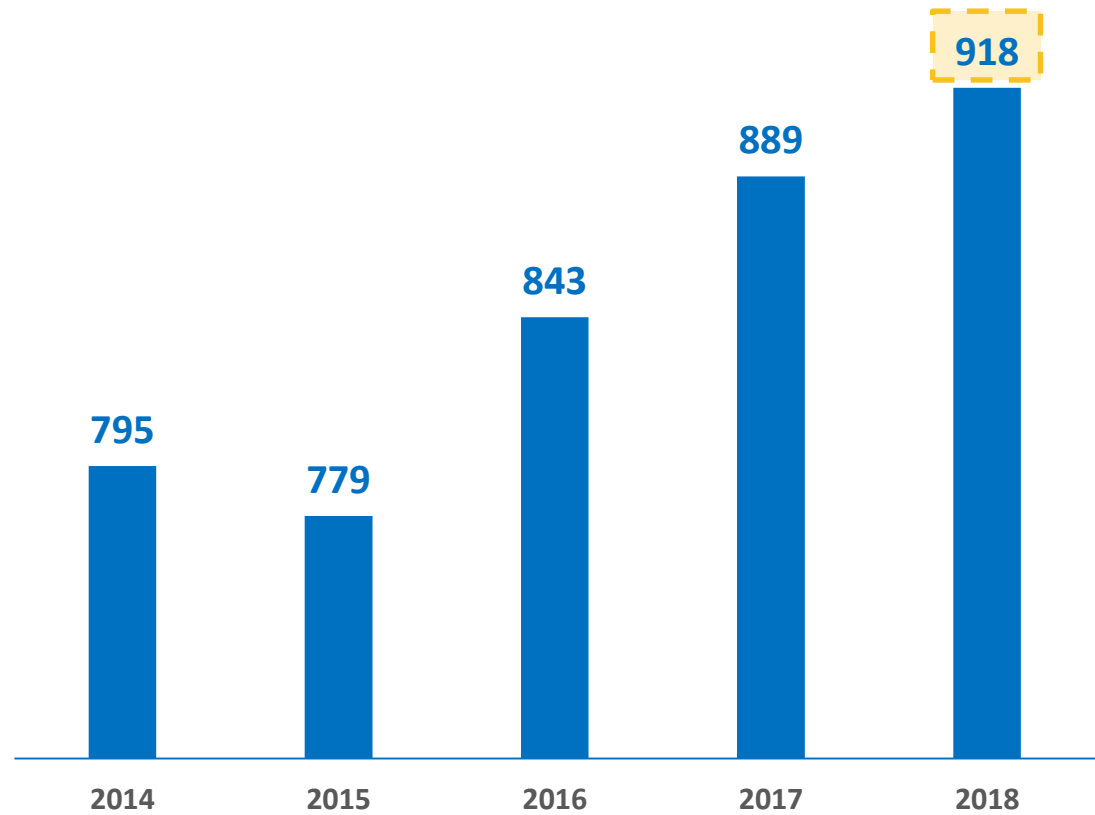
IN-PROCESS PRODUCTS WAREHOUSE



Production capacity: 850,000t /year



Billet production (thousand tons)



NEW MELT SHOP

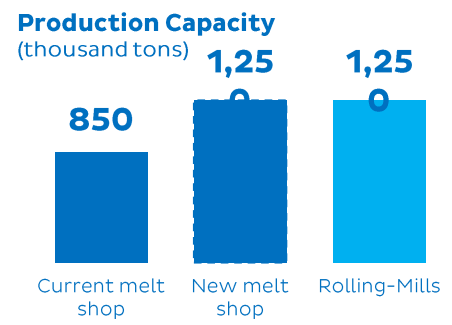
The new melt-shop will **dramatically reduce dependance on imported billets** and minimize costs

The project includes new:

- Scrapyard
- Electric arc furnace (EAF)
- Continuous casting machine
- Fume treatment plant
- Water treatment plant

Total Investment US\$ 180 million

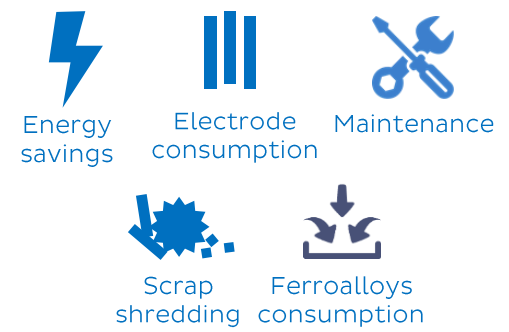
New melt shop will **match current rolling mill capacity...**



...Eliminating the need to import higher priced billets

Note 1: Capacity figures represent nominal capacity
Note 2: Current melt shop will be shutdown until needed

Reduction of **transformation costs**



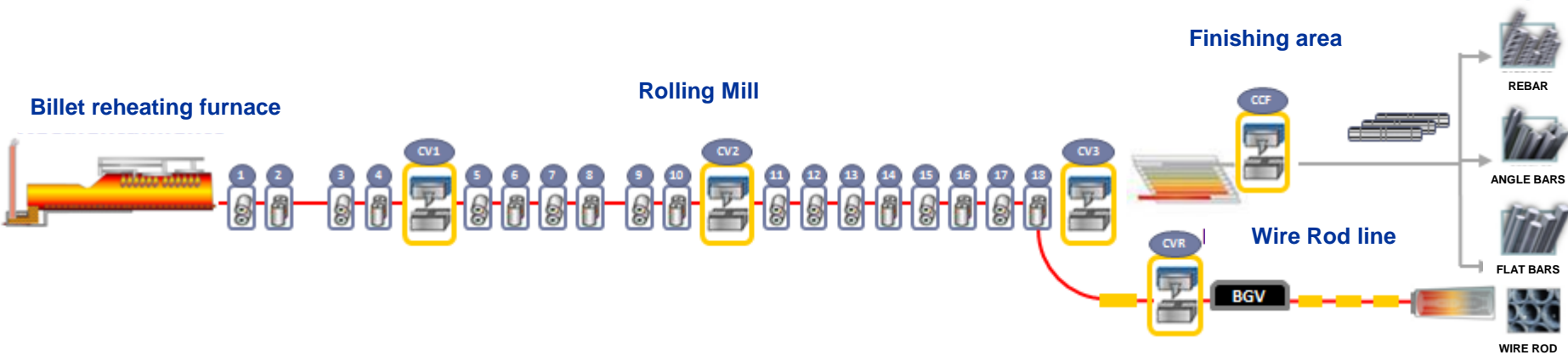
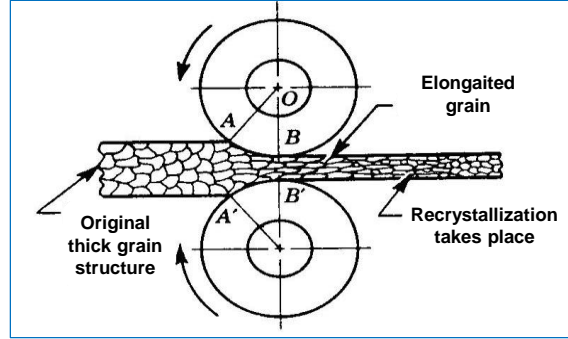
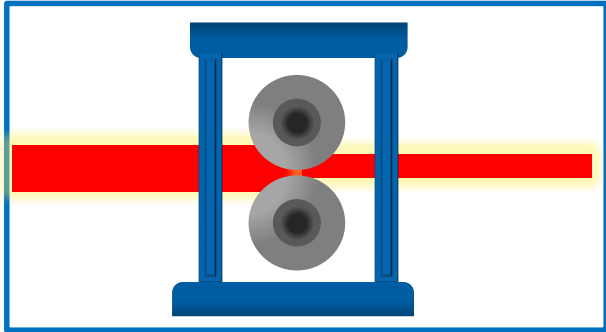
Increased **raw material flexibility**

Production of **high carbon steel** to grow market in the mining industry

	Today	New Melt-shop
Tapping weight (TM)	78	120
Productivity (TM / Hr)	130	184

Hot Rolling is the metal-forming process of hot steel through a set of rolls, in order to obtain a final product (Rebar, Merchant bars, round bars, etc.) with physical and mechanical characteristics determined for a specific use.

Plant capacity*: 1'250,000 t
Line 1: 370,000t (Merchant bars, Round Bars, Wire Rod)
Line 2: 880,000t (Rebar)

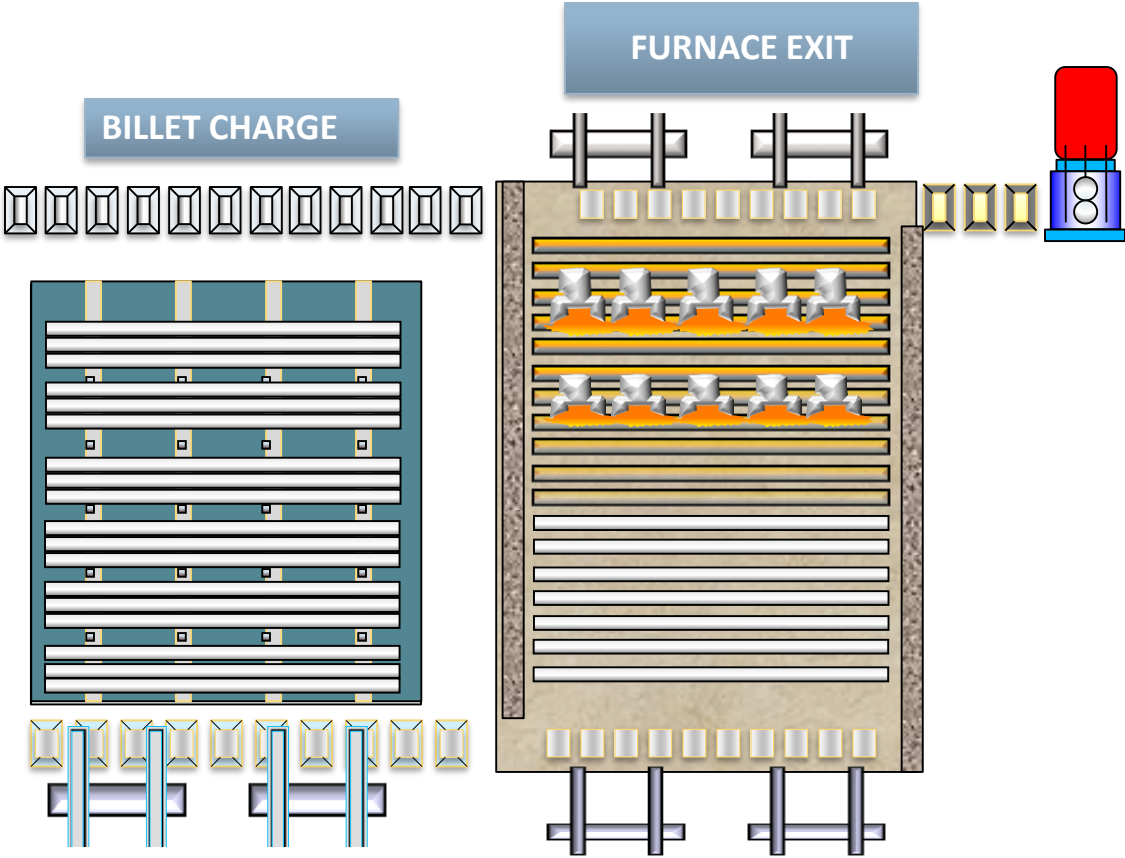


*Capacity varies in relation to production mix

Billet reheat furnace



Furnace exterior



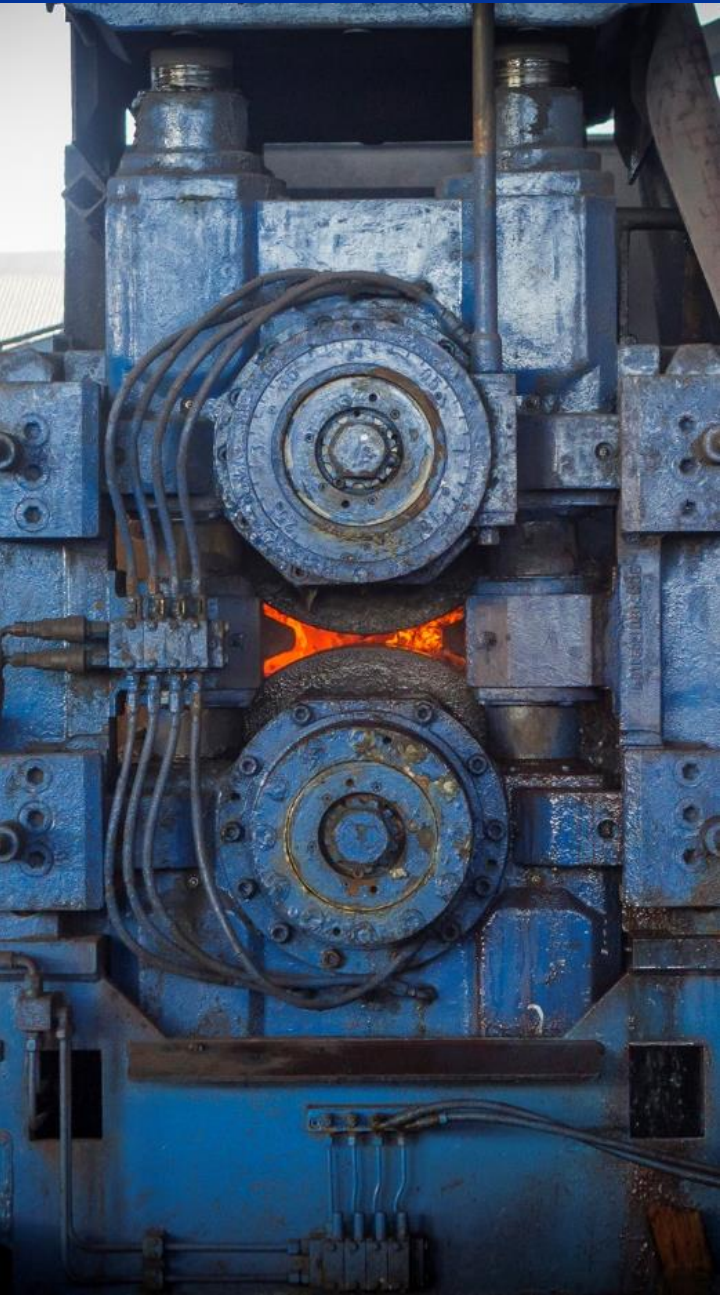
Furnace Capacity
Line 1: 80 t/h
Line 2: 120 t/h

ROLLING MILL

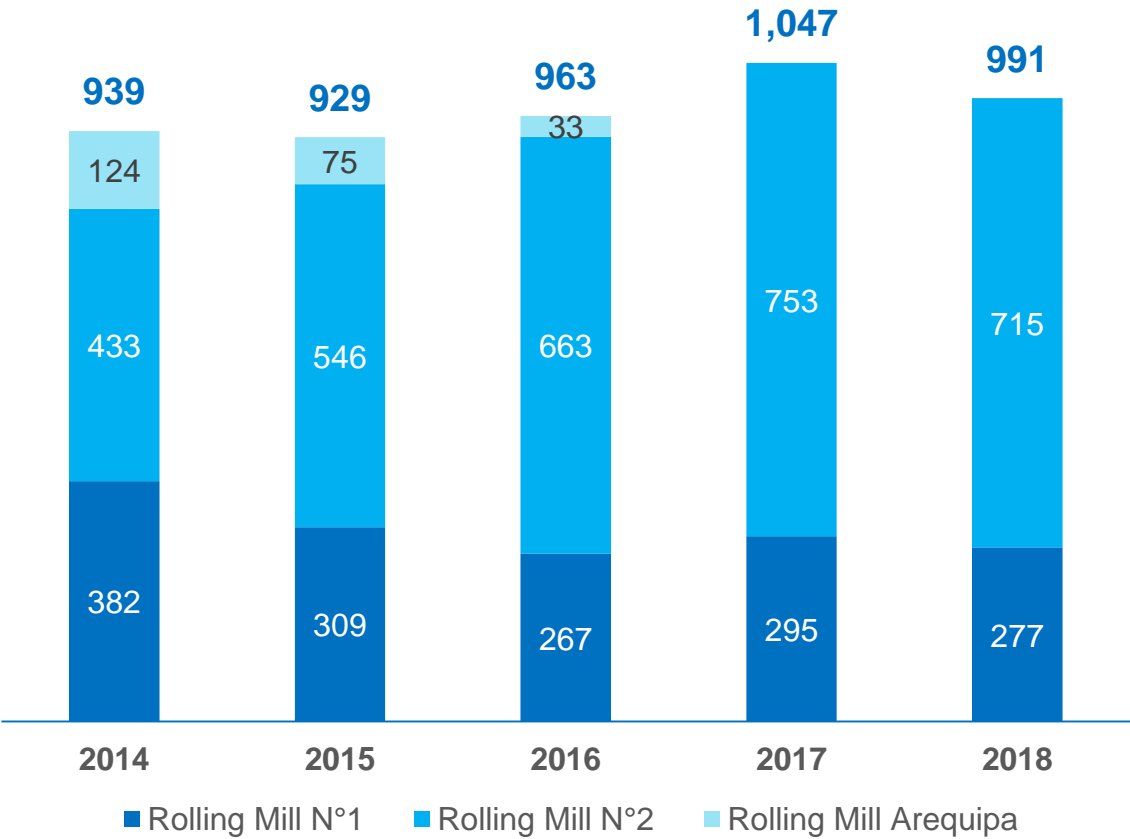


ROLLING MILL





Rolling Mill Production (thousand tons)





This process aims to attend our customers in the construction segment with **custom cut-and-bend rebars and wire rod**, according to the needs of each construction work; thus giving added-value to our products.

Rebar



Cutting line



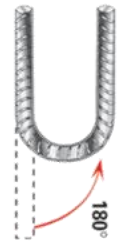
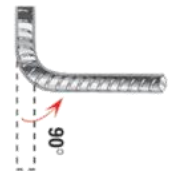
Custom Cut



Bending



Formats



Wire Rod



Stirrups maker



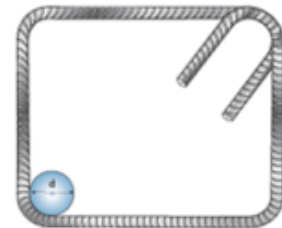
Stirrups for dispatch to construction works



Commercial stirrups



Stirrup



Plant Capacity:
80,000t /year

Metal structures used for building foundations



Capacity:
18,000t /year

STRUCTURE PRE-ASSEMBLY



TUBE PLANT



Capacity:
63,000t /year

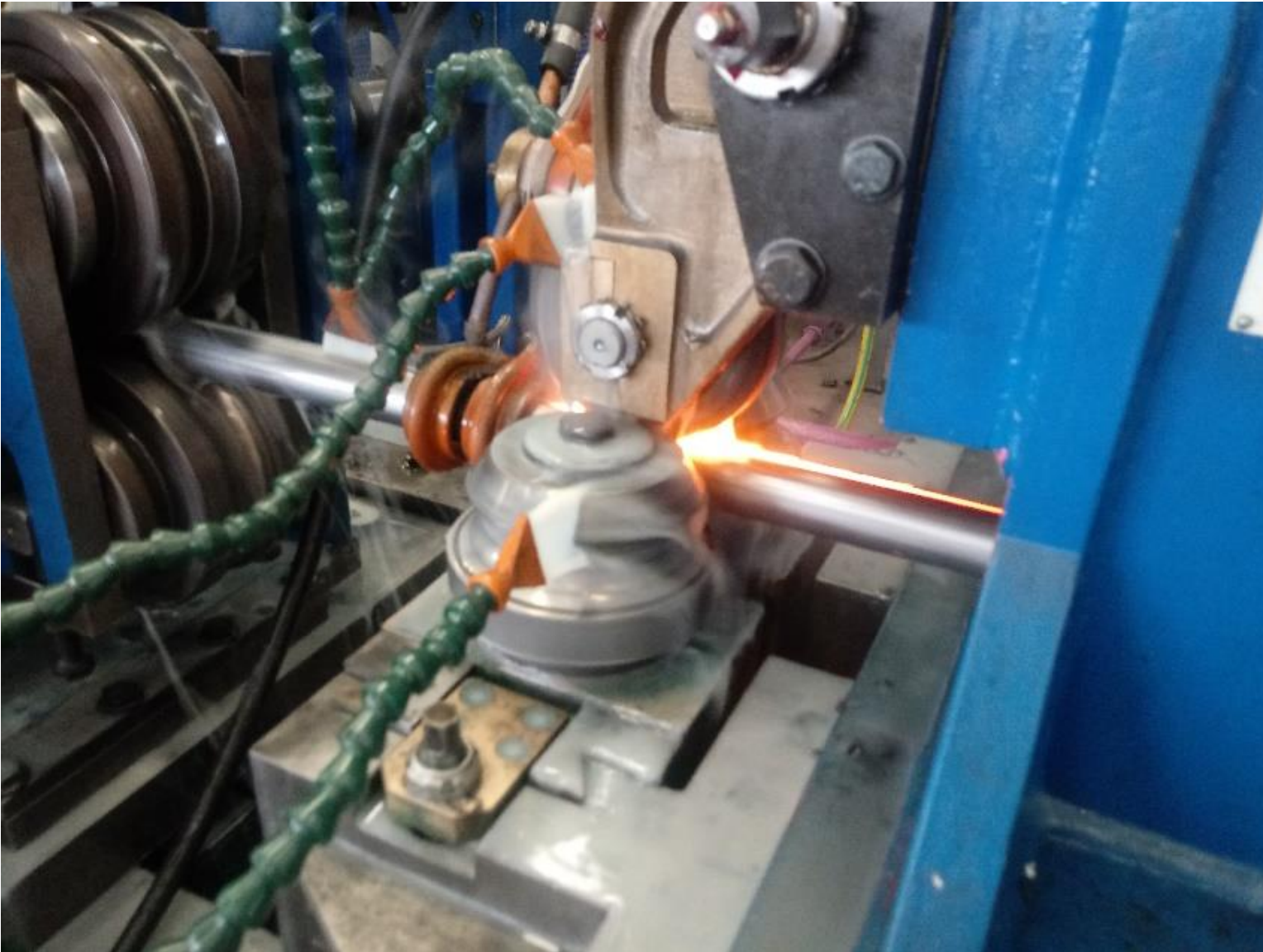
STRIP CUT



TUBE ROLL FORMING MILL



WELDING MACHINE



PACKAGING ROBOT





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