

1Q 2022 EARNINGS REPORT

Lima, Peru, April 27, 2022. Corporación Aceros Arequipa S.A. ("the Company" or "Aceros Arequipa") (BVL: CORAREC1 and CORAREI1) announced its unaudited consolidated financial results corresponding to the First Quarter ("1Q 2022") period ended March 31, 2022. Financial figures are reported on a consolidated and individual basis in nominal Peruvian Soles (S/) and are in accordance with International Financial Reporting Standards ("IFRS"). The following consolidated statements should be read in conjunction with the Financial Statements and Notes, published at the Peruvian Securities and Exchange Commission (*Superintendencia del Mercado de Valores - SMV*).

I. Highlights

- 1 **Revenue** reached S/ 1,315.8 million (+16.7% YoY) due to higher prices, compared to 1Q 2021.
- 2 **Gross Profit** totaled S/ 197.9 million and **Gross Margin** was 15.0%, down from a 31.9% margin during 1Q 2021, due to a negative effect of lower exchange rates that affected prices when denominated in Soles, even though prices in US\$ were higher, higher raw material and traded product prices, higher depreciation, and plant shutdown (which includes the ramp-up of the new melt shop and municipal requirements).
- 3 **EBITDA** was S/ 179.7 million, a reduction of S/ 117.5 million YoY); while **EBITDA Margin** reached 13.7%.
- 4 **Net Profit** reached S/ 96.2 million.
- 5 **Operating Working Capital requirements** reached S/ 1,963.3 million, mainly due to higher inventories, higher accounts receivables, increased sales tax credit, and payment of profit-sharing.
- 6 **CAPEX** was S/ 129.0 million, mainly used for projects such as the new rolling mill and new melt shop.
- 7 As of March 31, 2022, the **Net Debt / EBITDA** ratio increased to 2.02x, higher than December 2021 (1.65x), primarily due to higher short-term financial liabilities and a lower EBITDA.
- 8 On January 27, 2022, the Board approved an approximate investment of US\$ 75 million in a new rolling mill with an annual capacity 300 thousand tons.
- 9 In March the Annual Shareholders Meeting approved a dividend payment of US\$ 24.4 million, which was paid on April 22, 2022.



Revenue
reached S/ 1,315.8
million
(+16.7% YoY)

EBITDA of
S/ 179.7 million,
with a margin of
13.7%

Net Profit was
S/ 96.2 million, and
Net Margin was
7.3%

Net Debt / EBITDA
ratio reached 2.0x
as of March 2022

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Financial Summary

(S/ million)	1Q 2021	1Q 2022	YoY
Financial Figures			
Revenue	1,127.1	1,315.8	+16.7%
Gross Profit	359.5	197.9	-45.0%
Operating Profit	269.9	133.5	-50.5%
EBITDA	297.2	179.7	-39.5%
Net Profit	195.3	96.2	-50.7%
CAPEX ¹	150.0	129.0	-13.9%
Financial Margins			
Gross Margin	31.9%	15.0%	-16.9 p.p.
Operating Margin	23.9%	10.1%	-13.8 p.p.
EBITDA Margin	26.4%	13.7%	-12.7 p.p.
Net Margin	17.3%	7.3%	-10.0 p.p.
Earnings per share ²	0.32	0.57	+80.4%
Other Figures, as of			
	Dec, 2021	Mar, 2022	YTD
Net Debt ³	1,846.5	2,023.2	+9.6%
Net Debt ³ / LTM ⁴ EBITDA	1.65x	2.02x	+0.37x
<ol style="list-style-type: none"> 1. 1Q 2022 includes S/31.8 million of the new melt shop plant financed through a capital lease agreement 2. Earnings per share (EPS) is defined as Net Profit LTM / Total Stock at the end of the quarter. Expressed in S/ per share 3. Total Financial Debt (includes supplier leases) 4. LTM: last twelve months 			

III. Income Statement

Revenue

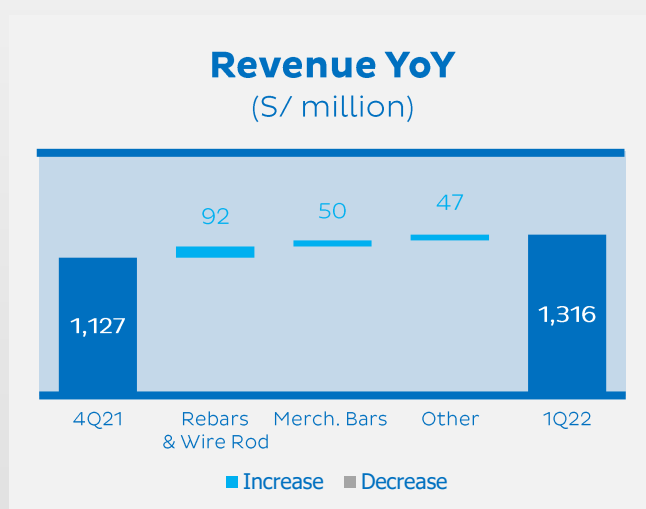
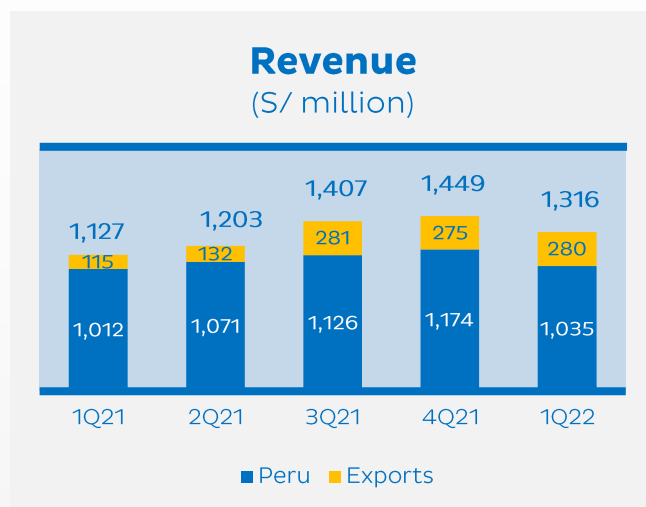
During 1Q 2022, Revenue reached S/ 1,315.8 million (+16.7% YoY)

Revenue increased due to higher prices despite a negative impact of a lower exchange rate to the Soles denominated prices.

Based on Revenue destination, domestic revenues increased by S/ 23.0 million (2.3%) YoY, and Exports increased by S/ 165.7 million (+144.6%) YoY.

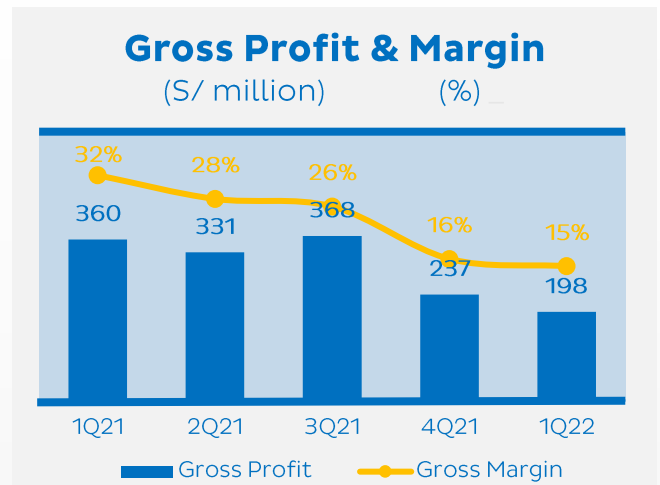
During the quarter, Exports represented 21.3% of total revenue; an 11.1 p.p. increase when compared to 10.2% in 1Q 2021. The increase in exports was mainly due to a higher volume sold to Colombia and Bolivia. Bolivia remained as the main export market for the Company during the quarter.

On a per-category basis, the “Rebars & Wire Rod” category increased S/ 91.5 million (+11.8%) YoY. This was followed by the “Merchant Bars” category, which increased S/ 50.0 million (+90.5%) YoY, and by the “Other” products category which increased S/ 47.2 million (+15.9%) YoY.



Gross Profit

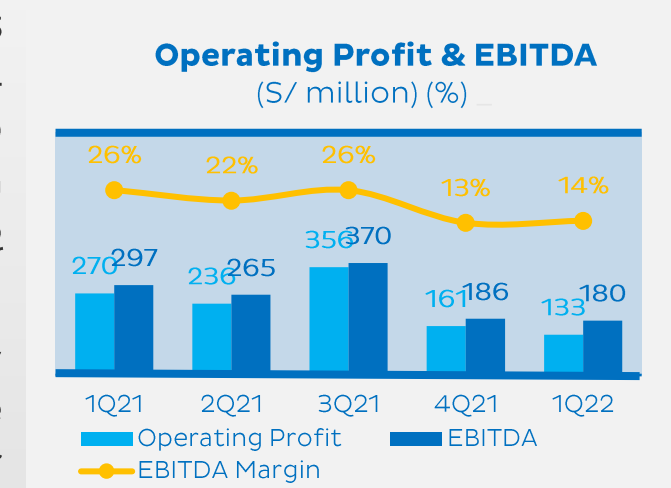
Gross Profit reached S/ 197.9 million during 1Q 2021, lower than last year's 1Q gross profit and reached a margin of 15.0%. The lower gross profit was due to: a negative impact of a lower USD/PEN exchange rate as most operations are carried out in dollars and then expressed in Soles; higher prices of raw materials and traded products; higher depreciation, and plant shutdown, which includes the ramp-up of the new melt shop in Pisco and municipal requirements.



Operating Profit & EBITDA

Operating Profit reached S/ 133.5 million during 1Q 2022, a S/ 136.4 million decrease compared to S/ 269.9 million in 1Q 2021. Operating Margin reached 10.1%, 13.8 p.p. lower versus 1Q 2021.

Operating Profit decrease was partially offset by higher other operating income of S/ 20.1 million due to a supplier settlement and the sale of Rolling mill byproducts



During 1Q 2022, EBITDA reached S/ 179.7 million, a decrease of S/ 117.5 million YoY, and represented an EBITDA Margin of 13.7%; 12.7 p.p. lower compared to 1Q 2021.

Net Financial Expenses

During 1Q 2022, Net Financial Expenses reached S/ 9.4 million, S/ 6.6 million higher compared to 1Q 2021, driven by higher Financial Expenses of S/ 8.4 million, mainly due to an increase in working capital financing and higher interest rates.

Additionally, during the quarter, the Net Exchange Rate Difference was positive and represented a higher income of S/ 28.2 million compared to 1Q 2021.

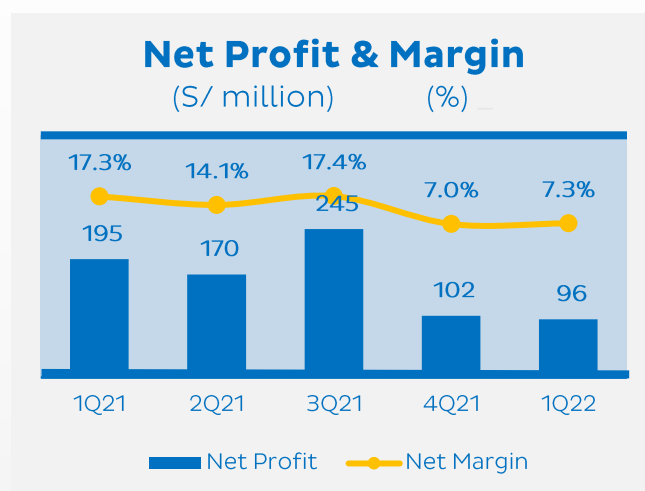
Net Profit

Net Profit was S/ 96.2 million during 1Q 2022, S/ 99.1 million lower YoY. Net Margin was 7.3%.

During 1Q 2022, Net Profit was lower than that as of 1Q 2021 as a result of a lower Operating Profit. Net Profit for the quarter was also negatively affected by lower Income from subsidiaries and affiliated companies (as a result of a financial loss from the sale of a subsidiary's

real estate property) and higher Net Financial Expenses; partly offset by positive Exchange Rate Differences and lower Income Taxes.

Earnings per Share, based on the Net Profit for the last twelve months (LTM), reached S/ 0.57 in 1Q 2022, higher than the ratio of S/ 0.32 reported in 1Q 2021 (+80.4%).



IV. Balance Sheet

Assets

As of March 31, 2022, Total Assets reached S/ 6,527.6 million, representing an increase of S/ 215.2 million versus December 31, 2021. Asset increase was driven by Current Assets, which increased by S/ 173.8 million, and non-current assets by S/ 41.3 million.

Current Assets were higher as of March 31, 2021, mainly due to:

- i Inventories (+S/ 56.7 million, or +2.8% YTD)
- ii Accounts receivables (+S/ 31.9 million, or +5.3%) due to higher prices.
- iii Other accounts receivable (+ S/ 32.0 million, or +5.3% YTD) are mainly explained by sales tax credit.

Days of Sales Outstanding reached 44.5 days as of March 31, 2022, similar to 44.1 days as of December 31, 2021. Days of Inventory on Hand lowered to 173.7 days as of March 31, 2022, compared to 184.1 days as of December 31, 2021.

Non-Current Assets increase was mainly a result of CAPEX that consisted mainly of investments on a third Rolling Mill line and the New Melt shop in Pisco, among others.

Liabilities

As of March 2022, Total Liabilities reached S/ 3,888.8 million, a S/ 209.7 million or 5.7% increase YTD, driven by higher Current Liabilities by S/ 254.5 million, partly offset by a decrease in Non-Current Liabilities of S/ 44.8 million.

Current Liabilities increased mainly due to a higher balance of working capital loans for inventories.

As of March 2022, Total Financial Debt (including supplier leases) reached S/ 2,717.5 million, higher than the figures as of December 2021.

Current Financial Debt as of March 31, 2022, was S/ 1,661.4 million, of which S/ 1,508.2 million represented short-term financing. Total current financial debt was S/ 271.7 million higher than the figures reported as of December 2021.

Non-Current Financial Debt was S/ 1,056.1 million, S/ 45.2 million lower than the figures reported in December 2021, explained by the effect of the reduction in the exchange rate in US\$ denominated financial liabilities.

As of March 2022, 55% of Total Debt was denominated in Peruvian Soles, while 42% was denominated in U.S. Dollars, and the remaining 4% in Bolivianos.

Net Debt to EBITDA ratio was 2.02x as of December 2021, an increase of 0.37x compared to December 2021 mainly due to an increase in short-term financial debt to meet working capital requirements, and lower EBITDA.

Shareholders' Equity

At the close of March 2022, Shareholders' Equity reached S/ 2,638.8 million, an increase of S/ 5.4 million compared to the figures as of December 2021, explained by the accrued 1Q 2022 results after deducting the cash dividend of US\$ 24.4 million.

V. Cash Flow Statement

Cash Flow from Operations

As of March 31, 2022, Cash Flow from Operations was negative S/ 105.5 million, mainly explained by profit-sharing plan for employees, higher inventory levels, an increase in accounts receivables, and payments to suppliers.

Cash Flow from Investing

As of March 31, 2022, Cash Flow from Investing was negative S/ 91.0 million which included investments in the new Rolling Mill line and the New Melt shop in Pisco. These cash outflows were partly offset by S/ 4.2 million in dividends received and S/ 2.3 million in interests received.

These figures do not consider an amount S/ 31.8 million related to the new melt shop plant, which is financed through a capital lease agreement.

Cash Flow from Financing

As of March 31, 2022, Cash Flow from Financing was S/ 246.0 million, which included net financing of S/ 257.7 million and interest payments of S/ 11.7 million.

These figures do not consider the capital leasing agreement for the new melt shop plant.

VI. Relevant Events

1. The board of directors approved an investment of an expected US\$ 75 million for the construction and implementation of a new rolling mill in our industrial complex in Pisco. This new plant will increase Aceros Arequipa's local production capacity of Rebars and Merchant Bars, allowing the Company to go along with the market growth and minimize imports. Additionally, this new line, together with the existing two other lines, is expected to achieve further cost efficiencies through the optimization of consolidated production.

The new Rolling Mill is expected to begin operations during the Second Semester of 2024.

2. Aceros Arequipa was included, for a second consecutive year, in the S&P Sustainability Yearbook by S&P Global, which recognizes its outstanding commitment to society and the environment. Aceros Arequipa registered the highest growth among selected peers and was the only Peruvian Steel company to be granted a membership on the prestigious Yearbook. The Company's score was among the four highest, which resulted in a "Silver Class" recognition.
3. In March, the Shareholder's Meeting approved a cash dividend payment of approximately S/ 276 million, or S/ 26 cents per share, following the Company's dividend policy. The Company made advanced payments of S/ 111 and S/ 74 million in June and September 2021, respectively; resulting in a remaining amount of approximately S/ 91 million or US\$ 24 million, paid on April 2022.

Conference Call Information

Corporacion Aceros Arequipa S.A. cordially invites you to participate in its First Quarter 2022 Earnings Conference Call.

Date: Thursday, April 28, 2022

Time: 1:00 pm ET / 12:00 pm Lima Time

To access the live presentation via Zoom, visit the following URL:

<https://tinyurl.com/mps4vt8c>

About CORPORACIÓN ACEROS AREQUIPA S.A.

CORPORACIÓN ACEROS AREQUIPA S.A., founded in 1964, is the leading Peruvian company in the production and commercialization of steel products, with exports to Bolivia and other countries in the region. Its core products are rebars and wire rods and other products for the construction industry as well as merchant bars and flat steel products. The Company has an industrial facility located in Pisco, Peru with an average per-year capacity of 1,250 thousand tons for its new melt shop, 850 thousand tons for its old melt shop (which will stay on stand by), and 1,250 thousand tons in its steel rolling mills. Aceros Arequipa employs over 1,100 people across its operations in Peru and subsidiaries. The Company's common and investment (non-voting) shares are listed on the Lima Stock Exchange under the ticker symbols CORAREC1 and CORAREI1, respectively. Currently, Aceros Arequipa has a stake in the following companies:

• Aceros America (Bolivia):	99.99%
• Aceros America (Colombia):	100.00%
• Aceros America Corporation:	100.00%
• Aceros America (Chile):	100.00%
• Aceros Arequipa Iquitos:	99.90%
• Acero Instalado:	99.90%
• Transportes Barcino:	99.92%
• Tecnología y Soluciones Constructivas:	99.99%
• Comfer S.A. (in liquidation process):	100.00%
• Comercial del Acero (in liquidation process):	99.99%
• Inmobiliaria Comercial del Acero Cajamarquilla:	33.65%
• Inmobiliaria Comercial del Acero Argentina:	33.65%
• Celepsa:	10.00%

Disclaimer

This Earnings Report 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 does not undertake any obligation to update the forward-looking statements included in this Earnings Report to reflect subsequent events or circumstances.

III. Unaudited Financial Statements

Corporación Aceros Arequipa S.A.	Consolidated Financial Statement of Financial Position (in thousands of Peruvian Soles)		
	Notes	March 31, 2022	December 31, 2021
Assets			
Current Assets			
Cash and Cash Equivalents	5	694,338	644,541
Accounts Receivable	6	628,314	596,440
Accounts Receivable from related parties	7	35,473	39,483
Other Accounts Receivable	8	84,619	52,606
Inventories	9	2,046,820	1,990,122
Deferred Income tax Assets			
Other Assets	10	17,408	9,963
Assets classified as held for sale			
Total Current Assets		3,506,972	3,333,155
Non-Current Assets			
Other financial assets	13	17,441	27,428
Investments in subsidiaries, affiliates or joint ventures	11	93,055	119,485
Accounts Receivable from related parties	7	0	4,197
Other Accounts Receivable	8	19,521	19,482
Investment Property	14	55,368	55,554
Property, Plant and Equipment, Net	12	2,707,034	2,621,809
Intangible Assets, Net	15	85,301	88,390
Deferred Assets	19	7,691	7,624
Other non-financial assets	16	35,175	35,270
Total Non-Current Assets		3,020,586	2,979,239
TOTAL ASSETS		6,527,558	6,312,394
Liabilities and Shareholders' Equity			
Current Liabilities			
Other Financial Liabilities	17	1,661,411	1,389,691
Accounts Payable	18	569,849	579,466
Accounts Payable to related parties	7	107,209	82,082
Other Accounts Payable	19	164,171	177,144
Current Income Tax	20	8,113	27,862
Total Current Liabilities		2,510,753	2,256,245
Non-Current Liabilities			
Other Financial Liabilities	17	1,056,120	1,101,311
Other Accounts Payable	31	106,487	114,289
Deferred Income Tax Liabilities	20	215,421	207,202
Total Non-Current Liabilities		1,378,028	1,422,802
Total Liabilities		3,888,781	3,679,047
Shareholders' Equity			
Share Capital	21	890,858	890,858
Investment Shares	21	182,408	182,408
Treasury Shares			
Other Capital Reserves		178,449	178,449
Retained Earnings		1,171,035	1,165,605
Other Shareholders' Equity Reserves		216,027	216,027
Non-controlling interest			
Total Shareholders' Equity		2,638,777	2,633,347
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,527,558	6,312,394

Corporación Aceros Arequipa S.A.

Consolidated Financial Statement of Comprehensive Income (in thousands of Peruvian Soles)

	Notes	1Q 2022	1Q 2021	YTD 2022	YTD 2021
Revenue	22	1,315,835	1,127,110	1,315,835	1,127,110
Cost of Goods Sold	23	-1,117,933	-767,589	-1,117,933	-767,589
Gross Profit (Loss)		197,902	359,521	197,902	359,521
Selling and Distribution Expenses	24	-37,197	-41,713	-37,197	-41,713
Administrative Expenses	25	-33,885	-44,380	-33,885	-44,380
Other Operating Income	27	26,318	6,256	26,318	6,256
Other Operating Expenses	27	-19,665	-9,815	-19,665	-9,815
Other Income (Expenses)		0	0	0	0
Operating Profit (Loss)		133,473	269,869	133,473	269,869
Financial Income	28	2,327	1,991	2,327	1,991
Financial Expenses	28	-11,722	-4,817	-11,722	-4,817
Other income (Expenses) from subsidiaries, affiliated and joint ventures	11	-9,604	1,982	-9,604	1,982
Exchange Rate Differences, Net	32	30,603	2,405	30,603	2,405
Profit (Loss) before taxes		145,077	271,430	145,077	271,430
Income Tax Expense	20	-48,854	-76,120	-48,854	-76,120
Profit (Loss) from Discontinued Operations		0	0	0	0
Net Profit (Loss)		96,223	195,310	96,223	195,310
Earnings Per Share					
Basic in Continued Operations of Common Stock		0.089	0.181	0.089	0.181
Basic in Discontinued Operations of Common Stock		0.000	0.000	0.000	0.000
Total Earnings Per Share of Common Stock		0.089	0.181	0.089	0.181
Basic in Continued Operations of Investment Stock (Non-voting)		0.089	0.181	0.089	0.181
Basic in Discontinued Operations of Investment Stock (Non-voting)		0.000	0.000	0.000	0.000
Total Earnings Per Share of Investment Stock (Non-Voting)		0.089	0.181	0.089	0.181

Corporación Aceros Arequipa S.A.

Consolidated Financial Statement of Cash Flow – Direct Method (in thousands of Peruvian Soles)

	Notes	1Q 2022	1Q 2021
Cash Flow from Operating Activities			
Collections due to Operating Activities			
Sales of Goods and Services Offered		1,310,998	1,036,864
Other Operating Collections		-17,873	-7,767
Payments due to Operating Activities			
Suppliers of Goods and Services		-1,233,257	-950,101
Payments and payments on account to employees		-129,243	-99,266
Income Tax		-36,106	-36,861
Net Cash Generated by Operating Activities		-105,481	-57,131
Cash Flow from Investing Activities			
Collections due to Investing Activities			
Sale of Property, Plant and Equipment	27	0	242
Interests Received	28	2,327	1,991
Dividends Received		4,197	0
Payments due to Investing Activities			
Acquire control of subsidiaries and other firms	1	0	-64,098
Purchase of Subsidiaries, Net of Cash Acquired	1	0	45,274
Purchase of Property, Plant and Equipment	12	-96,995	-45,738
Purchase of Intangible Assets	15	-188	-320
Purchase of Other Long-Term Assets		-27	0
Net Cash Generated by Investing Activities		-90,686	-62,649
Cash Flow from Financing Activities			
Collections due to Financing Activities			
Short term and long-term loans		795,417	229,698
Payments due to Financing Activities			
Short term and long-term loans amortization		-537,731	-76,168
Interests paid	28	-11,722	-4,817
Dividends paid	11	0	-110
Other collections (payments) of cash related to financial activities		0	0
Net Cash Generated by Financing Activities		245,964	148,603
Net Increase (Reduction) of Cash and Equivalents before Exchange Rate Changes		49,797	28,823
Effects of Exchange Rate Changes on the balance of Cash Held in Foreign Currencies		0	0
Net Increase (Reduction) of Cash and Equivalents		0	0
Cash and Cash Equivalents at the beginning of the year		644,541	700,462
Cash and Cash Equivalents at the end of the period		694,338	729,285