

1Q 2024 EARNINGS REPORT

Lima, Peru, April 24, 2024. Corporación Aceros Arequipa S.A. ("the Company" or "Aceros Arequipa") (BVL ticker: CORAREC1 and CORAREI1) announced its unaudited consolidated financial results corresponding to the First Quarter ("1Q 2024") period ended March 31, 2024. 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 report should be read together 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/ 1,131.0 million**, -7.3% YoY mainly due to lower revenue in Peru and to Other non-recurring markets, partially offset by higher sales to other recurrent markets (Bolivia, Ecuador and Colombia) and non-ferrous scrap and by-products.
- 2 Gross Profit totaled S/ 180.1 million and Gross Margin was 15.9%**, higher from 10.9% during 1Q 2023, mainly due to better margins in certain products in the local market, higher sales in Colombia, Bolivia and Ecuador and sales of non-ferrous scrap and by-products.
- 3 EBITDA reached S/162.8 million**, while EBITDA Margin reached 14.4%.
- 4 Net Profit reached S/ 60.2 million**, S/25.7 million higher YoY mainly due to higher gross profit.
- 5 Operating Working Capital requirements decreased S/ 49 million to S/ 1,338 million**, mainly due to lower inventories.
- 6 CAPEX for the quarter was S/ 99 million**, mainly explained by the new rolling mill, wire and nail plant, lime furnace enhancement, new scrap cleaning machines, and Lurin Distribution Center, among others.
- 7 As of March 31, 2024, the Net Debt / EBITDA ratio decreased to 4.1x**, lower than as of December 2023 (4.6x) due to a higher EBITDA LTM and lower Net Debt.
- 8 In March the Annual Shareholders Meeting approved a dividend payment of US\$ 3.7 million**, which was paid on April 16, 2024.



Revenue reached S/ 1,131.0 million

EBITDA of S/ 162.8 million, with a margin of 14.4%

Net Profit was S/ 60.2 million, and Net Margin was 5.3%

Net Debt / EBITDA ratio reached 4.1x as of March 2024

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Financial Summary

(\$/ million)	1Q 2023	1Q 2024	YoY
Financial Figures			
Revenue	1,220.2	1,131.0	-7.3%
Gross Profit	132.5	180.1	36.0%
Operating Profit	70.3	110.3	57.0%
EBITDA	128.1	162.8	27.1%
Net Profit	34.6	60.2	74.3%
CAPEX	100.9	99.0	-1.9%
Financial Margins			
Gross Margin	10.9%	15.9%	5.1 p.p.
Operating Margin	5.8%	9.8%	4.0 p.p.
EBITDA Margin	10.5%	14.4%	3.9 p.p.
Net Margin	2.8%	5.3%	2.5 p.p.
Earnings per share ¹	0.17	0.09	-48.6%
Other Figures, as of			
	Dec. 2023	Mar. 2024	YTD
Net Debt ²	2,001.6	1,948.5	-2.7%
Net Debt ² / LTM ³ EBITDA	4.60x	4.15x	0.45x

1. Earnings per share (EPS) is defined as Net Profit LTM / Total Stock at the end of the quarter. Expressed in \$/per share.
2. Net Debt = Total Financial Debt (includes supplier leases) – Cash
3. LTM: last twelve months

III. Income Statement

Revenue

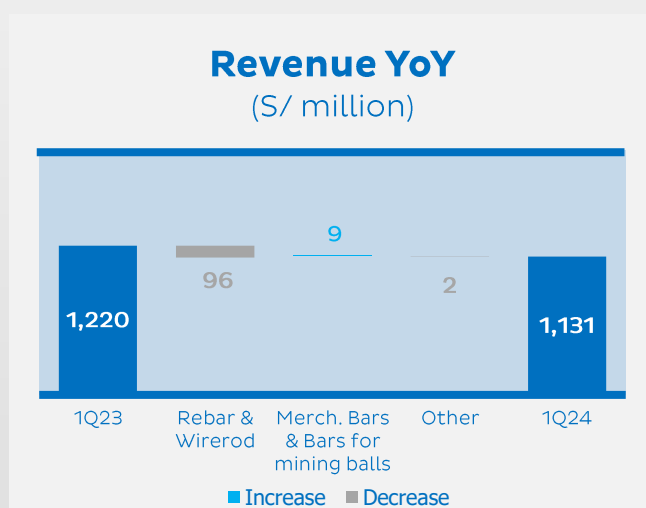
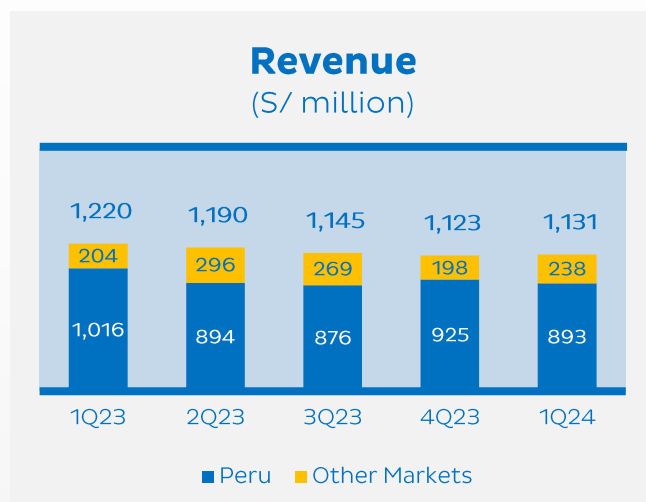
During 1Q 2024, Revenue reached S/ 1,131.0 million (-7.3% YoY).

Revenue decreased S/123 million (-12%) in Peru and increased S/33 million (16%) in Other Markets.

Local revenue decreased due to lower volume and prices. On the other hand, revenue for the Other Markets grew due to higher volume sold in recurrent markets (Bolivia, Ecuador, and Colombia) and sales of non-ferrous and by-products.

During the quarter, Revenue from Other Markets represented 21.0% of total Revenue; 16.4% higher than in 1Q 2023. Bolivia remained the main source of Revenue among “Other Markets” for the Company during the quarter.

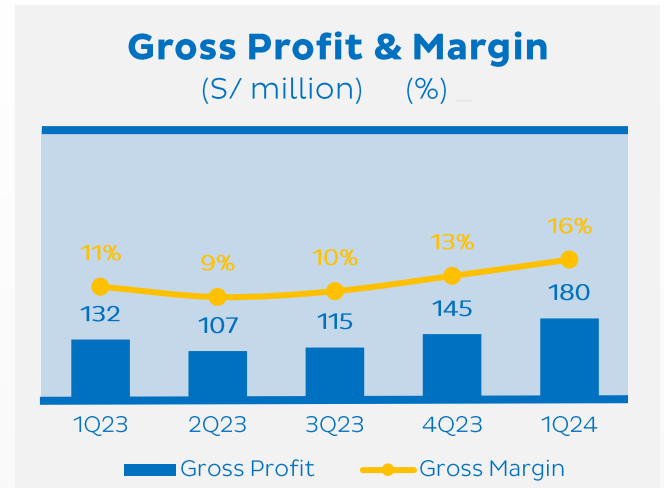
On a per-category basis, the “Rebars & Wire Rod” category decreased S/ 96 million (-11.2% YoY) mainly due to a lower volume sold in Peru and non-recurrent markets, partially compensated by an increase in volume in recurrent markets abroad; the “Merchant bars & Bars for mining balls” category increased S/9 million (+9.3%) due to a volume increase in round bars for mining balls, partially mitigated by lower prices; and the “Other” products category decreased S/2 million (-0.8% YoY) mainly due to lower prices, partially compensated by higher volume sold.



Gross Profit

Gross Profit increased YoY and reached S/ 180.1 million with a margin of 15.9%.

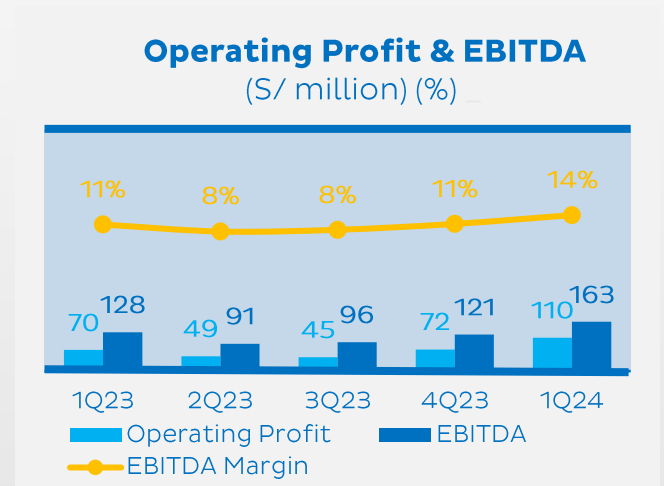
Gross profit was S/47.6 million higher mainly because of margins recovery in certain products in the local market, higher sale in Colombia, Bolivia, and Ecuador and sales of non-ferrous scrap and by-products.



Operating Profit & EBITDA

Operating Profit reached S/ 110.3 million during 1Q 2024, a S/ 40.1 million increase compared to 1Q 2023. Operating Margin reached 9.8%, 4.0% higher compared to 1Q 2023.

The Operating Profit increase was explained by a surge in Gross Profit partially offset by higher SG&A and other operating expenses. The increase in SG&A was driven by higher personnel expenses and third-party expenses.



During 1Q 2024, EBITDA reached S/ 162.8 million, a S/ 35 million increase YoY, and represented an EBITDA Margin of 14.4%; 3.9% higher compared to 1Q 2023.

Net Financial Expenses

During 1Q 2024, Net Financial Expenses reached S/ 31.1 million, S/ 1.7 million lower compared to 1Q 2023. Financial Expenses decreased by S/3.2 million due to lower working capital financing.

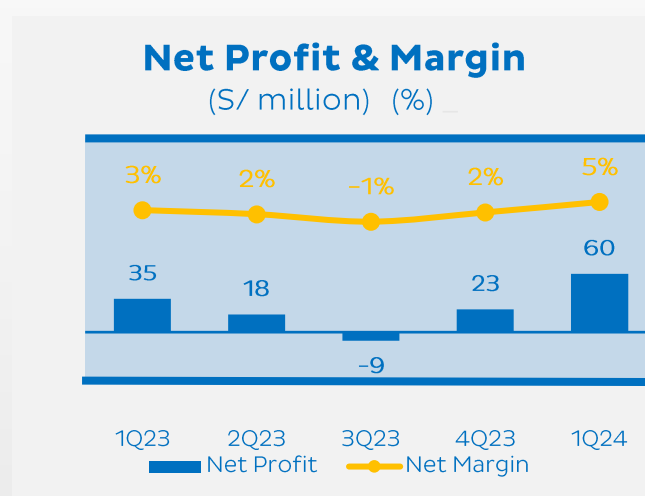
During the quarter, the Net Exchange Rate Difference was S/ 4.5 million, lower than the S/ 11.7 million Exchange Rate difference in 1Q 2023.

Net Profit

Net Profit was S/ 60.2 million during 1Q 2024, S/ 25.7 million higher YoY. Net Margin was 5.3%.

During 1Q 2024, Net Profit increased YoY because of higher Gross Profit and lower Net Financial Expenses, partially offset by higher SG&A, other operating expenses, lower Exchange rate difference profits, and higher income taxes.

Earnings per Share, based on the Net Profit for the last twelve months (LTM), reached S/ 0.09 in 1Q 2024, lower compared to the S/ 0.17 reported at the end of 1Q 2023.



IV. Balance Sheet

Assets

As of March 31, 2024, Total Assets reached S/ 6,184 million, a reduction of S/ 134 million compared to December 31, 2023.

The decrease in assets was driven by a S/ 180 million reduction in current assets, partially offset by an increase in non-current assets by S/ 46 million.

Current Assets were lower as of March 31, 2024, mainly due to:

- i Inventories (-S/ 84 million, or -6% YTD)
- ii Cash (-S/ 72 million, or -11% YTD)
- iii Income tax assets (-S/ 25 million, or -25% YTD).
- iv Other Accounts receivables (-S/ 16 million, or -14% YTD)

Days of Sales Outstanding reached 34 days as of March 31, 2024, similar compared to the 33 days as of December 31, 2023.

Days in Inventory decreased to 120 days as of March 31, 2024, compared to 124 days as of December 31, 2023.

Non-Current Assets' increase was mainly a result of CAPEX.

Liabilities

As of March 31, 2024, Total Liabilities reached S/ 3,398 million, a S/ 183 million or 5% reduction YTD, driven by a S/ 155 million reduction in Current Liabilities, and S/ 28 million reduction in Non-Current Liabilities.

Current Liabilities decreased mainly due to a lower working capital financing.

As of March 2024, Total Financial Debt (including supplier leases) reached S/ 2,503 million, lower than December 2023.

Current Financial Debt as of March 2024, was S/ 1,290 million, of which S/ 1,101 million represented working capital financing. Total current financial debt was S/ 95 million lower than December 2023.

Non-Current Financial Debt amounted to S/ 1,214 million, S/ 30 million lower than December 2023.

As of March 2024, 48% of Total Financial Debt was denominated in Peruvian Soles, while 45% was denominated in U.S. Dollars, 4% in Bolivianos, and the remaining 3% in Colombian and Chilean Pesos.

Net Debt to EBITDA ratio was 4.1x as of March 2024, a 0.5x reduction compared to December 2023 mainly due to a lower Net Debt and higher EBITDA LTM.

Shareholders' Equity

At the close of March 2024, Shareholders' Equity reached S/ 2,786 million, an increase of S/ 49 million compared to December 2023, mainly explained by 2024 accrued results.

V. Cash Flow Statement

Cash Flow from Operations

As of March 2024, Cash Flow from Operations amounted to S/ 174 million, mainly explained by EBITDA generation and a reduction in inventories.

Cash Flow from Investing

As of March 2024, Cash Flow from Investing amounted to -S/ 91 million which included S/99 million in capital expenditures partially offset by S/ 7 million in interest received, and S/ 0.5 million in dividends received. The investments were mainly explained by the following capex: the new rolling mill, wires and nails plant, lime furnace enhancement, new scrap cleaning machines, and Lurin distribution center, among others.

Cash Flow from Financing

As of March 2024, Cash Flow from Financing amounted to -S/ 155 million, which included net financing of -S/ 117 million, and interest payments of -S/ 38 million.

VI. Relevant Events

1. In March, the Shareholders Meeting approved a cash dividend payment of approximately S/ 13.8 million which was paid in US\$ (US\$ 3.7 million) on April the 16th 2024.
2. Aceros Arequipa moved up 22 spots in the Merco Responsabilidad ESG 2023 ranking and continues to be the sole steel making company in the ranking and positioned among the top 30 leading sustainable companies in Peru by MERCOSUR Empresas 2023.

Conference Call Information

Corporacion Aceros Arequipa S.A. cordially invites you to participate in its First Quarter 2024 Earnings Conference Call.

Date: Thursday, April 25, 2024

Time: 1:00 pm ET / 12:00 pm PET (UTC-5)

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

<https://n9.cl/6v9zp>

Or scan the following QR code:



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 its 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:

• Corporación Aceros Arequipa S.R.L. (Bolivia):	99.00%
• Aceros America S.A.S. (Colombia):	100.00%
• Aceros America Corporation:	100.00%
• Corporación Aceros Arequipa S.P.A. (Chile):	100.00%
• Corporación Aceros Arequipa AA S.A.S. (Ecuador):	100.00%
• Corporación Aceros Arequipa Iquitos S.A.C.:	99.90%
• Acero Instalado:	99.90%
• Transportes Barcino:	99.99%
• 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, their financial and business impact, and 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, 2024	December 31, 2023
Assets			
Current Assets			
Cash and Cash Equivalents	5	554,946	626,550
Accounts Receivable	6	422,472	448,664
Accounts Receivable from related parties	7	13,832	780
Other Accounts Receivable	8	103,253	95,546
Inventories	9	1,349,602	1,433,910
Deferred Income tax Assets	20	77,291	102,675
Other Assets	10	17,688	11,310
Assets classified as held for sale		-	-
Total Current Assets		2,539,084	2,719,435
Non-Current Assets			
Other financial assets	13	44,735	49,850
Investments in subsidiaries, affiliates, or joint ventures	11	94,828	94,240
Accounts Receivable from related parties	7	-	-
Other Accounts Receivable	8	11,841	11,803
Investment Property	14	80,645	81,015
Property, Plant and Equipment, Net	12	3,287,289	3,233,431
Intangible Assets, Net	15	73,508	74,003
Deferred Assets	20	17,776	32,453
Other non-financial assets	16	34,514	34,576
Total Non-Current Assets		3,645,136	3,611,371
TOTAL ASSETS		6,184,220	6,330,806
Liabilities and Shareholders' Equity			
Current Liabilities			
Other Financial Liabilities	17	1,289,606	1,378,779
Accounts Payable	18	526,704	599,040
Accounts Payable to related parties	7	22,397	12,322
Other Accounts Payable	19	97,130	94,785
Current Income Tax		-	-
Total Current Liabilities		1,935,837	2,084,926
Non-Current Liabilities			
Other Financial Liabilities	17	1,213,880	1,249,411
Other Accounts Payable	19	9,113	9,074
Deferred Income Tax Liabilities	20	239,260	249,924
Total Non-Current Liabilities		1,462,253	1,508,409
Total Liabilities		3,398,090	3,593,335
Shareholders' Equity			
Share Capital	21	890,858	890,858
Investment Shares	21	182,408	182,408
Treasury Shares		-	-
Other Capital Reserves	21	178,852	178,742
Retained Earnings	21	1,332,851	1,286,468
Other Shareholders' Equity Reserves	21	201,161	198,995
Non-controlling interest		-	-
Total Shareholders' Equity		2,786,130	2,737,471
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,184,220	6,330,806

Corporación Aceros Arequipa S.A.

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

	Notes	1Q 2024	1Q 2023
Revenue	22	1,131,004	1,220,152
Cost of Goods Sold	23	-950,894	-1,087,690
Gross Profit (Loss)		180,110	132,462
Selling and Distribution Expenses	24	-36,138	-34,891
Administrative Expenses	25	-27,487	-24,208
Other Operating Income	27	2,844	3,296
Other Operating Expenses	27	-8,997	-6,403
Other Income (Expenses)		-	-
Operating Profit (Loss)		110,332	70,256
Financial Income	28	6,970	8,491
Financial Expenses	28	-38,053	-41,224
Other income (Expenses) from subsidiaries, affiliates, and joint ventures	11	1,115	1,733
Exchange Rate Differences, Net	32	4,507	11,704
Profit (Loss) before taxes		84,871	50,960
Income Tax Expense	20	-24,658	-16,407
Profit (Loss) from Discontinued Operations		-	-
Net Profit (Loss)		60,213	34,553
Earnings Per Share			
Basic in Continued Operations of Common Stock		0.056	0.032
Basic in Discontinued Operations of Common Stock		-	-
Total Earnings Per Share of Common Stock		0.056	0.032
Basic in Continued Operations of Investment Stock (Non-voting)		0.056	0.032
Basic in Discontinued Operations of Investment Stock (Non-voting)		-	-
Total Earnings Per Share of Investment Stock (Non-Voting)		0.056	0.032

Corporación Aceros Arequipa S.A.

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

	Notes	1Q 2023	1Q 2022
Cash Flow from Operating Activities			
Collections due to Operating Activities			
Sales of Goods and Services Offered		1,133,122	1,277,436
Other Operating Collections		19,173	36,910
Payments due to Operating Activities			
Suppliers of Goods and Services		-937,489	-983,341
Payments and payments on account to employees		-64,970	-80,166
Income Tax		29,867	-10,730
Other Payments		-5,241	0
Net Cash Generated by Operating Activities		174,462	240,109
Cash Flow from Investing Activities			
Collections due to Investing Activities			
Sale of Property, Plant and Equipment	27	0	124
Interests Received	28	6,956	8,491
Dividends Received	11	548	0
Payments due to Investing Activities			
Acquire control of subsidiaries and other firms	1	-	-
Purchase of Subsidiaries, Net of Cash Acquired	1		
Purchase of Property, Plant and Equipment	12	-98,949	-100,432
Purchase of Intangible Assets	15	-1	-350
Purchase of Other Long-Term Assets		0	0
Net Cash Generated by Investing Activities		-91,446	-92,167
Cash Flow from Financing Activities			
Collections due to Financing Activities			
Short-term and long-term loans		1,587,902	592,409
Payments due to Financing Activities			
Short-term and long-term loans amortization		-1,704,469	-756,635
Interests paid	28	-38,053	-41,000
Dividends paid	21	0	0
Other collections (payments) of cash related to financial activities			
Net Cash Generated by Financing Activities		-154,620	-205,226
Net Increase (Reduction) of Cash and Equivalents before Exchange Rate Changes		-71,604	-57,284
Effects of Exchange Rate Changes on the balance of Cash Held in Foreign Currencies			
Net Increase (Reduction) of Cash and Equivalents		-71,604	-57,284
Cash and Cash Equivalents at the beginning of the year		626,550	632,422
Cash and Cash Equivalents at the end of the period		554,946	575,138