

3Q 2024 EARNINGS REPORT

Lima, Peru, October 31, 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 Third Quarter (“3Q 2024”) period ended September 30, 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/ 1,220.6 million** (6.6% YoY) as a result of higher sales in Peru, Bolivia and Ecuador, partially offset by lower sales to non-recurrent markets.
- 2 Gross Profit and Gross Margin achieved S/ 192.3 million and 15.8%** (+570 bps vs 3Q23) due to higher volume and prices in Peru, better margins in Bolivia and Colombia, and higher by-product sales partially offset by lower margins in Ecuador.
- 3 EBITDA grew S/62 million YoY and reached S/157.7 million**, while **EBITDA Margin** reached 12.9% (+456 bps YoY).
- 4 Net Profit reached S/ 41.7 million**, while **Net Margin** reached 3.4% (+420 bps vs 3Q23) mainly due to higher gross profit.
- 5 Operating Working Capital requirements decreased from S/ 1,387 million to S/ 1,356 million**, mainly due to lower inventories, and income tax assets.
- 6 CAPEX reached S/ 87 million**, mainly explained by the new rolling mill, wire and nail plant, lime furnace enhancement, reheating furnace, and scrap cleaning machine, among others.
- 7 As of September 30, 2024, the Net Debt / EBITDA ratio decreased to 3.2x**, lower than Dec 23 (4.6x) due to a higher EBITDA LTM (+46% YoY).
- 8 In October, the Board approved a cash dividend of US\$ 7.6 million**, which will be paid on November 26, 2024.



Revenue reached S/ 1,220.6 million

EBITDA of S/ 157.7 million, with a margin of 12.9%

Net Profit was S/ 41.7 million, and Net Margin was 3.4%

Net Debt / EBITDA ratio reached 3.2x as of September 2024

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Financial Summary

(S/ million)	3Q23	3Q24	YoY	YTD '23	YTD '24	YoY
Financial Figures						
Revenue	1,145	1,221	6.6%	3,555	3,485	(2%)
Gross Profit	115	192	67.0%	354	570	61%
Operating Profit	45	104	128.4%	165	330	101%
EBITDA	96	158	64.9%	314	488	55%
Net Profit	(9)	42	n.a.	44	153	249%
CAPEX	128	87	(31.7%)	337	287	(15%)
Financial Margins & ratio						
Gross Margin	10.1%	15.8%	5.7 p.p	10.0%	16.4%	6.4 p.p
Operating Margin	4.0%	8.5%	4.5 p.p	4.6%	9.5%	4.8 p.p
EBITDA Margin	8.4%	12.9%	4.6 p.p	8.8%	14.0%	5.2 p.p
Net Margin	(0.8%)	3.4%	4.2 p.p	1.2%	4.4%	3.2 p.p
Earnings per share ¹	0.05	0.16	220.6%			
Other Figures, as of						
	Dec, 2023	Sep, 2024	YTD			
Net Debt ²	2,001.6	1,964.5	(1.9%)			
Net Debt ² / LTM ³ EBITDA	4.6	3.2	(1.4x)			

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

III. Income Statement

Revenue

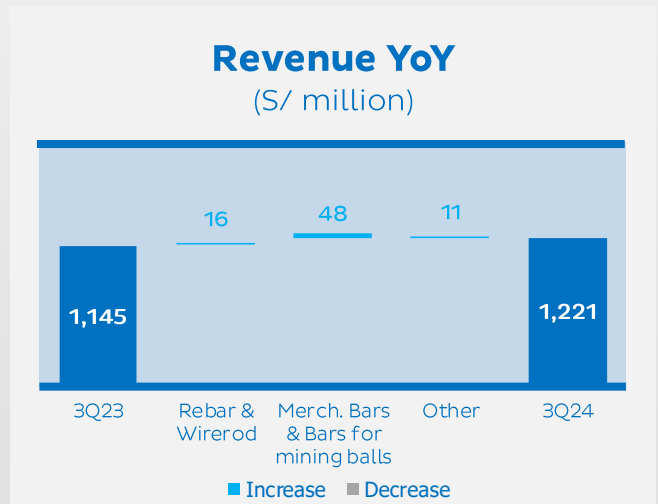
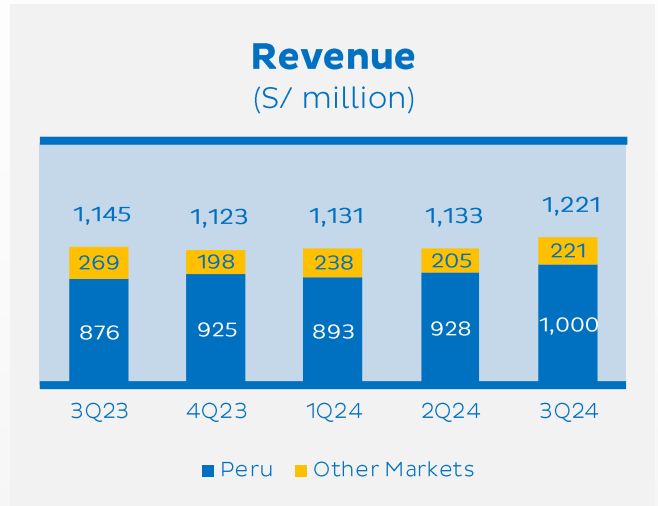
During 3Q24, revenue reached S/ 1,220.6 million (+6.6% YoY).

Revenue increased 14.1% YoY in Peru and decreased -17.9% YoY in Other Markets.

Domestic revenue increased due to higher sales of rebars (higher volume and price) and round bars for mining balls (higher volume). On the other hand, revenue from Other Markets decreased due to lower exports of rebar to non-recurring markets partially compensated by higher sales to Bolivia and Ecuador.

During the quarter, Revenue from Other Markets represented 18% of total Revenue. 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 increased 2.1% YoY mainly due to higher volume and prices in Peru, partially offset by lower volume in non-recurrent markets; the “Merchant bars & Bars for mining balls” category increased +42.0% YoY due to volume increase in round bars for mining balls; and the “Other” products category increased 4.7% YoY due to higher sales of by-products, steel sheets, plates & coils, and nails and wire.



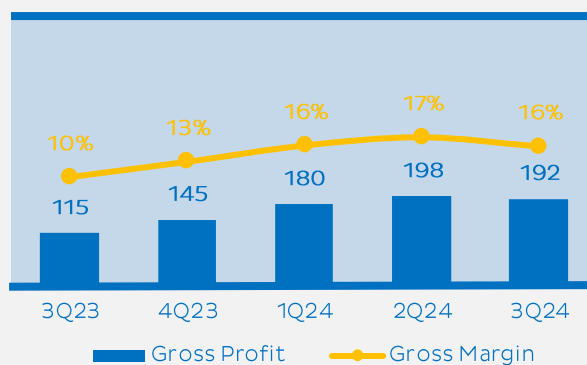
Gross Profit

Gross Profit reached S/ 192.3 million (+67.0% YoY) with a margin of 15.8%.

Gross profit increased because of better results in Peru due to higher volumes and prices of rebar, and higher volume of round bars for mining balls. By-products sales and better margins in Bolivia and Colombia contributed to the increase in gross profit.

Gross Profit & Margin

(S/ million) (%)



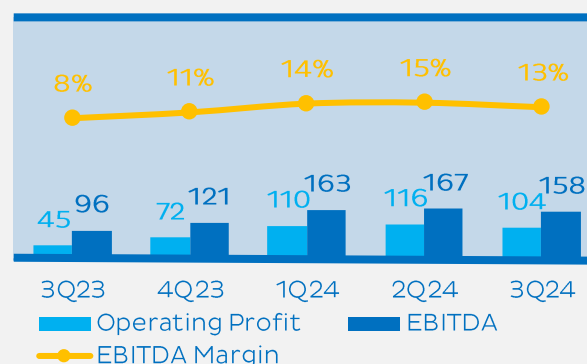
Operating Profit & EBITDA

Operating Profit reached S/ 103.8 million (+128% YoY), while operating margin reached 8.5% (+454 bps vs 3Q23).

The Operating Profit increase was explained by a better Gross Profit, partially offset by higher SG&A and Other Operating expenses. The increase in SG&A was driven by higher personnel expenses (variable).

Operating Profit & EBITDA

(S/ million) (%)



EBITDA reached S/ 157.7 million (+65% YoY), while EBITDA Margin reached 12.9% (+456 bps vs 3Q23).

Net Financial Expenses

Net Financial Expenses reached S/ 28.6 million (-32.5% YoY). Financial Expenses decreased -25.0% YoY due to lower working capital financing and reduced interest rates.

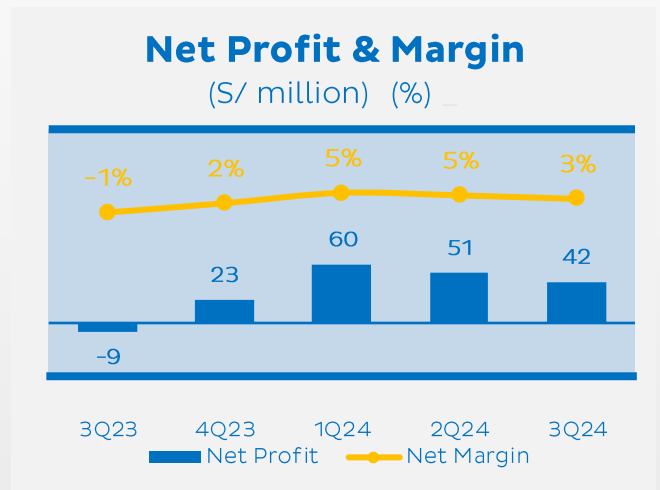
Net Exchange Rate Difference was -S/ 16.3 million, compared to -S/ 7.8 million Exchange Rate difference in 3Q23.

Net Profit

Net Profit was S/ 41.7 million while Net Margin reached 3.4%.

Net Profit increased as a result of higher Gross Profit and lower Net Financial Expenses, positive income from subsidiaries compared to negative income in 3Q 2023, partially offset by a higher Exchange rate differences, higher SG&A, and higher income taxes.

Earnings per Share, based on the Net Profit for the last twelve months (LTM), reached S/ 0.16 in 3Q24, higher compared to the S/ 0.05 reported at the end of 3Q23.



IV. Balance Sheet

Assets

As of September 30, 2024, Total Assets reached S/ 6,194 million, a S/ 125 million or 2% reduction YTD.

The decrease in assets was driven by a S/ 248 million reduction in current assets, partially offset by an increase in non-current assets by S/ 123 million.

Current Assets were lower mainly due to:

- i Inventories (-S/ 126 million, or -9% YTD)
- ii Cash (-S/ 98 million, or -16% YTD)
- iii Income tax assets (-S/ 53 million, or -51% YTD).

Days of Sales Outstanding reached 37 days as of Sep 24 (vs 33 days as of Dec 23).

Days in Inventory reached 121 days as of Sep 24 (vs 124 days as of Dec 23).

Days Payable Outstanding reached 44 days as of Sep 24 (vs 53 days as of Dec 23).

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

Liabilities

As of September 30, 2024, Total Liabilities reached S/ 3,339 million, a S/ 242 million or 7% reduction YTD, driven by a S/ 159 million reduction in Current Liabilities, and S/ 83 million reduction in Non-Current Liabilities.

Current Liabilities decreased mainly due to lower working capital financing.

Total Financial Debt (including supplier leases) reached S/ 2,493 million (-5.1% YTD vs Dec 23).

Current Financial Debt reached S/ 1,345 million. Total current financial debt was S/ 40 million lower than in December 2023.

Non-Current Financial Debt amounted to S/ 1,148 million, S/ 96 million lower than in December 2023.

As of September 2024, 47% of Total Financial Debt was denominated in Peruvian Soles, while 45% was denominated in U.S. Dollars, 5% in Bolivianos, and the remaining 3% in Colombian and Chilean Pesos.

Net Debt to EBITDA ratio reached 3.2x as of Sep 24, a 1.4x reduction compared to December 2023 mainly due to a higher EBITDA LTM.

Shareholders' Equity

At the close of September 2024, Shareholders' Equity reached S/ 2,855 million, an increase of S/ 117 million compared to December 2023, mainly explained by 2024 accrued results after deducting cash dividends.

V. Cash Flow Statement

Cash Flow from Operations

As of September 2024, Cash Flow from Operations amounted to S/ 419 million, mainly explained by EBITDA generation and a reduction in inventory.

Cash Flow from Investing

As of September 2024, Cash Flow from Investing amounted to -S/ 237 million which included S/272 million in capital expenditures and intangibles partially offset by S/ 22 million in interest received, S/ 7 million in assets sale and S/ 6 million in dividends received. Investments were mainly explained by the new rolling mill, wires and nails plant, lime furnace enhancement, reheating furnace, and new scrap cleaning machines, among others. These figures do not consider capital lease agreements.

Cash Flow from Financing

As of September 2024, Cash Flow from Financing amounted to -S/ 281 million, which included net financing of -S/ 136 million, interest payments of -S/ 109 million, and dividend payment of -S/ 35 million.

VI. Relevant Events

1. In October, the Board approved a cash dividend payment of approximately S/ 28.5 million which will be paid in US\$ (US\$ 7.6 million) on November the 26th 2024.
2. Aceros Arequipa Aceros Arequipa has earned the third star by Peru's Ministry of Environment through the "Carbon Footprint Peru" program. This recognition highlights the company's proactive commitment to tracking, managing, and significantly reducing its carbon emissions across its operations during 2022 and 2023.
3. Aceros Arequipa increased its S&P Global Corporate Sustainability Assessment (CSA) score and reached 73 points. This advancement reflects the company's ongoing commitment to high standards in Environmental, Social, and Governance management, as well as its strategic focus on sustainability.
4. Aceros Arequipa achieved position 28 in the 2024 Merco General Ranking of Corporate Reputation across all industries in Peru.

Conference Call Information

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

Date: Monday, November 4, 2024

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

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

https://us02web.zoom.us/meeting/register/tZlld-Cgrz8oGd1VL-G7M8Rhcvz_fJ_VZVJb

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	September 30, 2024	December 31, 2023
Assets			
Current Assets			
Cash and Cash Equivalents	5	528,304	626,550
Accounts Receivable	6	451,681	424,590
Accounts Receivable from related parties	7	27,266	780
Other Accounts Receivable	8	90,538	119,620
Inventories	9	1,307,999	1,433,910
Deferred Income tax Assets	20	50,138	102,675
Other Assets	10	15,840	11,310
Assets classified as held for sale		-	-
Total Current Assets		2,471,766	2,719,435
Non-Current Assets			
Other financial assets	13	32,125	49,850
Investments in subsidiaries, affiliates, or joint ventures	11	93,369	94,240
Accounts Receivable from related parties	7	-	-
Other Accounts Receivable	8	12,571	11,803
Investment Property	14	80,271	81,015
Property, Plant and Equipment, Net	12	3,370,945	3,233,431
Intangible Assets, Net	15	72,546	74,003
Deferred Assets	20	25,602	19,928
Other non-financial assets	16	34,334	34,576
Total Non-Current Assets		3,721,763	3,598,846
TOTAL ASSETS		6,193,529	6,318,281
Liabilities and Shareholders' Equity			
Current Liabilities			
Other Financial Liabilities	17	1,344,912	1,384,612
Accounts Payable	18	456,880	599,040
Accounts Payable to related parties	7	20,821	12,322
Other Accounts Payable	19	109,277	94,785
Current Income Tax		-	-
Total Current Liabilities		1,931,890	2,090,759
Non-Current Liabilities			
Other Financial Liabilities	17	1,147,928	1,243,578
Other Accounts Payable	19	9,189	9,074
Deferred Income Tax Liabilities	20	249,574	237,399
Total Non-Current Liabilities		1,406,691	1,490,051
Total Liabilities		3,338,581	3,580,810
Shareholders' Equity			
Share Capital	21	890,858	890,858
Investment Shares	21	182,408	182,408
Treasury Shares		-	-
Other Capital Reserves	21	178,927	178,742
Retained Earnings	21	1,404,289	1,286,468
Other Shareholders' Equity Reserves	21	198,466	198,995
Non-controlling interest		-	-
Total Shareholders' Equity		2,854,948	2,737,471
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,193,529	6,318,281

Corporación Aceros Arequipa S.A.

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

	Notes	3Q 2024	3Q 2023	January to September 2024	January to September 2023
Revenue	22	1,220,632	1,144,995	3,484,566	3,555,271
Cost of Goods Sold	23	(1,028,284)	(1,029,792)	(2,914,173)	(3,200,804)
Gross Profit (Loss)		192,348	115,203	570,393	354,467
Selling and Distribution Expenses	24	(41,045)	(42,109)	(118,284)	(113,691)
Administrative Expenses	25	(31,013)	(22,939)	(89,395)	(70,038)
Other Operating Income	27	5,559	4,239	17,735	15,656
Other Operating Expenses	27	(22,000)	(8,932)	(50,177)	(21,783)
Other Income (Expenses)		-	-	-	-
Operating Profit (Loss)		103,849	45,462	330,272	164,611
Financial Income	28	7,292	5,485	22,533	24,195
Financial Expenses	28	(35,921)	(47,904)	(109,465)	(134,827)
Other income (Expenses) from subsidiaries, affiliates, and joint ventures	11	737	(3,018)	4,922	232
Exchange Rate Differences, Net	32	(16,337)	(7,806)	(32,490)	12,656
Profit (Loss) before taxes		59,620	(7,781)	215,772	66,867
Income Tax Expense	20	(17,883)	(1,173)	(62,563)	(22,978)
Profit (Loss) from Discontinued Operations		-	-	-	-
Net Profit (Loss)		41,737	(8,954)	153,209	43,889
Earnings Per Share					
Basic in Continued Operations of Common Stock		0.038	-0.008	0.142	0.041
Basic in Discontinued Operations of Common Stock		-	-	-	-
Total Earnings Per Share of Common Stock		0.038	-0.008	0.142	0.041
Basic in Continued Operations of Investment Stock (Non-voting)		0.038	-0.008	0.142	0.041
Basic in Discontinued Operations of Investment Stock (Non-voting)		-	-	-	-
Total Earnings Per Share of Investment Stock (Non-Voting)		0.038	-0.008	0.142	0.041

Corporación Aceros Arequipa S.A.

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

	Notes	January to September 2024	January to September 2023
Cash Flow from Operating Activities			
Collections due to Operating Activities			
Sales of Goods and Services Offered		3,430,989	3,578,929
Other Operating Collections		46,049	17,840
Payments due to Operating Activities			
Suppliers of Goods and Services		-2,881,550	-2,633,923
Payments and payments on account to employees		-183,054	-212,954
Income Tax		52,537	-43,961
Other Payments		-45,614	
Net Cash Generated by Operating Activities		419,357	705,931
Cash Flow from Investing Activities			
Collections due to Investing Activities			
Sale of Property, Plant and Equipment	27	6,848	352
Interests Received	28	22,534	23,603
Dividends Received	11	5,809	2,679
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	-272,125	-326,896
Purchase of Intangible Assets	15	-76	-2,993
Purchase of Other Long-Term Assets		0	0
Net Cash Generated by Investing Activities		-237,010	-303,255
Cash Flow from Financing Activities			
Collections due to Financing Activities			
Short-term and long-term loans		4,388,746	2,493,658
Payments due to Financing Activities			
Short-term and long-term loans amortization		-4,524,891	-2,903,475
Interests paid	28	-109,465	-134,827
Dividends paid	21	-34,983	-35,243
Other collections (payments) of cash related to financial activities			
Net Cash Generated by Financing Activities		-280,593	-579,887
Net Increase (Reduction) of Cash and Equivalents before Exchange Rate Changes		-98,246	-177,211
Effects of Exchange Rate Changes on the balance of Cash Held in Foreign Currencies			
Net Increase (Reduction) of Cash and Equivalents		-98,246	-177,211
Cash and Cash Equivalents at the beginning of the year		626,550	632,422
Cash and Cash Equivalents at the end of the period		528,304	455,211