



**San
Martín**

Corporate Presentation

October 2021

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Agenda



1. San Martín at a Glance
2. Key Credit Highlights
3. Industry & Business Overview
4. Financial & Operating Overview
5. Appendix



**San
Martín**

San Martín at a Glance

Leading Open Pit Mine Operator in Peru



Overview

San Martín is a leading open pit mine operator in Peru, specializing in large earthwork movements and construction services for mining projects. For example, in 2019 there were approximately 13 active open-pit mining projects in Peru, and we were contracted on 9 of them.

For over 30 years we have participated in the production of metallic and non-metallic minerals, from the operation and exploitation of mines and quarries, to the construction of the necessary infrastructure for the successful and efficient implementation of clients' projects.

San Martín operates several strategic mining projects and has completed the construction of landmark private and public sector construction and infrastructure projects in Peru. The Company has over 3,400 employees to carry out its operations as of June 31, 2021.

The Company has expanded outside of Peru, including to Colombia and Spain.

Main Services



Drilling

Opening cylindrical holes in the rock bed



Blasting & Crushing

Fracturing or breaking rock with explosives



Loading

Loading fractured or broken material on transport equipment



Hauling

Transferring fractured or broken material from one point to another



Road Maintenance

Carrying out works on haulage roads to ensure they are in the right condition



Landfill Maintenance

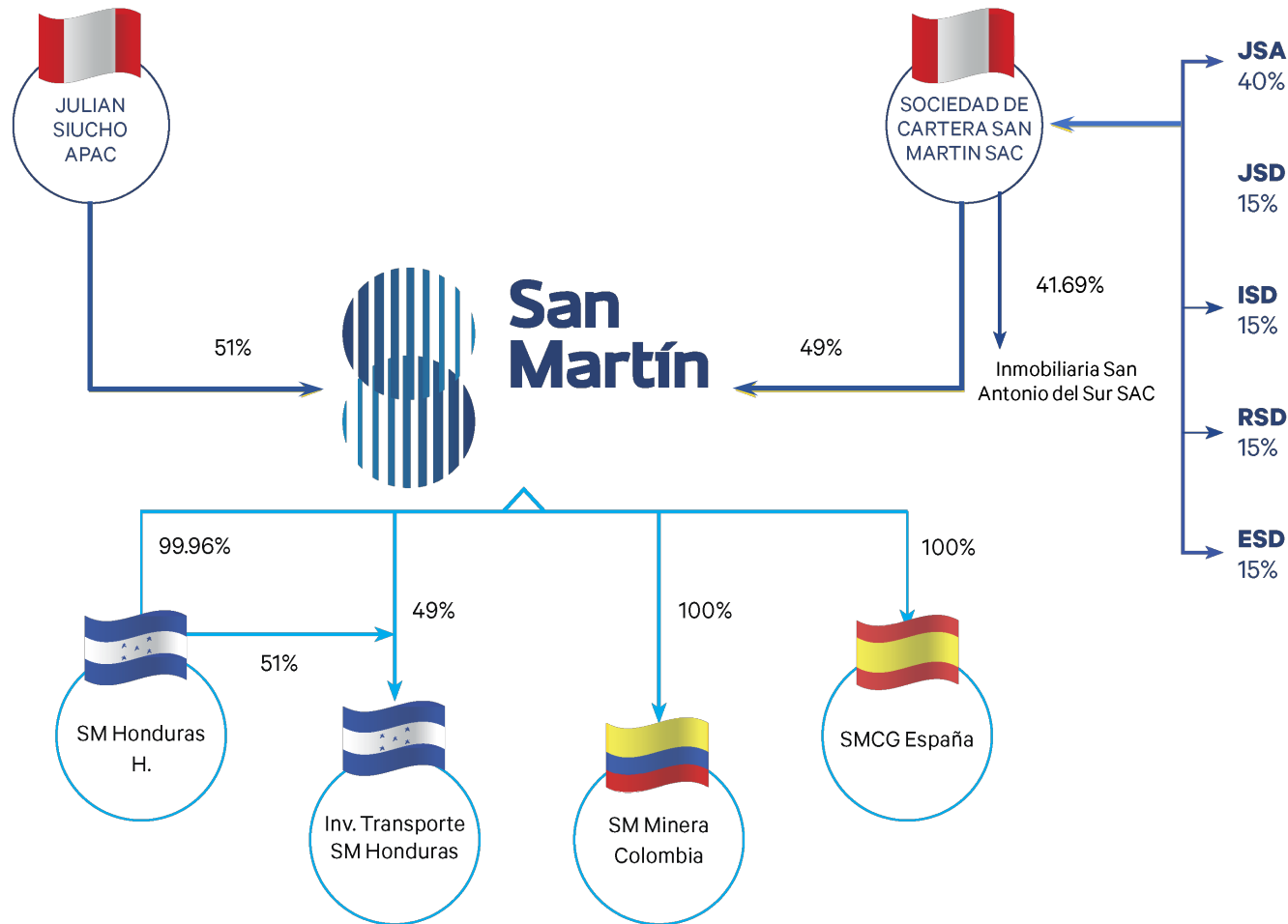
Carrying out specific works in the landfill areas designated for the discharge of the material

Family Owned with 40+ Years of Experience in Mining



San Martín is controlled by the Siucho family who have worked in mining operation services for over 40 years.

Shareholder Structure



- **Sociedad de Cartera SM** = Sociedad de Cartera San Martín S. A. C., Peruvian Company.
- **JSA** = Julián Siucho Apac.
- **JSD** = Julián Siucho Dextre.
- **ISD** = Iván Siucho Dextre.
- **RSD** = Raúl Siucho Dextre.
- **ESD** = Érika Siucho Dextre.

Honduran subs were incorporated in 2014 but were never active

Long Track Record Working With Leading Mining Companies



Our clients include renowned domestic and multinational mining companies, such as Unión Andina de Cementos S.A.A. (“UNACEM”), Shougang Hierro Perú (“Shougang”), Compañía Minera Coimolache, First Quantum, Cementos Pacasmayo and Compañía de Minas Buenaventura (“Buenaventura”), among others.



US\$1,072mm
27 years



US\$458mm
17 years



US\$480mm
11 years



US\$136mm
9 years



US\$38mm
7 years



US\$145mm
6 years



US\$45mm
4 years



US\$112mm
9 years



US\$53mm
1 year



US\$39mm
4 years



Cerro Verde

US\$70mm
2 years



US\$28mm
4 years



US\$24mm
4 years



US\$27mm
6 years



US\$6mm
10 months

Above figures represent the total amount invoiced since inception of relationship and years of relationship
Existing contracts: UNACEM, Shougang, Buenaventura, Antamina, Cementos Pacasmayo, Minsur, Las Bambas, Argos, Omya, First Quantum, Pan American Silver



**San
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Key Credit Highlights

Key Credit Highlights



1

Leading integrated service provider to the mining sector in Peru

2

Favorable outlook for the mining sector and increasing demand for third party service providers such as San Martín

3

An experienced and qualified workforce

4

30-year proven track record and operational excellence following recognized safety and environmental standards

5

Long-standing relationships with key clients

6

Strong backlog (US\$1.2 billion, representing over 5 years of 2020 revenues) which provides predictable cash flows

7

Large asset base which gives us a competitive advantage

The above include important barriers to entry for potential competitors



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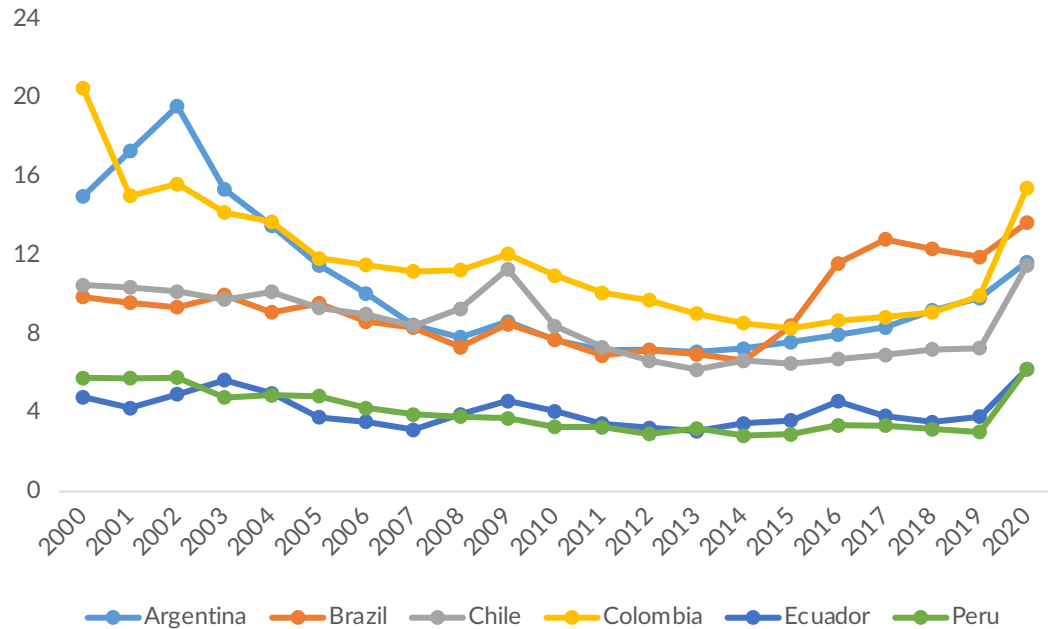
Industry and Business Overview

Peru - one of the top Performing Economies in Latin America



- Peru has some of the best economic data in the region, in addition to holding a privileged **Investment Grade** rating
- The country has an **average GDP growth rate of 4%** and an **average unemployment rate of 4.1%** since 2000¹
- The country also has strong institutions and external finances
- No default events (on bonds or loans) have been recorded since 1983²

Unemployment (% of Total Labor Force)³



Source: World Bank

1 - Source: World Bank (2000-2020)

2 - Source: Fitch (https://www.moodys.com/research/Moodys-changes-outlook-on-Perus-A3-rating-to-negative-affirms--PR_445868)

Economic Data

Country	Ratings (Moody's / S&P / Fitch)	GDP Growth (*)	Inflation (*)	Unemployment (*)	Human Capital Index (2020)
Peru	A3 / BBB+ / BBB+	4.0%	2.7%	4.1%	0.62
Brazil	Ba2 / BB- / BB-	2.1%	6.2%	9.4%	0.56
Colombia	Baa2 / BB+ / BB+	3.3%	4.9%	11.7%	0.62
Ecuador	Caa3 / B- / B-	2.8%	9.7%	4.1%	0.60
Chile	A1 / A / A-	3.3%	3.2%	8.6%	0.66
Argentina	Ca / CCC+ / CCC	1.4%	-	10.4%	0.61

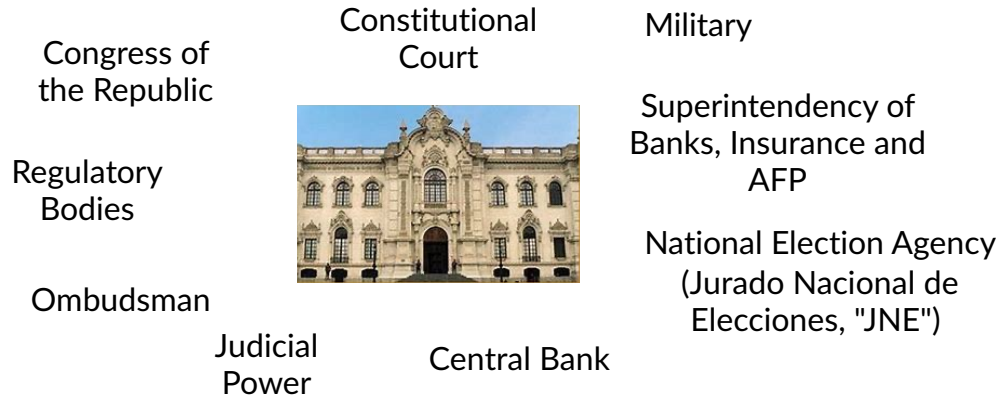
Source: World Bank

(*) Average since 2000

3 - Regional and country specific information is as aggregated or reported, as applicable. Each such country information may be calculated differently and aggregated by each respective source using various methodologies. Accordingly, this comparison is for illustrative purposes only and we do not purport to assert that the above information is actually comparable.

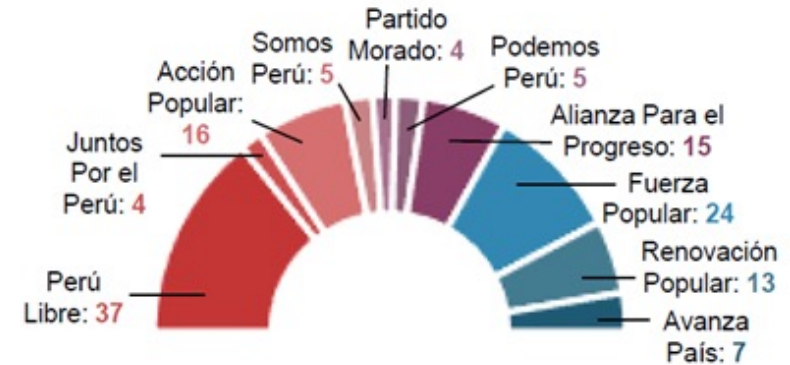
Peruvian Political Scenario

Balance of Powers



The Executive Power does not participate or does so jointly with the Congress of the Republic to assign high executive positions in most of the institutions.

Congress Composition Breakdown



For example: To amend the Constitution, Congress would need 87 votes in favor (out of 130) and the support of a referendum.

Protective Constitutional Elements to Ensure Economic Stability

- Article 60: The State can subsidize business activity only when expressly authorized by law.
- Article 61: The State oversees and facilitates freedom of competition.
- Article 62: Contractual terms cannot be modified by law.
- Article 63: National and foreign investment are subject to the same conditions. The production of goods and services and foreign trade is allowed.
- Article 64: The State guarantees possession and disposition of foreign currency.

Main Announcements by the New Government

- ✓ Continue with the Massive Vaccination Plan.
- ✓ Economic recovery and tax collection.
- ✓ Maintain the autonomy of the Central Bank.
- ✓ Productive diversification and the promotion of a technological innovation system.
- ✓ Medium-term tax reform: royalties and income tax to reduce fiscal deficit.

Peru Mining Industry



Proven and Strategic Industry with Continued Strong Growth Potential

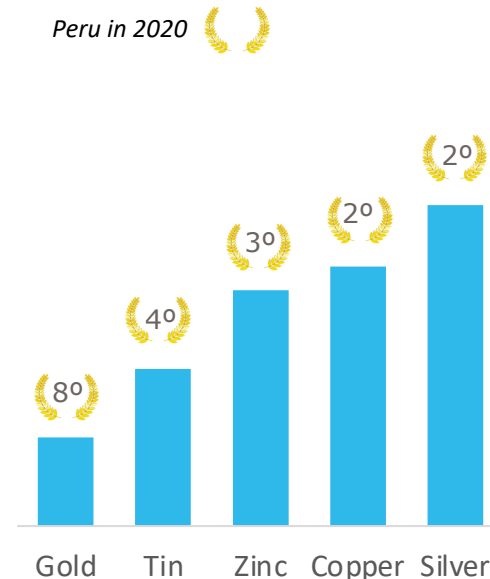
We participate in one of the most relevant sectors for economic growth in Perú, which has a stable regulatory framework

- In the last 10 years, the mining sector accounted for approximately 10% of Peru's GDP and 60% of total exports¹
- In 2020, investment in the Peruvian mining industry totaled US\$4.3 billion¹
- US\$5.4 billion in new investments expected in 2021²

Peru is an attractive destination for mining investments and among the world's leaders in the production of numerous metals

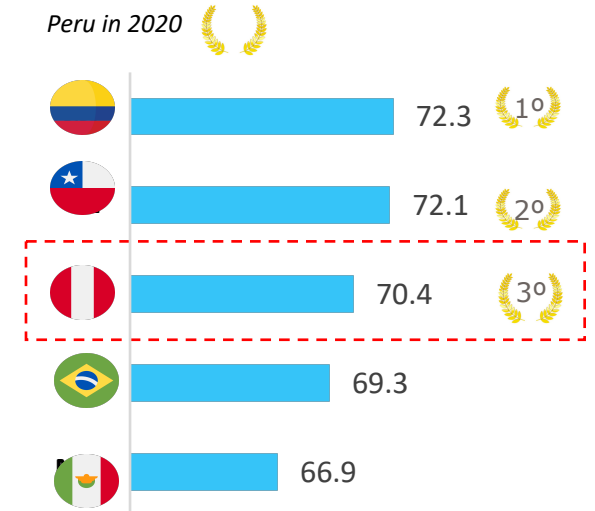
- Long track record with the presence of leading companies
- A leading producer of various metals with some of the world's largest reserves (e.g., the iron ore mine we operate for Shougang has over 50 years' worth of reserves)
- Current prices of metals bode well for future investment in the sector
- Highly recognized mining jurisdiction (solid and stable regulatory framework)

World ranking by production



Source: Mineral Commodity Summaries

Mining Investment Attractiveness Index



Source: Annual Survey of Mining Companies by Fraser Institute

1 - Source: 2020 Anuario Minero Reporte Estadístico ; Ministerio de Energía y Minas (<http://www.minem.gob.pe/minem/archivos/file/Mineria/PUBLICACIONES/ANUARIOS/2020/AM2020.pdf>)

2- Source 2021: REPORTE DE INFLACIÓN Junio 2021. Panorama actual y proyecciones macroeconómicas BANCO CENTRAL DE RESERVA DEL PERÚ. (<https://www.bcrp.gob.pe/docs/Publicaciones/Reporte-Inflacion/2021/junio/reporte-de-inflacion-junio-2021.pdf>)

Asset Base

We believe we have the largest fleet of mining equipment in Peru and, based on industry sources, we consider that we own some units that are not currently owned by any other mining contractor in Peru.

Type of Equipment	Number owned (Dec. 2020)
Drilling Equipment (up to 800 HP)	19
Off-Highway Trucks (up to 240 Tonnes)	79
Wheel Loaders (up to 19 m ³)	39
Excavators (up to 6 m ³)	28
Hydraulic Shovels (up to 25 m ³)	7
Bulldozers (up to 810 HP)	17
Motor Graders (up to 265 HP)	9
Road Rollers (up to 12 Tonnes)	3
Tipper Trucks (up to 24 m ³)	214
Total Owned Equipment	415
Leased Equipment	668
Total Equipment	1,083



- **Value of equipment:** US\$297 million Acquisition Cost and US\$125 million Book Value
- **Installed capacity (loading):** 140 million tons per year (up 25% from 112 million in 2016)
- **Installed capacity (hauling):** 630 million ton-kilometers per year (up 79% from 351 million in 2016)
- **Average annual capex (2018-2020):** approximately US\$50 million (~US\$20 million of maintenance and ~US\$30 million of growth)

Privately Owned Central Repair and Distribution Center

Central Repair and Distribution Center - *Centro de Reparación y Distribución Central, CRDC*

Our workshop, which is one of the largest of its kind in Peru, is used to maintain and repair our equipment fleet. We believe owning and operating our own centralized repair workshop saves us money and substantially reduces lead times for asset repair, thereby optimizing equipment utilization.

SELECT CHARACTERISTICS:

- Total area of **25,379 m²**
- A repair center measuring **620m²**, which contains different and varied cranes to assist in the repair process
- An **overhaul workshop** measuring **364m²**, which contains specialized cranes that service large mining equipment
- An ordinary **repair workshop** for conventional mining equipment
- A centralized storage bay with up to **11,840 positions**
- A paint job bay



We maintain, repair and overhaul approximately 80% of our fleet, allowing us to save both in direct costs as well as from more efficient fleet utilization.



Financial & Operating Overview

Business Breakdown and Consolidated Results

Revenue Breakdown

81%

OF REVENUES COME FROM MINING

Development of an open pit mining operation service, with experience in large mining, conventional mining and the cement sector.

Extensive experience executing various projects for companies such as: UNACEM, Shougang, Buenaventura, and Minería Las Bambas S.A. ("Las Bambas").

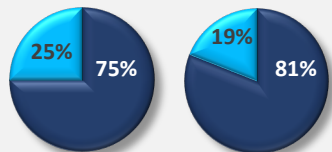
19%

OF REVENUES COME FROM CONSTRUCTION

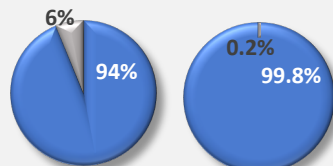
Development of construction projects for mining and non-mining clients.

New strategy since 2019: Focus on private sector mining construction instead of public infrastructure projects.

Segment (Dec-18 vs. Dec-20) **Sector** (Dec-18 vs. Dec-20)



■ Mining ■ Construction



■ Private ■ Gov't.

Active Projects By
Country¹



PERU
14



COLOMBIA
2



SPAIN
1

Active Projects By
Type¹



12

MINING



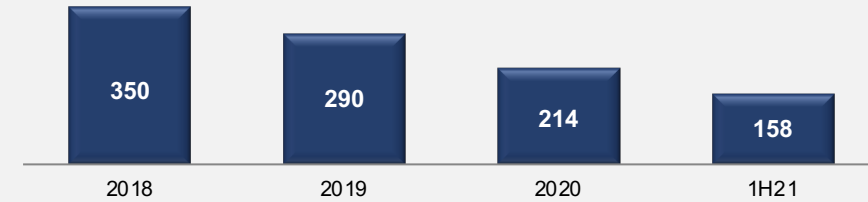
5

CONSTRUCTION

Key Figures

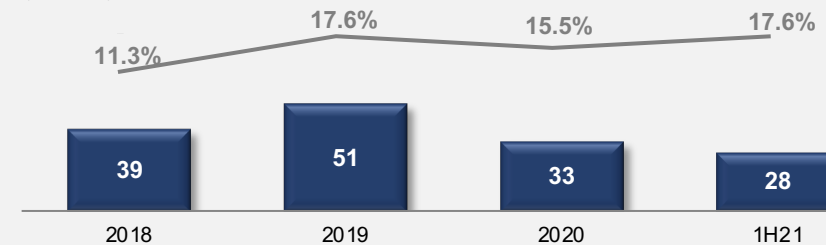
Total Revenue from Ordinary Activities

(US\$ million)



Adj. EBITDA & Adj. EBITDA Margin

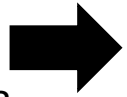
(US\$ million)



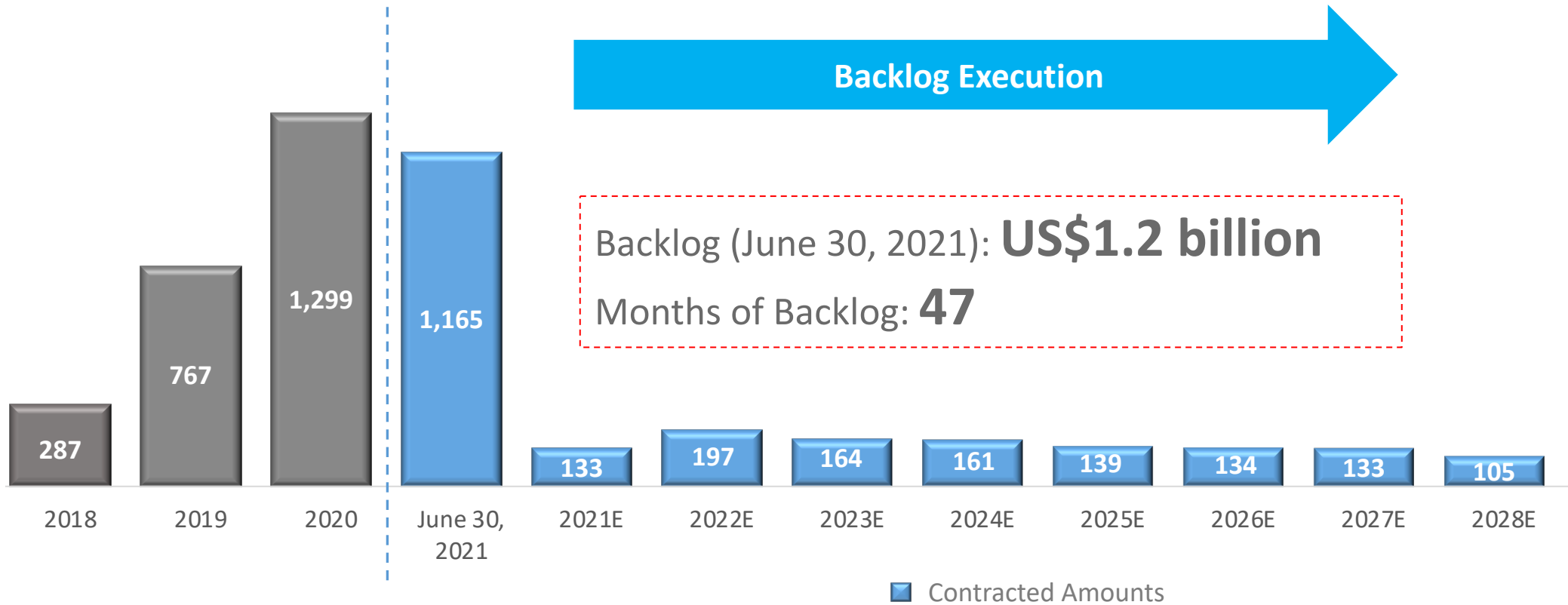
Backlog

47 Months of Backlog providing more predictability of future cash flows

Growth
2020 vs 2018



352%

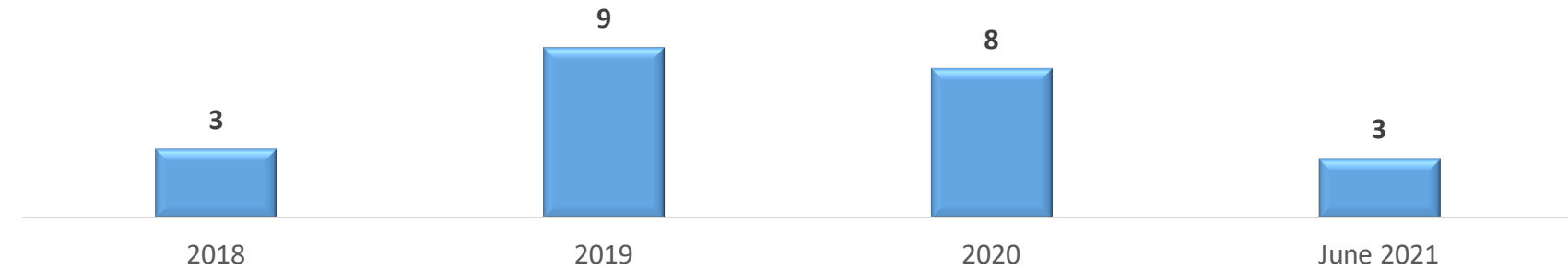


Historically Conservative Financial Policy

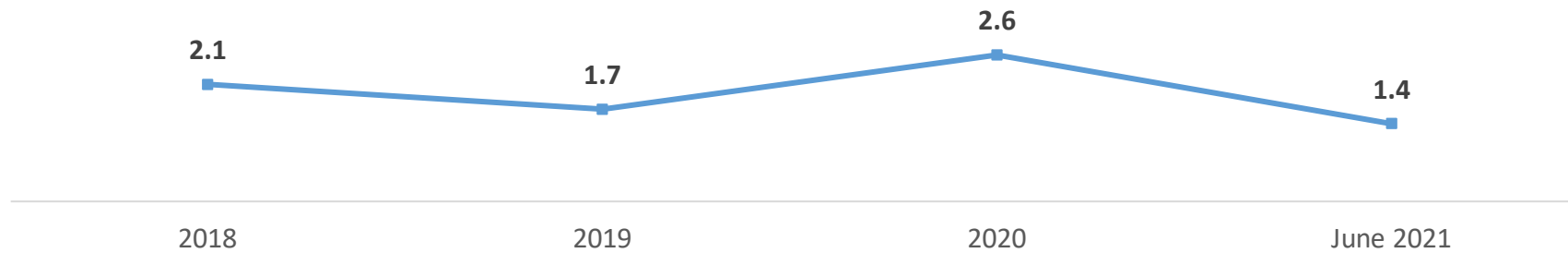
Total Financial Debt
(US\$ millions)



Cash & cash equivalents
(US\$ millions)

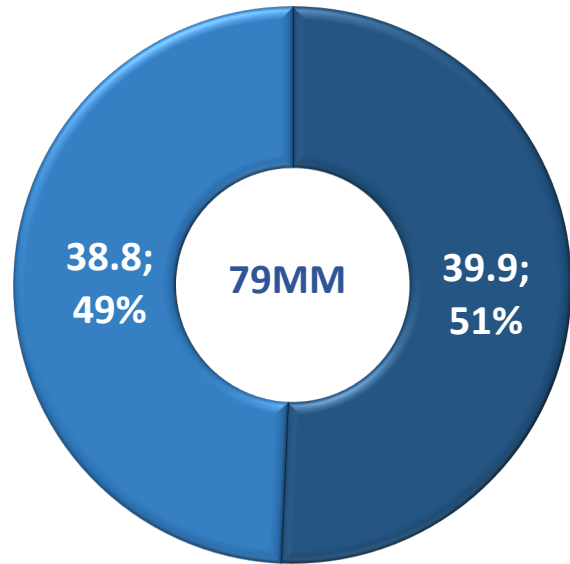


Net Financial Debt / Adj.
EBITDA LTM



Financial Debt

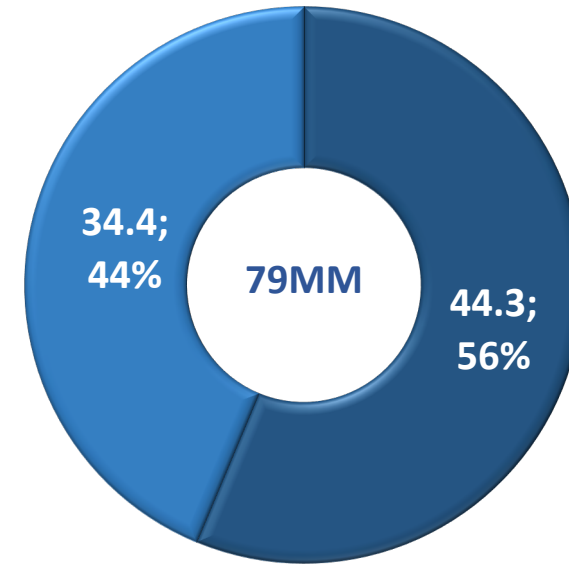
Breakdown
(Current vs Non-Current)



■ Current ■ Non-Current

As of June 30, 2021
(US\$ millions)

Breakdown
(Secured vs Unsecured)

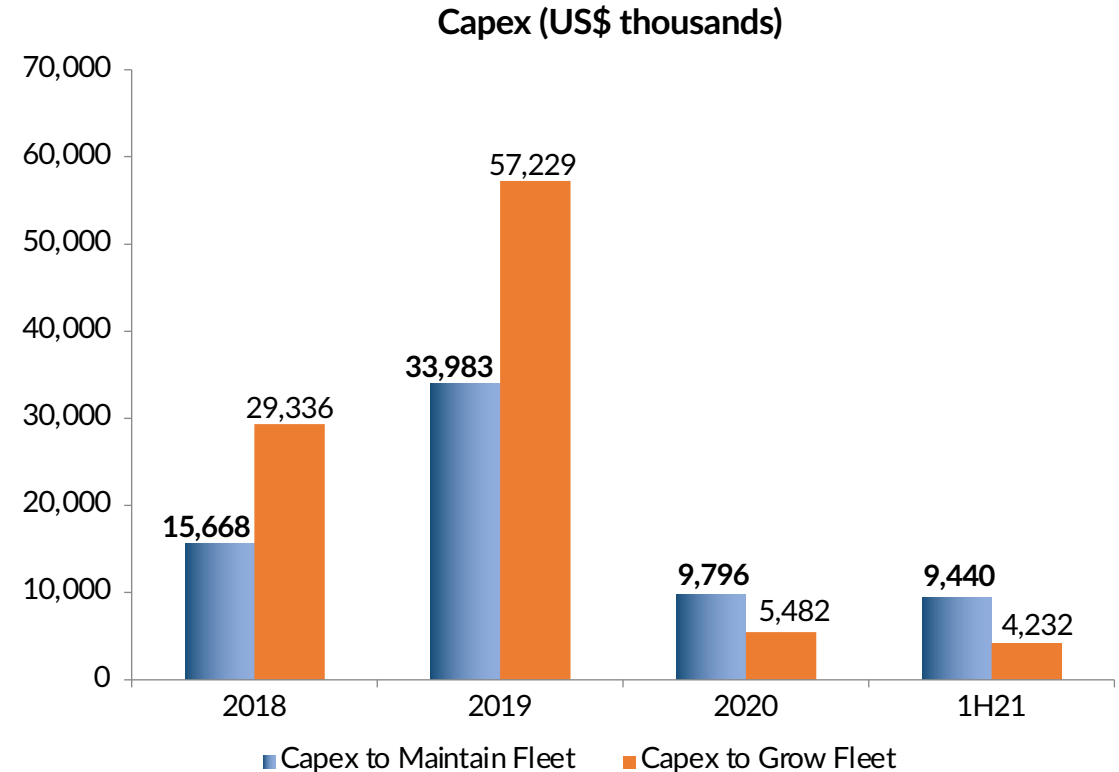
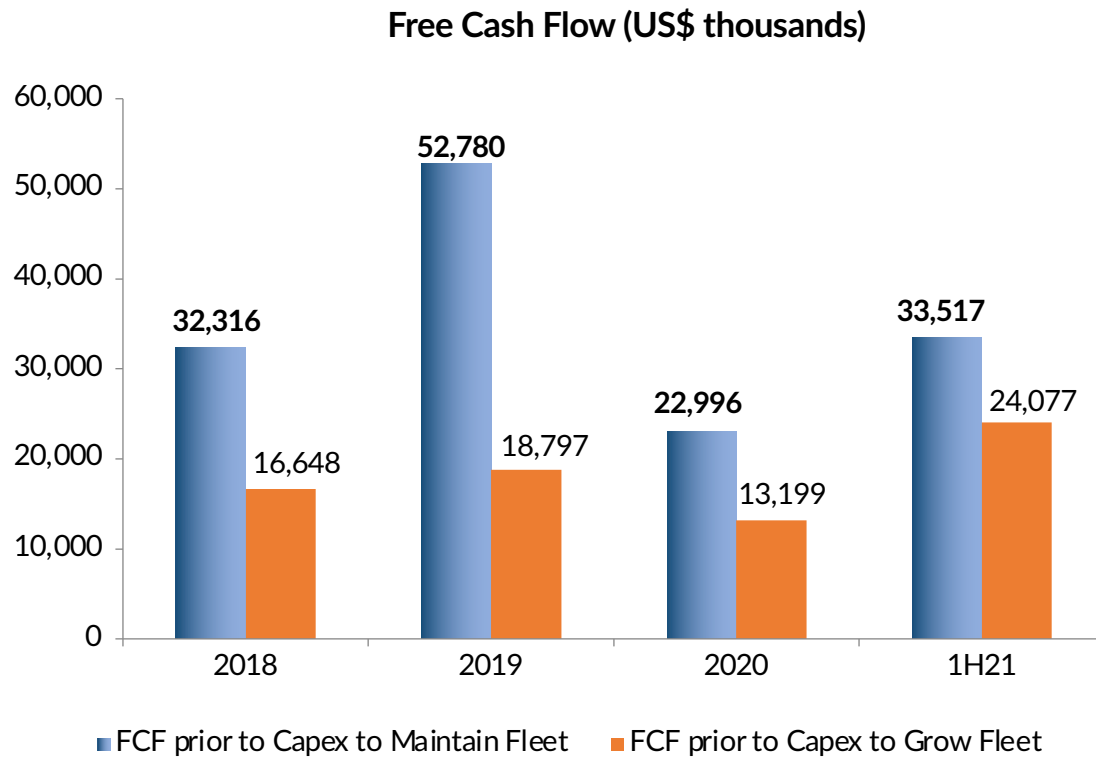


■ Unsecured ■ Secured

As of June 30, 2021
(US\$ millions)

Effective Cash Flow Management

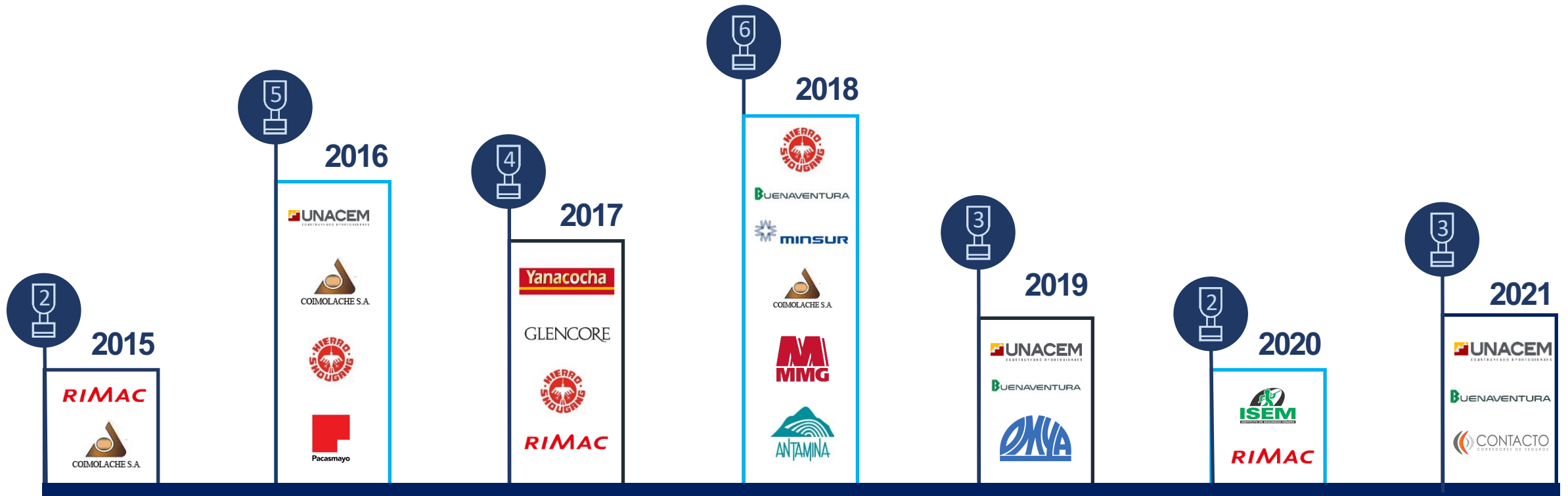
As illustrated in the graphs below, we have flexibility to manage cash flow by reducing capex. A good example was the onset of COVID-19 in early 2020.



ESG Considerations

We are proud to receive awards – year after year – from our clients in recognition of our performance in both **safety** and **environmental** parameters.

We dedicate substantial resources to these priorities, which benefit the client, the project, the community and above all, the people.



San Martín Final Remarks

San Martín has the clients, the contracts, the equipment, the people, the proven track record and the expertise

Reputation

We are proud of our history and the reputation we have built in our industry

Due to this we have a loyal blue-chip client base and the highest contracted backlog in our history

High Standards

We are proud of the fact that we adhere to robust environmental, social, safety and operational standards

Due to this we enjoy excellent relations with our employees and the communities in which we operate

Solid Asset Base

We are proud to have built up an extensive asset base that we use to service the Peruvian mining industry

This contributes to our competitive advantage as an important barrier to entry

Fundamental for Peru

We are proud to serve what is arguably Peru's most strategic and competitive industry - one which we believe has significant growth potential

Growth

The industry has already begun to rebound from the impact of COVID-19... and we have also!





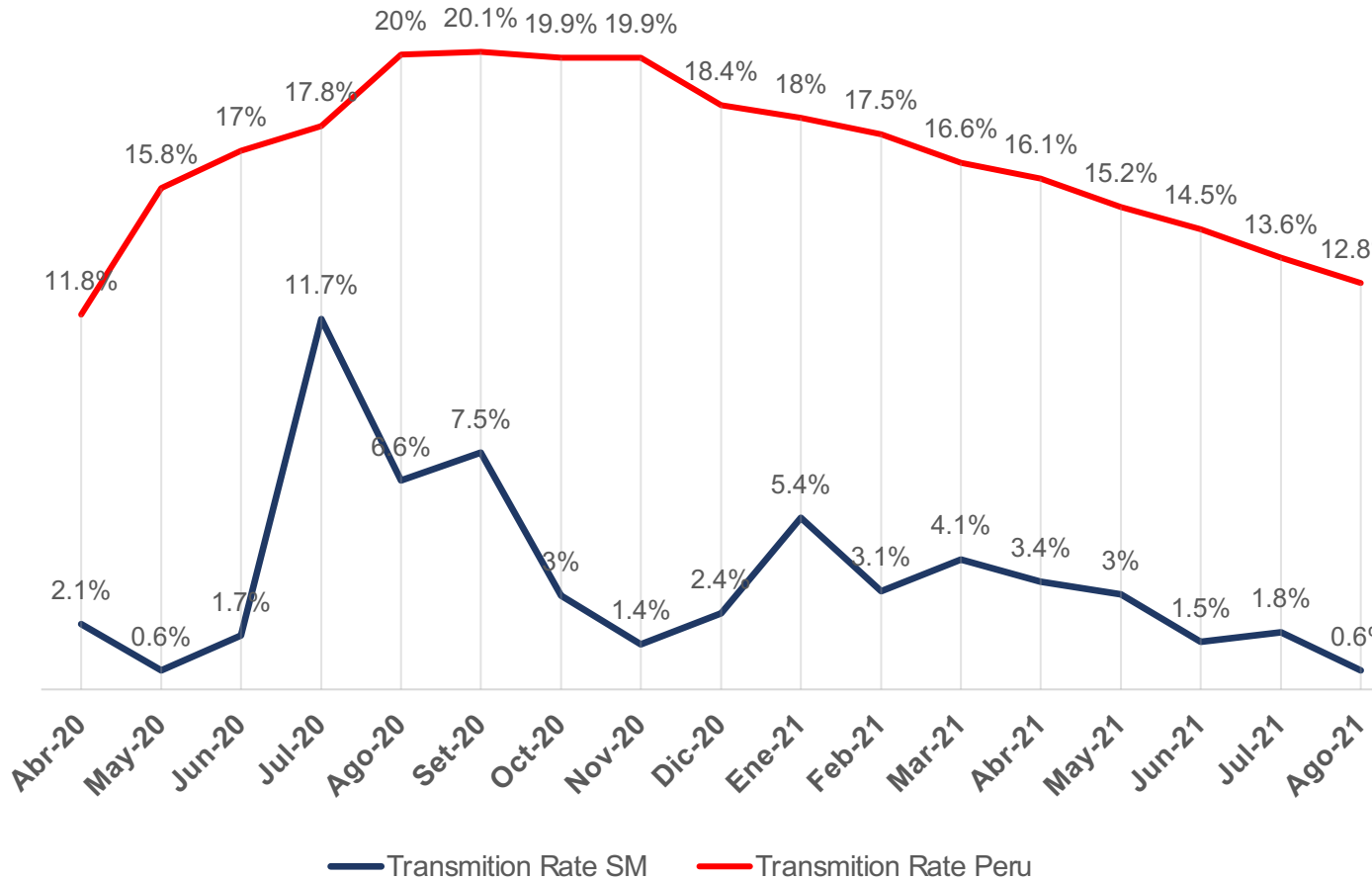
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Appendix

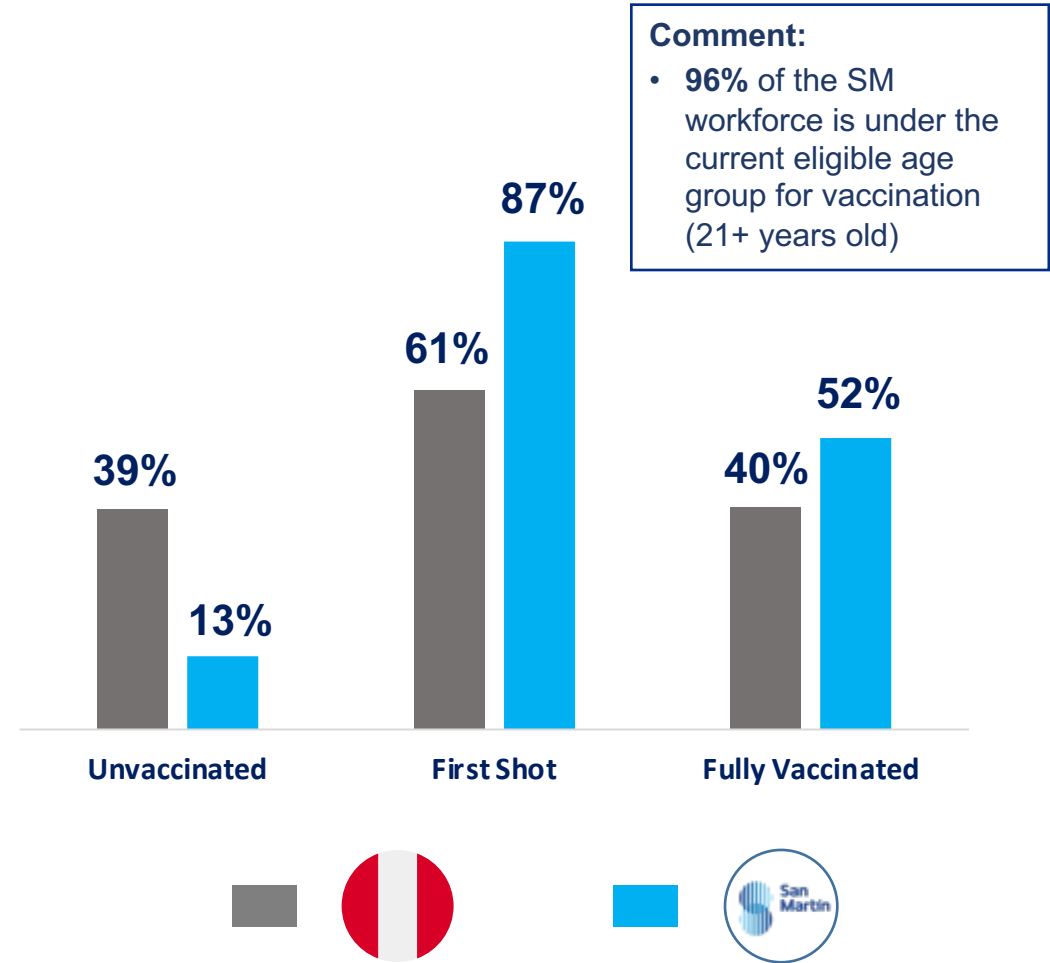
COVID-19 Update



Number of Cases
(as % of population)



Vaccination Rates*
(% of vaccinated people in Peru and in San Martín's offices / work sites)



Comment:

- **96%** of the SM workforce is under the current eligible age group for vaccination (21+ years old)

* Data as of September 27, 2021

Mining Segment



Construction Segment



Income Statement 2018 - 2Q21

	For the six months ended June 30,		For the years ended December 31,		
	2021	2020	2020	2019	2018
	(In thousands of U.S dollars)				
	(Unaudited)				
Revenue					
Ore extraction, earthmoving, construction services and others	158,034	74,902	212,891	288,227	346,592
Sale of materials and others	376	388	737	2,051	3,210
Total revenue from ordinary activities	158,410	75,290	213,628	290,278	349,802
Cost of provided services, and sale of materials and others	(142,820)	(77,547)	(201,176)	(255,248)	(326,192)
Gross profit (loss)	15,590	(2,257)	12,452	35,030	23,610
Administrative expenses	(6,391)	(6,532)	(13,415)	(17,194)	(17,874)
Other income, net	573	1,644	1,860	395	1,538
Operating profit (loss)	9,772	(7,145)	897	18,231	7,274
Financial income	74	285	406	3	39
Financial expenses	(7,294)	(6,244)	(13,973)	(10,280)	(8,358)
Exchange difference (net)	986	401	706	(227)	(4,280)
Participation in the net loss of joint ventures accounted for using the equity method	(17)	-	(52)	(17)	13
Profit (loss) before income tax	3,521	(12,703)	(12,016)	7,710	(5,312)
Income tax (expense) profit	(1,468)	1,646	1,587	(2,733)	630
Net profit (loss) for the period	2,053	(11,057)	(10,429)	4,977	(4,682)

Balance Sheet 2018 – 2Q21

	As of Jun 30,	As of and for the years ended December 31,				As of Jun 30,	As of and for the years ended December 31,		
	2021	2020	2019	2018		2021	2020	2019	2018
	(In thousands of U.S. dollars)					(In thousands of U.S. dollars)			
	(Unaudited)					(Unaudited)			
ASSETS					LIABILITIES AND EQUITY				
CURRENT ASSETS:					CURRENT LIABILITIES:				
Cash and cash equivalents	2,560	7,518	8,569	3,484	Financial obligations	39,913	64,411	38,054	27,799
Trade accounts receivable, net, and contract assets	99,053	81,889	70,898	55,734	Trade accounts payable	103,069	71,581	69,047	55,312
Other accounts receivable	2,214	2,434	912	1,208	Accounts payable to related entities	1,731	1,453	462	1,274
Accounts receivable from related entities, net	1,357	829	954	4,612	Lease liabilities	14,087	12,728	9,490	-
Inventories, net, and project costs	24,645	18,508	21,365	15,840	Other accounts payable and contract liabilities	7,502	10,091	8,121	5,326
Current income tax asset	2,023	1,965	2,422	3,931	Provision for employee benefits	9,605	6,317	6,455	4,231
Prepaid expenses	3,384	3,291	2,228	892					
					Total current liabilities	175,907	166,581	131,629	93,942
Assets classified as held for sale	689	444	1,026	2,509					
					NON-CURRENT LIABILITIES:				
Total current assets	135,925	116,878	108,374	88,210	Financial obligations	38,838	30,479	55,316	58,779
					Trade accounts payable	-	-	-	325
NON-CURRENT ASSETS:					Lease liabilities	17,806	24,357	31,120	-
Trade accounts receivable, net	694	654	718	2,699	Other accounts payable and contract liabilities	1,027	2,922	5,314	-
Accounts receivable from related entities, net	297	297	297	296	Liabilities for joint arrangements	100	90	41	24
Prepaid expenses	309	233	293	10					
Property, machinery and equipment, net	101,910	104,788	116,861	101,398	Total non-current liabilities	57,771	57,848	91,791	59,128
Right of use assets, net	29,857	33,656	41,079	-					
Intangible assets, net	4,511	4,893	5,654	5,889	Total liabilities	233,678	224,429	223,420	153,070
Deferred income tax asset	9,802	10,891	8,550	7,733					
Other assets	151	151	151	151	EQUITY				
					Issued capital stock	48,687	48,687	42,687	42,687
Total non-current assets	147,531	155,563	173,603	118,176	Legal Reserves	6,366	6,366	5,788	5,764
					Translation adjustment	(6,032)	(6,032)	(6,032)	(6,032)
TOTAL	283,456	272,441	281,977	206,386	Retained earnings (loss)	1,102	(976)	16,016	10,632
					Foreign currency translation of foreign operations	(492)	(205)	(89)	(103)
					Equity attributable to owners of the Company	49,631	47,840	58,370	52,948
					Non-controlling interest	147	172	187	368
					Total equity	49,778	48,012	58,557	53,316
					TOTAL	283,456	272,441	281,977	206,386

Financial Debt



Outstanding Financial Debt 2018 – 2Q21

	As of June 30	As of December 31,		
	2021	2020	2019	2018
	(in thousands of U.S. dollars, except percentages and ratios)			
	Unaudited			
Total Financial Debt	\$78,751	\$94,890	\$93,370	\$86,578
Cash & cash equivalents	\$2,560	\$7,518	\$8,569	\$3,484
Net Financial Debt	\$76,191	\$87,372	\$84,801	\$83,094
Total Assets	\$283,456	\$272,441	\$281,977	\$206,386
Total Equity	\$49,778	\$48,012	\$58,557	\$53,316
Adj. EBITDA (LTM)	\$53,950	\$33,073	\$51,052	\$39,368
Net Financial Debt / Total Assets	0.3	0.3	0.3	0.4
Net Financial Debt / Equity	1.5	1.8	1.4	1.6
Net Financial Debt / Adj. EBITDA (LTM)	1.4	2.6	1.7	2.1



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Thank You

San Martín Contratistas Generales S.A.

