

Management Discussion & Analysis of the consolidated Financial Statements of Ferreycorp S.A.A. and its Subsidiaries

Third quarter 2023

Lima, October 25th, 2023 - Ferreycorp S.A.A., a leading corporation in the field of capital goods and complementary services, based in Peru with a presence in other Latin American countries, with over a century of operations, together with its flagship company Ferreyros, announces its consolidated results for the third quarter of 2023. The financial statements in this report are presented in consolidated form in accordance with International Financial Reporting Standards and are expressed in Peruvian soles.

During the third quarter of 2023, there has been a change in the exchange rate trend compared to the evolution observed during the first semester of the year. This has led to distortions in certain items of the financial statements, starting with profit and gross margin. As explained earlier, gains or losses due to currency exchange are adjusted through this item, which subsequently affects operating profit and certain ratios. Therefore, it is important to consider the adjusted figures explained throughout this document, including the adjusted net profit for both this quarter and the figures accumulated as of the closing of September 2023.

SALES

In the third quarter of 2023, sales amounted to US\$ 483 million, representing an 11% growth compared to the third quarter of 2022 (US\$ 434 million). In Peruvian soles, third-quarter sales for 2023 (S/ 1,786 million) increased by 6% compared to the same period in the previous year. The growth in sales was particularly notable in the Caterpillar equipment category, serving customers in the construction, underground mining, and medium-scale mining sectors, with a 38% increase in sales. Additionally, the spare parts and services category saw significant growth driven by large-scale mining, with an 11% increase, and the rental and used equipment category, along with the allied equipment category, experienced 15% and 25% growth in sales, respectively.

Cumulative sales as of September 30, 2023, amounted to US\$ 1,337 million, an 8% increase compared to the same period the previous year, with significant growth observed in the aforementioned categories. In terms of the local currency (Peruvian soles), the revenues reached S/ 4,992 million, representing a 6% increase compared to the results as of September 2022.

(In millions)	Third Quarter		Var%	As of September 30th		Var%
	2023	2022		2023	2022	
Net Sales \$	483	434	11%	1,337	1,233	8%
Net Sales S/	1,786	1,691	6%	4,992	4,707	6%

(S/ millions)	3T 2023	%	2T 2023	%	1T 2023	%	3T 2022	%	% Var 3T 2023/ 2T 2023	% Var 3T 2023/ 3T 2022
CAT Mining Trucks and Machines	96	5	44	3	75	5	124	7	118.1	-22.5
CAT Machines for other sectors	326	18	323	20	236	15	260	15	0.8	25.4
Allied Equipment	123	7	145	9	133	9	104	6	-14.9	18.2
Rental and used	140	8	97	6	96	6	113	7	43.4	23.1
Spare parts and services	990	55	916	56	904	58	938	55	8.1	5.5
Other lines	111	6	120	7	117	7	152	9	-7.6	-27.0
TOTAL	1,785	100	1,646	100	1,561	100	1,691	100	8.5	5.6

(\$ millions)	3T 2023	%	2T 2023	%	1T 2023	%	3T 2022	%	% Var 3T 2023/ 2T 2023	% Var 3T 2023/ 3T 2022
CAT Mining Trucks and Machines	26	5	12	3	20	5	32	7	118.5	-18.3
CAT Machines for other sectors	88	18	87	20	62	15	67	15	0.7	31.9
Allied Equipment	33	7	39	9	35	9	27	6	-14.8	24.7
Rental and used	38	8	26	6	25	6	29	7	43.7	29.9
Spare parts and services	268	55	247	56	237	58	241	55	8.3	11.3
Other lines	30	6	32	7	31	7	39	9	-7.4	-23.0
TOTAL	483	100	445	100	409	100	434	100	8.7	11.3

(Review Commercial Management section for sales variance explanation)

GROSS PROFIT

In the third quarter of 2023, gross profit (S/ 468 million) was 4% lower than that in the same period of 2022 due to a reduced gross margin, partially affected by the exchange rate distortion. The gross margin for this period was 26.2%, which was lower compared to the same period in the previous year (28.8%). It's important to note that, without the aforementioned distortion, the adjusted margin was 26.7%, slightly below the adjusted margin from the third quarter of 2022 (27.1%).

As of September 30, 2023, gross profit experienced growth, reaching S/ 1,297 million, which was 6% higher than the profit achieved during the same period in 2022. Furthermore, the gross margin (26.0%) was slightly higher compared to 2022 (25.9%). The adjusted gross margin, excluding the exchange rate effect, also showed growth (27.1% compared to 26.5% in 2022).

	Third Quarter		Var%	As of September 30th		Var%
	2023	2022		2023	2022	
Gross Profit (S/ millions)	468	487	-4%	1,297	1,218	6%
Adjusted Gross Profit (S/ millions)	476	459	4%	1,351	1,248	8%
Gross Margin	26.2%	28.8%		26.0%	25.9%	
Adjusted Gross Margin	26.7%	27.1%		27.1%	26.5%	

OPERATING PROFIT

Operating Expenses

In the third quarter of 2023, operating expenses amounted to S/ 282.5 million, representing a 7.1% increase compared to the third quarter of 2022 (S/ 263.9 million). Several expense categories contributed to this increase, including trade concessions, inventory management, and technical delivery expenses, among others. Additionally, during this period, there was a provision for accounts receivable amounting to S/ 10.7 million (an increase of S/ 4.7 million compared to the same period of the previous year) in the subsidiary Trex in Chile, due to a specific case where some expected payments did not materialize. The percentage of expenses relative to sales represented 15.8% of the revenue, slightly higher than the figure recorded in the same quarter of 2022, which was 15.6%.

The accumulated expenses as of September 30, 2023, amounted to S/ 812 million, which is 9.3% higher than the corresponding period in 2022.

Operating Margin

The operating margin for the third quarter of 2023 was 10.2%, which was lower than the margin reported for the same quarter in 2022. This decrease was primarily due to the increase in operating expenses. If we adjust these results by excluding the impact of the exchange rate, the adjusted operating margin is 10.7%, compared to the 11.3% from the third quarter of 2022.

The accumulated operating margin as of September 30, 2023, was 9.8%, which is lower than the margin reported for the same period in 2022. However, when we exclude the currency exchange effect, the adjusted operating margin increases to 10.9%, slightly higher than the margin recorded for the same period in the previous year (10.8%).

	Third Quarter		Var%	As of September 30th		Var%
	2023	2022		2023	2022	
Operating Profit (S/ millions)	182	218	-17%	491	479	2%
Adj. Operating Profit (S/ millions)	190	190		545	509	7%
Operating Expenses / Sales	15.8%	15.6%		16.3%	15.8%	
Operating Margin	10.2%	12.9%		9.8%	10.2%	
Adj. Operating Margin	10.7%	11.3%		10.9%	10.8%	

NET FINANCIAL EXPENSES

The net financial expenses for the third quarter of 2023 increased by 45% compared to the same period of the previous year. In the third quarter of this year, there was a decrease in the average financial liability compared to the third quarter of 2022, with a 12% decrease in local currency (soles) and an 8% decrease in U.S. dollars. However, the average interest rate significantly increased, reaching 4.94% in the third quarter of 2023, as opposed to 3.15% in the third quarter of 2022. When we break down this increase in the interest rate, it's noticeable that the most significant increase occurred in the average interest rate of short-term debt, which rose from 2.41% in the third quarter of the previous year to 6.68% in 2023. On the other hand, the average interest rate for medium-term debt increased from 3.55% to 3.88%.

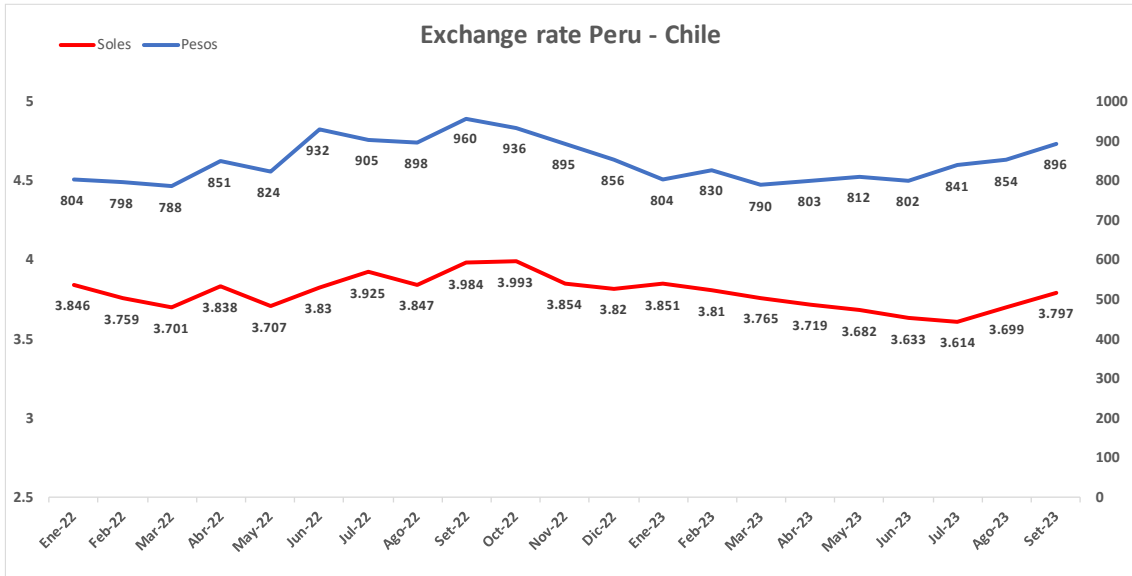
The accumulated net financial expenses as of September 30, 2023, were 53% higher compared to the same period in 2022. Despite a decrease of 6% in the average accumulated financial liabilities in local currency (soles) and a 3% decrease in U.S. dollars, the average interest rate increased from 2.95% at the end of September 2022 to 4.44% at the end of September 2023.

(S/ millions)	Third Quarter			As of September 30th		
	2023	2022	Var%	2023	2022	Var%
Net Financial Expenses	20	14	45%	54	35	53%
Financial earnings	8	6	37%	23	17	35%
Financial expenses	28	20	42%	77	52	48%
Average liabilities S/	1,943	2,208	-12%	1,963	2,094	-6%
Average liabilities \$	522	565	-8%	526	545	-3%

FOREIGN EXCHANGE GAIN (LOSS)

During the third quarter of 2023, a foreign exchange loss of S/ 61.5 million was recorded, as a result of the currency devaluation of the Peruvian sol and the Chilean peso (4.51% and 11.72%, respectively). Meanwhile, in the third quarter of 2022, there was a foreign exchange loss of S/ 68.3 million, also caused by the devaluation of the Peruvian sol (4.02%) and the Chilean peso (3.02%).

The cumulative result as of September 2023 shows a foreign exchange gain of S/ 1.4 million. This is because the foreign exchange loss recorded in the third quarter partially reverses the foreign exchange gain recorded in the first half of the year (S/ 62.9 million). It's worth noting that most of the foreign exchange gain from the first half has already been reversed through the gross margin, while the foreign exchange loss in the third quarter has only been partially recovered. As a result, there is an estimated inventory reserve of S/ 48 million at the end of September, which will be recovered through the gross margin in the coming months.

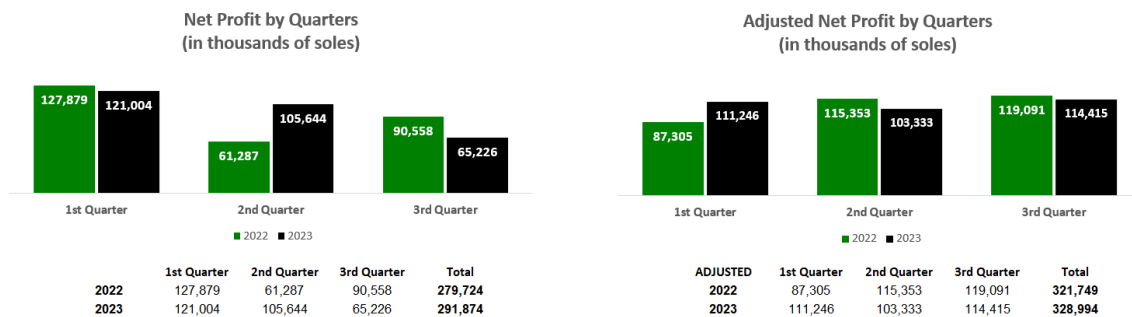


	Third Quarter		Var%	As of September 30th		Var%
	2023	2022		2023	2022	
(\$/ millions)						
FX Gain/Loss	-62	-68	-10%	1	-30	-

NET PROFIT

In the current year, the exchange rate started at S/ 3.814 and gradually declined to S/ 3.633 in June 2023, positively impacting net income, especially in the first quarter. As mentioned in the foreign exchange difference section, by June, a significant portion of the foreign exchange gain had already been reversed through the gross margin. However, in the third quarter, the exchange rate had an upward trend, closing at S/ 3.797 in September 2023, negatively impacting the results without being recovered through the gross margin. The graphs show that the adjusted net income for the third quarter amounted to S/ 114 million, very close to the S/ 119 million for the same period in 2022.

It's important to note that adjusted net income is calculated by excluding the effect of exchange rate fluctuations on gross income, as well as the gains or losses from differences in exchange rates in the income statement. The cumulative adjusted net income as of September 2023 amounted to S/ 329 million, a 2% increase compared to the same period in the previous year.



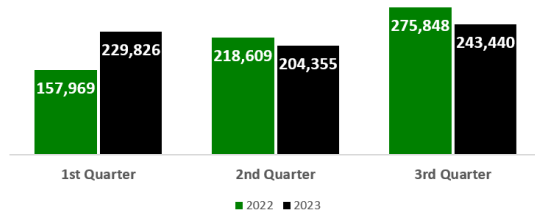
(S/ millions)	Tercer Trimestre		Var%	Al 30 de setiembre		Var%
	2023	2022		2023	2022	
Net Profit	65	91	-28%	292	280	4%
FX Gain/Loss	-62	-68		1	-30	
FX Recovery through GM	-8	28		-54	-30	
Net Effect	-70	-40		-53	-60	
Net Effect After Tax	49	29		37	42	
Adjusted Net Profit	114	119	-4%	329	322	2%

EBITDA

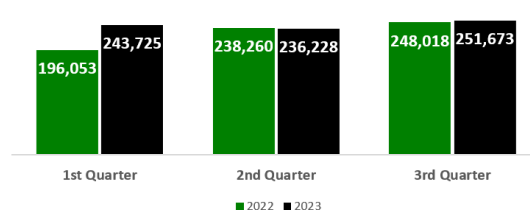
In the third quarter of 2023, the EBITDA amounted to S/243 million, reflecting a 12% decrease compared to the same period in 2022. The EBITDA margin stood at 13.6%, in contrast to 16.3% in the third quarter of 2022. When we exclude the exchange rate effect on gross profit, the adjusted EBITDA showed a slight 1% increase compared to the third quarter of the previous year, with an adjusted EBITDA margin of 14.1%, which remained below the level achieved in the third quarter of 2022.

Nevertheless, the cumulative EBITDA as of September 30, 2023, reached S/678 million, marking a 4% increase compared to the same period in the previous year. Excluding the exchange rate effect on gross profit, this increase becomes 7%. The cumulative EBITDA margin was 13.6%, which is close to the 13.9% reported in the same period of 2022. When excluding the exchange rate effect, the EBITDA margin is slightly higher than that of 2022.

EBITDA by Quarters
(in thousands of soles)



Adjusted EBITDA by Quarters
(in thousands of soles)

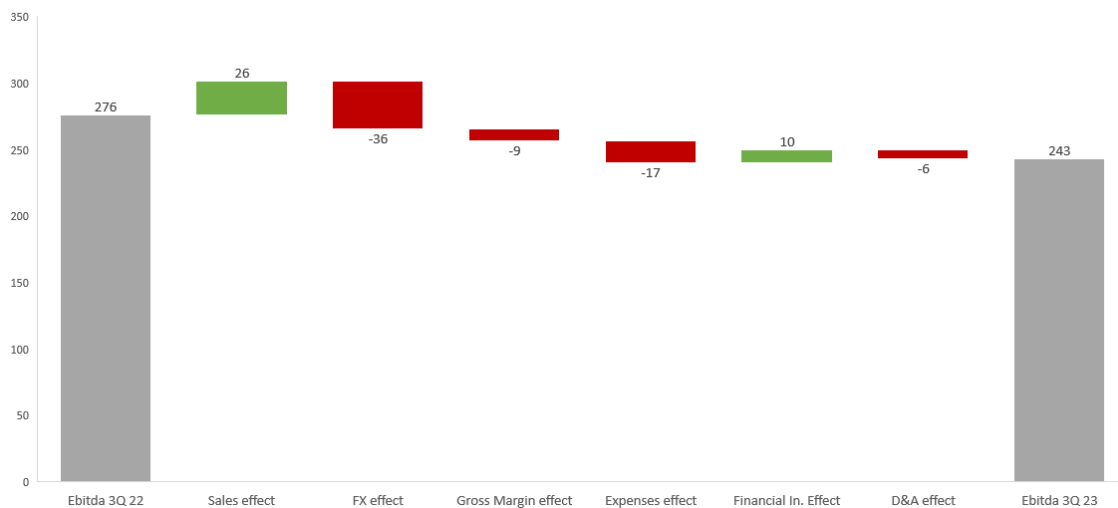


	1st Quarter	2nd Quarter	3rd Quarter	Total
2022	157,969	218,609	275,848	652,426
2023	229,826	204,355	243,440	677,621

ADJUSTED	1st Quarter	2nd Quarter	3rd Quarter	Total
2022	196,053	238,260	248,018	682,330
2023	243,725	236,228	251,673	731,625

	Third Quarter			Var%	As of September 30th		
	2023	2022			2023	2022	Var%
EBITDA (S/ millions)	243	276		-12%	678	652	4%
Adjusted EBITDA (S/ millions)	252	248		1%	732	682	7%
EBITDA Margin	13.6%	16.3%			13.6%	13.9%	
Adjusted EBITDA Margin	14.1%	14.7%			14.7%	14.5%	

EBITDA 3Q 2023 vs 3Q 2022



SUMMARY OF MAIN FIGURES AND INDICATORS

(In millions except for indicators per share)	Quarters							%Var. 3Q 2023/2Q 2023	%Var. 3Q 2023/3Q 2022
	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022		
Net Sales	\$483	\$445	\$409	\$482	\$434	\$423	\$378	8.7%	11.4%
Net Sales	S/. 1,786	S/. 1,646	S/. 1,560	S/. 1,885	S/. 1,691	S/. 1,582	S/. 1,434	8.5%	5.6%
Gross Profit	S/. 468	S/. 403	S/. 427	S/. 474	S/. 487	S/. 394	S/. 337	16.1%	-4.0%
Operating Expenses	S/. 283	S/. 270	S/. 259	S/. 292	S/. 264	S/. 239	S/. 239	4.7%	7.1%
Operating Profit	S/. 182	S/. 141	S/. 168	S/. 180	S/. 218	S/. 161	S/. 100	28.8%	-16.5%
Net Financial Expenses	S/. -20	S/. -17	S/. -17	S/. -17	S/. -14	S/. -11	S/. -10	18.8%	45.3%
FX Gain/Loss	S/. -62	S/. 35	S/. 28	S/. 63	S/. -68	S/. -57	S/. 96	-275.1%	-9.9%
Net Profit	S/. 65	S/. 106	S/. 121	S/. 140	S/. 91	S/. 61	S/. 128	-38.3%	-28.2%
EBITDA	S/. 243	S/. 204	S/. 230	S/. 235	S/. 276	S/. 219	S/. 158	19.1%	-11.7%
Profit per Share	0.069	0.112	0.129	0.148	0.096	0.065	0.135	-38.2%	-27.7%
EBITDA per Share	0.258	0.217	0.244	0.252	0.292	0.231	0.167	19.2%	-11.4%
Free Cash Flow	S/. -169	S/. 195	S/. 236	S/. -121	S/. 15	S/. -67	S/. 83	-186.8%	-1226.7%
Gross Margin	26.2%	24.5%	27.3%	25.2%	28.8%	24.9%	23.5%		
Adjusted Gross Margin	26.7%	26.4%	28.2%	25.1%	27.1%	26.1%	25.5%		
SG&A / Sales	15.8%	16.4%	16.6%	15.5%	15.6%	15.1%	16.7%		
Operating Margin	10.2%	8.6%	10.7%	9.5%	12.9%	10.2%	7.0%		
Adjusted Operating Margin	10.7%	10.5%	11.6%	9.5%	11.3%	11.4%	9.4%		
Net Margin	3.7%	6.4%	7.8%	7.4%	5.4%	3.8%	9.0%		
Adjusted Net Margin	6.4%	6.3%	7.1%	5.0%	7.0%	7.3%	5.9%		
EBITDA Margin	13.6%	12.4%	14.7%	12.5%	16.3%	13.8%	11.0%		
Adjusted EBITDA Margin	14.1%	14.4%	15.6%	12.5%	14.7%	15.1%	13.3%		
Debt Ratio	0.96	0.64	0.71	0.82	0.89	0.79	0.68		
Net Debt / EBITDA	2.15	1.72	1.84	2.30	2.28	1.99	1.60		

ANALYSIS ACCORDING TO CORPORATE ORGANIZATION

(S/ thousands)

	CAT Dealers in Peru		CAT Dealers abroad & other businesses		Other businesses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales	1,455,849	1,329,738	150,176	171,397	179,642	190,229	1,785,667	1,691,364
Gross profit	394,567	402,019	36,353	40,881	36,796	44,119	467,716	487,019
Adjusted gross profit	404,038	378,083	36,353	40,881	35,558	40,224	475,949	459,189
Gross margin	27.1%	30.2%	24.2%	23.9%	20.5%	23.2%	26.2%	28.8%
Adjusted gross margin	27.8%	28.4%	24.2%	23.9%	19.8%	21.1%	26.7%	27.1%
Operating expenses	213,295	199,525	22,347	23,493	43,129	37,153	282,523	263,868
Operating profit	180,081	202,389	14,482	16,068	-8,378	7,172	182,085	218,151
Adjusted operating profit	189,552	178,453	14,482	16,068	-9,616	3,277	190,318	190,321
Operating margin	12.4%	15.2%	9.6%	9.4%	-4.7%	3.8%	10.2%	12.9%
Adjusted operating margin	13.0%	13.4%	9.6%	9.4%	-5.4%	1.7%	10.7%	11.3%
Depreciation & Amortization	36,632	34,511	4,278	3,856	10,398	11,036	53,373	51,135
EBITDA	220,733	239,510	19,673	20,423	4,122	20,856	243,440	275,847
Adjusted EBITDA	230,204	215,574	19,673	20,423	2,884	16,961	251,673	248,018
EBITDA margin	15.2%	18.0%	13.1%	11.9%	2.3%	11.0%	13.6%	16.3%
Adjusted EBITDA margin	15.8%	16.2%	13.1%	11.9%	1.6%	8.9%	14.1%	14.7%

STATEMENT OF FINANCIAL SITUATION

As of September 30, 2023, the total assets amounted to S/ 6,222.6 million, slightly lower than the S/ 6,298.0 million in assets as of September 30, 2022. When comparing both periods, the primary decrease is attributed to inventories, amounting to S/ 79.0 million. The total liabilities stood at S/3,597.6 million, which is lower than S/ 3,935.8 million, primarily due to the reduction in financial debt by S/ 316.0 million.

(S/ millions)

	As of Sept 23	%	As of Setp22	%	VAR%
Cash and Equivalents	234	4	209	3	12.0
Accounts Receivables - Trade	1,265	20	1,198	19	5.6
Inventory	2,173	35	2,252	36	-3.5
Fix Assets	1,691	27	1,700	27	-0.5
Intangibles & Goodwill	371	6	415	7	-10.5
Other Assets	488	8	524	8	-6.9
TOTAL ASSETS	6,222.6	100	6,298.0	100	-1.2
Financial Debt	1,260	35	1,576	40	-20.0
Accounts Payable - Trade	790	22	870	22	-9.2
Lease Liabilities	51	1	87	2	-41.5
Other Liabilities	1,496	42	1,403	36	6.6
TOTAL LIABILITIES	3,597	100	3,936	100	-8.6

As of September 30, 2023, the asset turnover ratio was 1.09, which is higher than the 1.02 recorded on September 30, 2022. The corporation has implemented measures as part of its strategy to optimize the use of its assets, consistently maintaining an asset turnover above 1

throughout 2023. Additionally, the cash cycle has decreased from 165 days to 154 days as of the end of September 2023.

The corporation's financial debt, as of September 30, 2023, amounted to S/ 2,067 million, representing a 12.1% decrease compared to the same period the previous year. In terms of US dollars, this debt decreased by 6.8% when compared to the balance at the same time in 2022 (US\$ 544 million). The debt structure remains relatively balanced, with 41% of financial obligations having a non-current maturity, and there are plans to reprofile debt when the opportune time arises.

It's important to note that the financial debt includes S/ 50.7 million (US\$ 13.4 million) related to the application of IFRS 16 on Leases, which has decreased compared to the previous year (US\$ 22.3 million). This standard requires the recording of assets for the right to use leased items.

INVESTMENT IN FIXED ASSETS (CAPEX) AND INTANGIBLES

As of September 30, 2023, investments in fixed assets and intangibles amounted to S/ 174.5 million, primarily consisting of: i) S/ 71.5 million in infrastructure investments, including S/ 54.9 million for the acquisition of a new property in the subsidiary Ferreyros, which was previously leased for the rental business. ii) S/ 43.8 million for the repurchase of machinery and equipment for the rental fleet. iii) S/ 27.7 million for the purchase of machinery and equipment for workshops.

As of September 30, 2022, investments in fixed assets and intangibles exceeded S/ 150.2 million, primarily due to the purchase of machinery and equipment for the rental fleet, as part of Ferreyros' strategy to introduce new models of Caterpillar trucks to the market.

At the end of September 2023, the recognition of fixed assets by right of use (leased premises, rental fleet, van fleet, among others) is shown in the fixed assets category, as indicated by IFRS 16 Leases.

FINANCIAL RATIOS

Ratios	Set-23	Jun-23	Mar-23	Dic-22	Set-22	Jun-22	Mar-22
Current ratio	1.50	1.6	1.56	1.56	1.52	1.52	1.53
Financial debt ratio	0.70	0.64	0.71	0.82	0.89	0.79	0.68
Indepctedness ratio	1.37	1.31	1.45	1.51	1.67	1.54	1.54
Net debt / EBITDA	2.01	1.72	1.84	2.30	2.28	1.99	1.60
Adjusted debt / EBITDA	1.40	1.43	1.50	1.75	1.85	1.49	1.53
Financial expenses coverage ratio	8.87	8.92	9.27	11.63	12.49	11.75	9.84
Asset turnover	1.09	1.13	1.12	1.08	1.02	1.07	1.09
Inventory turnover	2.28	154	2.33	2.28	2.12	2.31	2.32
Inventory days	158	151	154	158	170	156	155
Collection days	55	52	48	55	56	50	45
Payable days	59	58	54	58	61	49	50
Cash cycle	154	145	149	156	165	157	150
ROE	17.28%	18.50%	17.17%	17.34%	18.81%	18.59%	20.29%
ROA	7.56%	8.35%	8.57%	7.60%	7.72%	8.30%	9.08%
ROIC	10.73%	11.96%	12.81%	10.94%	11.28%	12.21%	14.10%
Book Value per share	2.79	2.71	2.63	2.65	2.5	2.52	2.45

As of September 2023, the leverage ratios, in general, show a decrease compared to those recorded in the same period in 2022, primarily due to the lower level of debt in the third quarter of 2023.

At the close of September 2023, the cash conversion cycle has improved compared to the same period in 2022, now standing at 154 days, primarily due to the reduced level of inventory.

The Return on Equity (ROE) for the third quarter of 2023 was 17.28%, slightly below that of the same period the previous year, primarily due to the net profit.

MAIN HIGHLIGHTS

Advanced dividend payment

The Board of Directors, in a meeting held on September 27, 2023, and in accordance with the Dividend Policy, resolved to pay interim cash dividends of S/ 100,000,000.00, from the profits of the year 2023. This amount is equivalent to a cash dividend of S/ 0.1068 per share and will be paid on October 26, 2023, with a record date of October 16.

Fargo celebrates 40 years of demanding logistics operations in Peru

Fargo, a logistics operator that is part of the Ferreycorp Corporation, is celebrating 40 years in Peru, providing high standards of service in both customs and non-customs warehousing as well as project transport and logistics. The company is known for its high level of technological adoption, with almost all of its core operations being digitalized in all business lines to streamline and simplify activities with its customers. Currently, it ranks among the top five export warehousing facilities in Callao for import and export operations.

Merco: Ferreyros among the ten companies with the best corporate reputation in the country

Ferreyros was recognized as one of the top ten most reputable companies in Peru, according to the Merco Companies ranking, a position it has held continuously since the list's launch in 2012. Ferreyros maintains the sixth position in the national ranking and leads the industrial sector, with nearly 30,000 respondents from across the country. The ranking reflects the perception of multiple stakeholders and includes an evaluation of reputational merits, a comprehensive analysis of digital presence, and public perception of ethical conduct and corporate responsibility.

Ferreycorp once again among the Ten Most Admired Companies in Peru

The Ferreycorp Corporation, a leader in the supply of capital goods and related services through Ferreyros and other major subsidiaries, was once again recognized as one of the Ten Most Admired Companies in Peru. This recognition was presented by PwC and G de Gestión magazine and reflects the perception of 5,000 executives in the local market.

Triple award for labor practices of Ferreycorp and Ferreyros in the Ministry of Labor Competition

Ferreycorp and its flagship company, Ferreyros, won first place in the Ministry of Labor's Good Labor Practices Competition. The corporation was awarded in the "Prevention of workplace sexual harassment or abuse" category, while Ferreyros received awards in two categories: "Promotion of work-family balance" and "Employment, corporate solidarity, and social participation in situations of force majeure" for their support to workers and their families during the peak of the pandemic.

Ferreycorp and five of its companies recognized with the Sustainable Business Management Distinction

Ferreycorp and its companies Ferreyros, Unimaq, Orvisa, Soltrak, and Fargoline were awarded the Sustainable Business Management Distinction (EGS) by Perú Sostenible for their commitment to managing their businesses in environmental, social, and governance aspects. For more than a decade, the corporation has received this recognition, formerly known as the Socially Responsible Company Distinction.

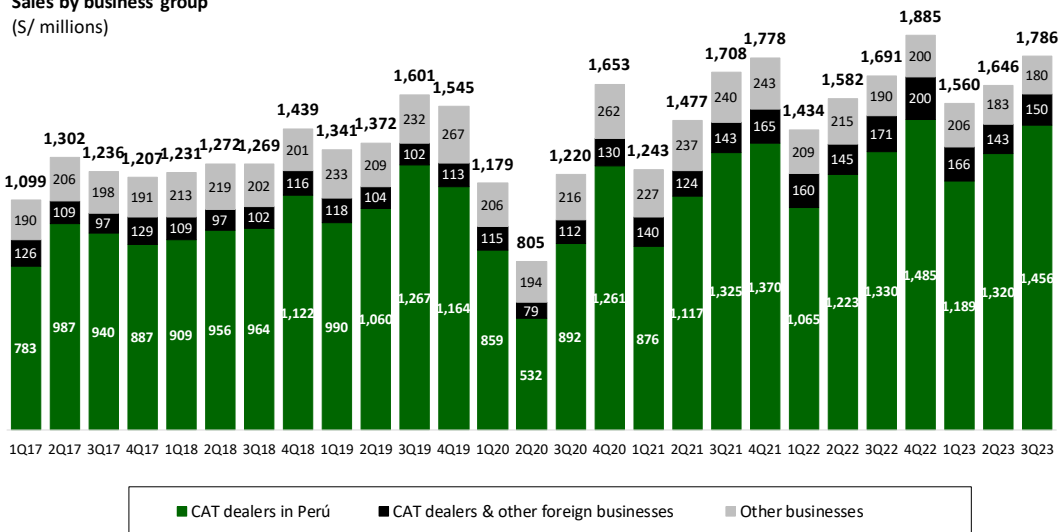
COMMERCIAL MANAGEMENT

1. COMPOSITION OF SALES BY BUSINESS GROUP

Sales by business group
(Millions of soles)

	3Q 2023	%	2Q 2023	%	1Q 2023	%	4Q 2022	%	3Q 2022	%	2Q 2022	%	1Q 2022	%	% Var 3Q 2023/ 2Q 2023	% Var 3Q 2023/ 3Q 2022
Ferreyros	1,257	70	1,133	69	1,028	67	1,321	70	1,138	67	1,047	67	893	62	10.9	10.4
Unimaq	152	8	151	9	135	10	128	7	149	9	157	10	166	12	0.0	1.4
Orvisa	48	3	35	2	26	2	36	2	42	2	36	2	37	3	36.0	13.4
Total CAT distributors in Peru	1,456	82	1,320	80	1,189	79	1,485	79	1,330	79	1,239	79	1,096	76	10.3	9.5
Total CAT distributors in Peru and other foreign businesses	150	8	143	9	166	10	200	11	171	10	145	10	160	11	4.7	-12.4
Soltrak	72	4	73	4	67	4	72	4	74	4	79	4	76	5	-1.7	-3.4
Trex (Chile)	76	4	75	5	108	3	76	4	58	3	75	3	52	4	1.3	31.9
Fargo	19	1	18	1	20	2	19	1	26	2	22	2	24	2	4.4	-27.2
Forbis	9	1	10	1	9	1	15	1	16	1	19	1	24	2	-7.2	-40.8
Other	4	0	7	0	2	0	6	0	5	0	3	0	2	0	-42.3	-7.5
Total other subsidiaries	180	10	183	11	206	10	200	11	190	11	198	10	178	12	-1.8	-5.6
TOTAL	1,786	100	1,646	100	1,560	100	1,885	100	1,691	100	1,582	100	1,434	100	8.5	5.6

Sales by business group
(\$/ millions)



As can be observed in the previous tables, Ferreycorp divides its businesses into three major groups:

Group I - Subsidiary companies responsible for representing Caterpillar and allied brands in Peru (Ferreyros, Unimaq, and Orvisa).

In the third quarter of 2023, the sales of Caterpillar dealers in Peru registered a 9.5% increase compared to the same period in 2022. Among the product lines that showed significant growth were spare parts and services, with a 6.5% increase, reflecting strong demand from the large mining sector; Caterpillar machines and engines for construction, medium mining, and industry customers, with a remarkable 40.4% growth; and rentals and used equipment, with a 15.8% increase.

During this quarter, the combined sales of these companies accounted for 81.5% of the corporation's total sales.

Group II - Companies dedicated to representing Caterpillar and other businesses in Central America (Gentrac, Cogesa, and Motored).

The sales of this third group of companies, with presence in Central America, reported a 12.4% decrease compared to the third quarter of the previous year, primarily due to the exclusion of certain minor product lines from the portfolio offered to customers.

This group of companies contributed 8.4% to the total sales of the corporation.

Group III - Companies that complement the offering of goods and services to Caterpillar's business in Peru and South America for various productive sectors (Soltrak, Trex, Fargoline, Forbis Logistics, and Sitech).

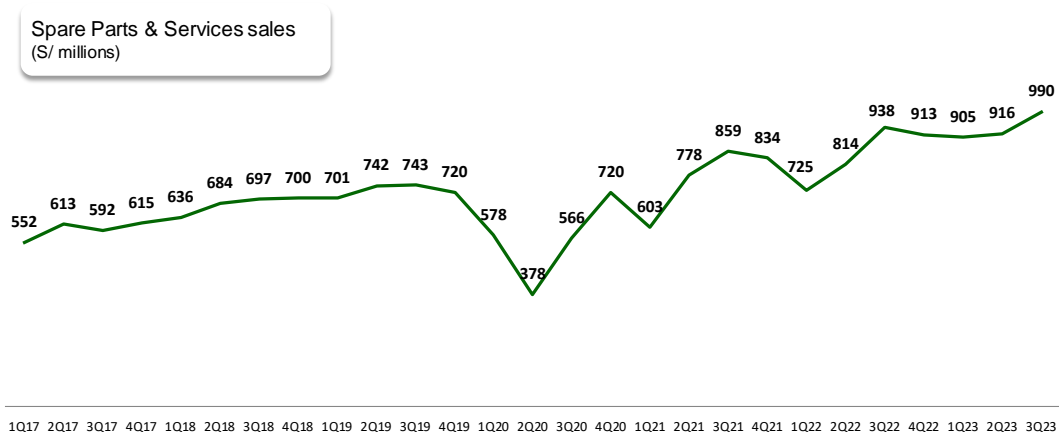
The sales of the third group of companies, which complement the offering of goods and services through the marketing of equipment, consumables, and logistics solutions, among other product lines, showed a 5.6% decrease compared to the third quarter of 2022. This decrease was primarily due to the impact on the logistics business caused by lower maritime freight rates compared to the previous year and the postponement of some shipments, as well as lower sales of certain consumables.

2. SALES BREAKDOWN BY BUSINESS LINE

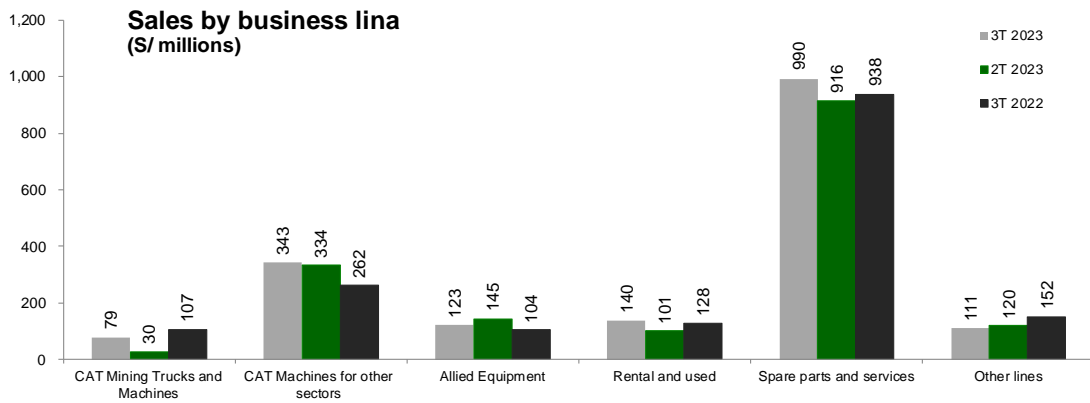
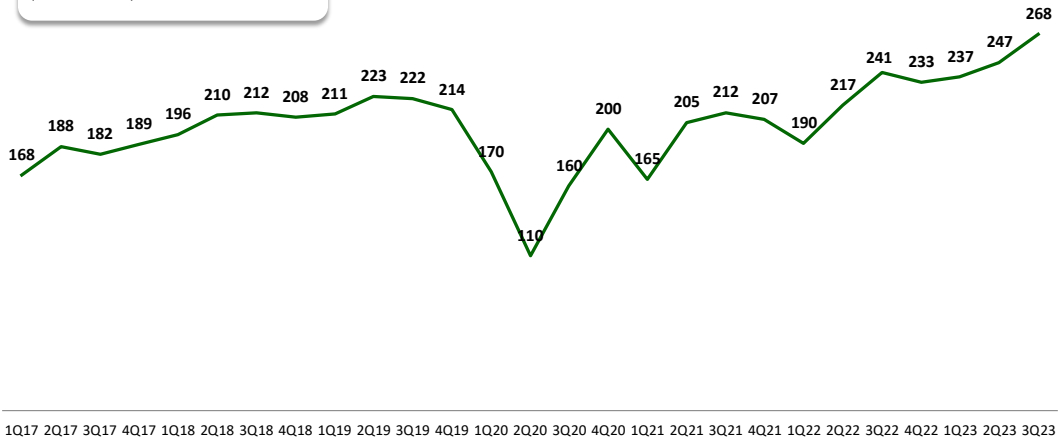
(S/ millions)	3Q 2023	%	2Q 2023	%	1Q 2023	%	3Q 2022	%	% Var 3Q 2023/ 2Q 2023	% Var 3Q 2023/ 3Q 2022
CAT Mining Trucks and Machines	96	5	44	3	75	5	124	7	118.1	-22.5
CAT Machines for other sectors	326	18	323	20	236	15	260	15	0.8	25.4
Allied Equipment	123	7	145	9	133	9	104	6	-14.9	18.2
Rental and used	140	8	97	6	96	6	113	7	43.4	23.1
Spare parts and services	990	55	916	56	904	58	938	55	8.1	5.5
Other lines	111	6	120	7	117	7	152	9	-7.6	-27.0
TOTAL	1,785	100	1,646	100	1,561	100	1,691	100	8.5	5.6

In comparison to the same period of the previous year, the product lines that demonstrated the most significant growth in the third quarter of 2023 were Caterpillar machines and engines for the construction and medium mining sectors, the spare parts and services line, particularly driven by increased sales to large mining customers, the rentals and used equipment line, and the allied equipment line, with notable sales of allied brand equipment at Unimaq.

The corporation's strategy is to enhance its customers' productivity in equipment usage and project management. Therefore, considerable efforts are dedicated to providing high-quality after-sales support in locations close to the customers, differentiating it from the competition. These efforts have enabled the spare parts and services business, both for Caterpillar and allied brands, to maintain a significant share in Ferreycorp's total sales (55%). In the third quarter of 2023, it achieved a new record with sales in Peruvian soles amounting to S/ 990 million and in US dollars totaling US\$ 268 million. This reflects an increase of 5.5% in Peruvian soles and 11% in US dollars compared to the third quarter of 2022.



Spare Parts & Services sales
 (US\$ millions)



As of September 30, 2023, Caterpillar sales, represented by the corporation through exclusive distributors in Peru, Guatemala, El Salvador, and Belize, accounted for 73% of total revenue. These sales encompass the sale and rental of Caterpillar machines and engines, as well as the supply of spare parts and services for this brand.

3. SALES BREAKDOWN BY ECONOMIC SECTOR

	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022
Open-pit mining	51.4%	43.6%	44.9%	46.2%	46.8%
Construction	19.7%	20.6%	19.1%	17.4%	21.0%
Underground mining	8.4%	14.3%	11.8%	13.4%	11.0%
Industry, commerce & services	7.4%	11.8%	12.4%	12.6%	11.0%
Agriculture & forestry	3.0%	2.5%	2.9%	3.4%	3.0%
Transportation	0.1%	2.3%	4.7%	1.4%	1.5%
Fish & marine	0.9%	2.1%	1.6%	0.8%	2.5%
Government	8.5%	1.8%	1.3%	2.9%	1.6%
Hydrocarbons & energy	0.5%	0.8%	0.9%	1.7%	1.3%
Others	0.2%	0.3%	0.3%	0.4%	0.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Regarding the distribution of sales for Ferreycorp and its subsidiaries in the third quarter of 2023, it's notable that open-pit mining accounts for approximately 51.4% of the revenue. Construction follows with 19.7%, government with 8.5%, underground mining with 8.4%, and industry, commerce, and services with 7.4%.

FERREYCORP S.A.A. & SUBSIDIARIES

APPENDIX 1

INCOME STATEMENT (NOTE)

(In thousands of soles)

	3Q 2023	%	3Q 2022	%	Var %	As of setp23	%	As of setp22	%	Var %
Net Sales	1,785,667	100.0	1,691,364	100.0	5.6	4,991,956	100.0	4,707,449	100.0	6.0
Costo de Ventas	-1,317,951	-73.8	-1,204,345	-71.2	9.4	-3,694,481	-74.0	-3,489,062	-74.1	5.9
Sales Profit	467,716	26.2	487,019	28.8	-4.0	1,297,475	26.0	1,218,387	25.9	6.5
Operating Expenses	-282,523	-15.8	-263,868	-15.6	7.1	-811,508	-16.3	-742,248	-15.8	9.3
Net Other Income (Expenses)	-3,108	-0.2	-5,000	-0.3	-37.8	5,129	0.1	3,265	0.1	57.1
Operating Profit	182,085	10.2	218,151	12.9	-16.5	491,096	9.8	479,404	10.2	2.4
Net Financial Expenses	-19,772	1.5	-13,609	1.1	45.3	-53,643	1.5	-34,954	1.0	53.5
FX Gain/Loss	-61,539	-3.4	-68,303	-4.0	-9.9	1,352	0.0	-29,706	-0.6	-104.6
Participation in the Results of Associates	335	0.0	257	0.0		1,698	0.0	-181	-0.0	
Income Before Income Tax	101,109	5.7	136,496	8.1	-25.9	440,503	8.8	414,563	8.8	6.3
Income Tax	-36,773	-2.1	-45,688	-2.7	-19.5	-148,854	-3.0	-134,682	-2.9	10.5
Net Income Cont. Oper.	64,336	3.6	90,808	5.4	-29.2	291,649	5.8	279,881	5.9	4.2
Net Income Cont. Oper.	890	0.0	-250	-0.0	-456.0	225	0.0	-157	-0.0	-243
Net Income	65,226	3.7	90,558	5.4	-28.0	291,874	5.8	279,724	5.9	4.3
EBITDA	243,440	13.6	275,848	16.3	-11.7	677,621	13.6	652,426	13.9	3.9
EBITDA Adjusted	251,673	14.1	248,018	14.7	1.5	731,625	14.7	682,330	14.5	7.2

NOTE: Some figures have been reclassified in this document to include the allocation of gross profit from purchase orders as sales and cost of sales. The Income Statement presented to the SMV shows only the gross profit obtained from these operations in the item of other operating income.

FERREYCORP S.A.A. & SUBSIDIARIES

APPENDIX 2

Statement of Financial Position

(In thousands of S/)

	as of 30-09-2023	as of 30-09-2022	Var %
Cash and Equivalents	234,352	209,229	12.0
Accounts Receivables - Trade	1,229,074	1,160,442	5.9
Inventory	2,172,642	2,251,603	-3.5
Other Account Receivables	201,913	237,147	-14.9
Assets Available for Sale	14,750	14,750	-
Prepaid Expenses	53,257	50,124	6.3
Current Assets	3,905,988	3,923,295	-0.4
Long Term Account Receivable - Trade	36,013	37,800	-4.7
Other Long Term Account Receivable	39,961	49,959	-20.0
Property	1,212,867	1,157,898	4.7
Rental Fleet	715,246	768,793	-7.0
Machinery & Equipment	520,032	466,470	11.5
Other Fixed Asstets	167,134	132,866	25.8
	2,615,279	2,526,027	3.5
Accumulates Depreciation	-924,111	-826,099	11.9
Net Property, Plant & Equipment	1,691,168	1,699,928	-0.5
Investments	22,394	19,601	14.2
Net Intangible Asset & Goodwill	371,106	414,720	-10.5
Deferred Income Tax	155,930	152,736	2.1
Non Current Assets	2,316,572	2,374,744	-2.4
Total Assets	6,222,560	6,298,039	-1.2

	as of 30-09-2023	as of 30-09-2022	Var %
Short Term Debt	429,011	421,686	1.7
Liabilities derived from Leases (NIIF16)	27,208	35,141	-22.6
Other Current Liabiities	2,151,496	2,129,981	1.0
Current Liabilities	2,607,715	2,586,808	0.8
Long Term Debt	831,063	1,154,382	-28.0
Other Payables	6,490	1,797	261.2
Liabilities derived from Leases (NIIF16)	23,514	51,563	-54.4
Deferred Income Tax	127,797	141,272	-9.5
Total Liabilities	3,596,579	3,935,822	-8.6
Equity	2,625,981	2,362,217	11.2
Total Liabilities & Equity	6,222,560	6,298,039	-1.2
Other Financial Information			
Depreciation	139,729	133,274	4.8
Amortization	24,029	22,848	5.2

FERREYCORP S.A.A. & SUBSIDIARIES

APPENDIX 3

Total Liabilities as of June 2023

(In thousands of USD)

		(A)			
	Total Liabilities	Current Liabilities	Long Term Liabilities		Financial Liabilities
			Short Term	Long Term	
Local Banks (Short Term)	115,868	115,868	-	-	115,868
Foreign Banks (Short Term)	90,442	90,442	-	-	90,442
Local Banks (Long Term)	203,526	-	62,985	140,541	203,526
Foreign Banks (Long Term)	45,861	-	23,991	21,869	45,861
Local & Foreign Banks (Fin. Leasing)	76	-	8	68	76
Suppliers:		-	-	-	
Accounts Payable to Caterpillar	134,759	134,759	-	-	-
Accounts Payable to Caterpillar	-	-	-	-	-
Others	73,290	73,290	-	-	-
Corporate Bonds	71,737	-	17,974	53,763	71,737
Caterpillar Financial	3,495	-	863	2,632	3,495
Liabilities Derived from Leases (NIIF16)	13,358	-	7,166	6,193	13,358
Other Liabilities	194,803	159,436	-	35,367	-
Total (US\$)	947,216	573,796	112,987	260,433	544,364
Total (S/.)	3,596,579	2,178,704	429,011	988,864	2,066,950

(A) Subject to interest payments

FERREYCORP S.A.A. & SUBSIDIARIES

APPENDIX 4

Cashflow Statement

(In thousands of soles)

	3Q 2023	3Q 2022	as of 30-09-2023	as of 30-09-2022
Cashflow from operating activities				
Collections from customers & third parties	1,685,856	1,643,692	4,940,276	2,971,428
Payment to suppliers	-1,485,090	-1,275,073	-3,673,749	-2,395,410
Payment to employees and others	-217,175	-222,703	-616,641	-401,939
Payments of taxes and income tax	-33,132	-85,347	-169,204	-105,133
Net cash provided by operating activities	-49,541	60,569	480,682	68,946
Cashflow from investing activities				
Acquisitions of property, plant & equipment	-77,811	-19,399	-112,140	-38,179
Acquisitions of intangibles	-2,430	-403	-6,579	-997
Sale of property, plant & equipment	4,545	5,326	14,573	47,676
Sale/Contributions of financial instruments	-	-	35	-
Net cash provided by investing activities	-75,696	-14,476	-104,111	8,500
Cashflow from financing activities				
Financial liabilities	295,082	797,622	1,581,155	1,317,870
Payment of financial expenses	-21,867	-719,066	-1,619,895	-1,191,148
Payment of lease activities	-18,184	-15,105	-40,935	-29,302
Interest payments	-25,994	-15,764	-74,614	-31,885
Dividend payments	-	-119,943	-131,184	-125,633
Share buybacks	-4,454	-596	-19,650	-1,696
Net cash from financing activities	224,583	-72,852	-305,123	-61,794
Net cash increase	99,346	-26,759	71,448	15,652
Cash at the beginning of the year	-	-	192,015	215,761
Cash due to exchange variation	-56,595	27,375	-29,111	-22,798
Cash at the end of the year	42,751	616	234,352	208,615