



ANNUAL
REPORT
2023

ANNUAL REPORT 2023



*Approved by the Mandatory Annual
General of Shareholders Meeting
held on March 27th, 2024*

TOGETHER WE CREATE DEVELOPMENT

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Declaration of Responsibility

This document contains truthful and complete information regarding the development of Ferreycorp S.A.A.'s business during the year 2023.

Without prejudicing the responsibility of the issuer, the undersigned are responsible for its contents in accordance with the applicable legal provisions.



Mariela Garcia Figari de Fabbri
General Management



Patricia Gastelumendi Lukis
Corporate Finance Management



Daniel Candela Calderon
Accounting and Control Management

Lima, March 27th, 2024

1. Letter to the Chairman

At the beginning of its second century of life, Ferreycorp and its companies confirmed their commitment to business management based on values and best business practices that contribute to the development of the countries where they operate, faithful to their purpose: "Together we create development."

Although the challenging economic and political contexts of the year 2023 represented a considerable adversity, Ferreycorp achieved positive results in the volume of operations, profitability and the generation of shared value. The favorable balance of the year reflects the prominent level of specialization in the distribution of capital goods, supplies and services, hand in hand with Caterpillar and a portfolio of prestigious global brands that are highly preferred and trusted by customers.

ECONOMIC SITUATION

In 2023, Peru and the other Latin American countries in which the corporation operates faced challenges that limited their economic performance. Factors such as political instability at the international level and, especially, at the national context; volatility in commodity prices; challenges in international transportation; high interest rates worldwide; high levels of inflation and the slowdown of the global economy contributed to a decrease in investment in the region's economies. In Peru, the economy registered a 0.5% reduction compared to the previous year, marking a notable decline from the already unfavorable 2022 (2.7%). Similarly, the economy of Chile experienced a reduction of 0.1% year-on-year terms, affected by international factors and the lagged effects of the fiscal and monetary measures implemented in 2022, as well as internal social conflicts. In contrast, Guatemala achieved 3.4% year-on-year growth, driven by private consumption, although this rate was lower than the one recorded in 2022 (4.1%). At the same time, El Salvador's economy expanded by 2.2%, similar to the previous year.

The reduction in the Peruvian economy is mainly attributed to a 7.2% reduction in private investment and to the lower growth of public investment, which only increased by 1.4%. The serious deterioration of business confidence, affected by political instability, the weakness of institutions, social conflicts, citizen insecurity and climatic anomalies, played a decisive role in the absence of private investment in key projects for the country. Likewise, the limited growth in public investment was evidenced by the scarce execution of large infrastructure projects by the national and regional governments. These were considerably affected by the deterioration in public management associated with the prolonged political and institutional crisis, and by a slower speed of management due to the first year of work of the regional and municipal authorities elected at the end of 2022.

During the year, there were significant reductions in some economic sectors, while in others there was moderate growth compared to previous years. Fishing registered a 19.7% decrease, construction and non-primary industry experienced a reduction of 7.9% and 8.2%, respectively, and the agricultural sector decreased by 2.9%. In contrast, mining showed a growth of 9.5%, driven by Quellaveco's operations and higher production volumes in mines such as Cuajone and Las Bambas; in particular, copper mining increased by 14%. Likewise, the commerce and services sectors experienced increases of 2.4% and 0.1%, respectively.

The Peruvian economy continued to face high interest rates, as well as high production costs resulting from global war conflicts. Nevertheless, it is worth mentioning that there was a gradual decrease in inflation throughout the year, closing at 3.2%, progressively

approaching the Central Bank's target range (1% to 3%). In addition, the exchange rate has been stable and the sol has been recognized by international markets as the strongest currency in Latin America in the last two decades.

CORPORATE OPERATIONS

Despite the challenges of the context described above, the sales of Ferreycorp and its companies reached S/6,995 million in 2023, an increase of 6% over the previous year. In dollars, they reached US\$ 1,865 million, 9% higher than 2022.

Sales for the year reflected demand from various economic sectors: 46% of revenue was generated by open-pit mining; 20% by construction; 11% by subway mining; and 10% by industry, commerce and services, among others.

It should be mentioned that Ferreyros, Unimaq and Orvisa achieved sales of S/5,624 million, an increase of 9%, contributing 80% of consolidated revenues. In dollars (US\$ 1,501 million), their sales increased by 11% compared to 2022. Its strong commercial management and proven value offer allowed the main Caterpillar subsidiary to reaffirm its national leadership, with nearly 50% of the Peruvian market.

In particular, Ferreyros ended 2023 with sales of S/4,927 million, showing a significant growth of 11% over the previous year. Revenues in dollars, US\$ 1,315 million, also showed a significant increase of 13%. Revenues represented 68% of consolidated sales.

Ferreyros once again joined the demanding open-pit mining market, achieving historic results. The company recorded a revenue record, with sales to open-pit mining of US\$ 800 million, which includes the sale of machinery as well as spare parts and services. This milestone was promoted by the specialized support provided by the company to the growing fleet of machinery at eleven large mining sites, with world-class support and 24/7 coverage. In addition, the operation of Cat 794 AC autonomous trucks, with a load capacity of 320 tons, was consolidated at a mine in southern Peru, reaching 30 units at the end of the year. Meanwhile, the Cat 798 AC trucks, with 400 tons and electric traction, confirmed their productivity and value contribution, with 20 units in six open pit mines in the country; during the year, an agreement was finalized for the sale of more units for a mining operation in central Peru, which will be delivered in the first months of 2024. In the same way, we continued to serve a large fleet of equipment in subway mining, which had already evidenced relevant acquisitions in 2022 and 2021 from some important customers in the sector. During this time, the demand from mining contractors was appreciated, thus maintaining a solid leadership in the sector.

On its path of growth and achievement of goals, Ferreyros reached a milestone in the sale of heavy construction machinery: it reached the highest point in its last twelve years of operations by marketing almost 600 Cat machines in this line-including categories like excavators, tractors, front loaders, motor graders and rollers-which represented an increase of 48% over 2022. The demand for construction equipment had an increasing trend during the year. At the beginning of 2023, given the challenges of the country context, the company generated sales levels of a dozen machines per month, while at the end of the year, monthly volumes reached one hundred machines. In addition to the usual requirements of the private sector, different infrastructure works in the territory, and activities related to mining operations, there was also the demand for equipment from several government entities and levels to improve their capacities, to address the infrastructure improvements that the country needs, as well as for prevention works for the rainy season and the El Niño Phenomenon.

Ferreyros' rental business, which includes a large fleet of construction equipment, exceeded last year's results by close to 50%, due to activities associated with mining and works of de-siltation and river defenses, among others.

In another area, it is worth mentioning that Ferrenergy, which specializes in the provision of energy, and in the year reached a generating capacity of 32.5 megawatts in five operations, also signed a commercial agreement to implement the first hybrid electricity generation system in the mining industry in our country. The project will generate electricity from photovoltaic solar panels with a capacity of 6 MWp and Caterpillar natural gas generator with a capacity of 4.72 MW, to cover the energy deficit of the operations of a mining company in the south of the country.

During the year, Ferreyros marked an important milestone in logistics. Ferreyros automated the entry, storage and extraction of orders for minor parts in its Spare Parts Distribution Center (CDR for its Spanish acronym), which supplies its national network of warehouses and directly to its customers. This significantly increases the speed of service associated with minor spare parts, which represent approximately 60% of the movement in this strategic center, adding efficiencies in the value chain to its customers. It should be noted that the CDR stores close to 700,000 minor spare parts.

In addition, Ferreyros' sales of spare parts through its digital channels, both the Parts.Cat.Com (PCC) platform and the Cat IP integrated purchasing solution, reached US\$ 100 million for the first time, an increase of 13% compared to 2022. Ferreyros, Unimaq and Orvisa were among the Caterpillar dealers with the highest online customer penetration in the world, after 48% of their customers turned to PCC for their parts purchases in 2023.

During the year, Unimaq's operations and its broad portfolio, which includes Caterpillar light machinery and allied brands, maintained levels close to 2022 and were mainly driven by construction, sanitation and infrastructure works in different regions and localities of the country, as well as mining. It is worth mentioning that since this year Unimaq has incorporated the Trex Peru lifting equipment line, which was previously in another subsidiary, and reinforced the synergies with the operations in Chile, Ecuador and Colombia. He also emphasized the increase in e-commerce, which made it possible to sell 60% of spare parts through its stores, and initiatives such as the first Cat Certified Rebuilding (CCR) of a Cat backhoe worldwide.

Orvisa commemorated 50 years of contribution to the development of the Amazon region. The company generated increased sales in 2023; it contributed to this result with the delivery of Cat construction machines, required in different regions and localities of the Amazon by the private sector and the government for the development of public infrastructure and sanitation works. In addition, Orvisa met an increasing demand for equipment and implements for the agricultural sector, while continuing to promote a greater presence in its digital channels in the region and solutions such as customized maintenance contracts for customers. During the year, it continued to serve some operations in the hydrocarbon sector with the provision of spare parts and services, and remained expecting projects, postponed to 2024.

It is important to note that Caterpillar dealers in Peru, Ferreyros, Unimaq and Orvisa, obtained five Gold medals in all categories of the Excellence Programs of the main represented company (After Sales Service; Parts Sales; Rental Services; Digital Transformation; and Marketing and Sales). In Central America, Genprac received Gold in Heavy Equipment Rental Services; Marketing and Sales; and After Sales Service. Meanwhile, General de Equipos also achieved the highest qualification in the latter two categories.

In Central America, the companies representing Caterpillar and other businesses contributed 9% of Ferreycorp's consolidated revenues, generating sales of S/ 614 million, 9% lower than in 2022. In US dollars, they reached US\$ 164 million, a decrease of 7%.

In Guatemala, the aggregates and quarrying industries, the construction and infrastructure sectors, and retail customer service were important drivers of Gentrac's sales. Commercialization of Caterpillar machinery and allied brands, both new units and rental alternatives, as well as after-sales support throughout the country, reached levels close to 2022. Meanwhile, in El Salvador, demand from various public entities boosted General de Equipos machinery sales, both for the development of infrastructure and for the management of its regular operations. After the closure of the lubricants business in Central America, General de Equipos total revenues were lower than the previous year; excluding this line of business, its sales showed growth. Gentrac and General de Equipos reaffirmed their leadership in their markets with the Caterpillar brand, stood out for their high service standards and focused on promoting greater use of digital channels for the purchase of Cat parts. In turn, Motored's auto parts business in El Salvador maintained its levels of operations.

In Peru and other South American countries, complementary businesses generated sales of S/ 757 million in 2023, an increase of 2% over the previous year. In dollar terms, the figure reached US\$ 200 million, 4% higher than in 2022. At year-end, they represented 11% of the corporation's total sales.

In 2023, Soltrak served the Peruvian market with industrial safety solutions, lubricants, tires and related services, at levels close to the previous year, serving mining companies and their contractors, as well as construction, industry, transportation and logistics companies. The highlights of the year were the expansion of long-term contracts with large mines for the provision of industrial safety equipment and services; the certification of Soltrak as an Authorized Economic Operator (AEO), granted by Sunat; and the implementation during the year of the corporate ERP SAP S4/Hana, to be adopted as of January 1st, 2024.

Trex's operations in Chile, Ecuador and Colombia in 2023 were marked by a significant increase in sales of around 30%. Trex's contribution to revenues in Chile stood out, with a similar growth, mainly through the sale of port equipment and high tonnage cranes and the delivery of services. Business in Ecuador and Colombia also increased.

In turn, Fargo completed four decades of history, with high standards of service in warehousing, transportation and project logistics, and high technological adoption in its operations. During the year, the company maintained its position among the top five export warehouses in Callao in TEU imports and exports. Similarly, Forbis Logistics ranked fifth in the ranking of air freight forwarders worldwide to Peru, and second in the route between the United States and our country. The logistics businesses, both with a valued commercial activity, had lower sales during the year, in a context of diverse challenges that impacted their sectors and activities. Despite this, they had an impact on various initiatives that generate value in their businesses, such as the consolidation during the year of the relationship between Caterpillar and Forbis, the latter being their nominated freight forwarder, and new projects in Fargo that will enhance the efficiency of their internal processes.

During the year, Sitech successfully completed the call for its open innovation program, with co-financing from the ProInnovate Peru, that will allow it to find technological partners to accelerate the resolution of pending challenges in Peruvian mining, in a process that will last until 2025. In addition, the company deployed the Structures

Laboratory project for the Jorge Basadre University in Tacna, which will be the most modern of its kind in Latin America by 2024, and continued to serve the mining industry with solutions that seek to manage operator fatigue and avoid collisions, achieving incremental sales.

FINANCIAL RESULTS

The corporation's financial management in 2023 was focused on maintaining business profitability, seeking to improve asset turnover, including the healthcare of accounts receivable and inventories, and the management of financing sources to obtain the most favorable conditions and be able to compensate, even partially, for the strong increase in interest rates.

It is worth noting that Ferreycorp and its companies achieved a net profit of S/ 434 million in 2023, which represented an increase of 4% compared to the previous year (S/. 419 million). Excluding the currency exchange effect, the accumulated adjusted net profit is S/ 443 million, showing a 6% growth compared to the previous year's adjusted result and setting a new record.

These results were achieved thanks to the good sales volumes mentioned above and to a gross profit that increased 7% with respect to 2022, due to the effect of incremental sales and their composition with a greater participation of the spare parts and services line, achieving a margin of 25.8%, which rises to 26.5% if the distortion of the exchange rate difference is eliminated. Operating income was 6% higher, with an operating margin of 10.0% for the year, the same as in 2022 (10.0%), which improves to 10.6% if the same distortion mentioned above is eliminated. The higher gross profit was impacted by an increase in expenses, being the increases in this item linked to higher expenses directly related to the growth in sales; to new hires; and to the constitution of provisions, mainly. Thus, expenses represented 15.9% of sales in 2023, higher than the 15.7% recorded in 2022.

In 2023, financial expenses increased by 51%, as a result of the significant increase in interest rates, following the global trend, since the average debt for the year increased slightly. In order to control the increase in financial expenses given the high interest rate environment, in 2023 it was decided not to refinance significant amounts of debt and, instead, to maintain short-term loans while waiting for the appropriate moment to assume medium-term debt, always taking into account the structure of the company's assets. The corporation ended the year with 32% of its debt maturing at non-current maturities. The average interest rate of the debt is 4.66%, higher than that of 2022 (3.13%).

During the year, Ferreycorp reaffirmed its compliance with the good corporate governance principles for which it is renowned. The solid ties with its more than 3,900 shareholders and respect for their rights were reflected in the General Shareholders' Meeting held in March, with the participation of 131 shareholders representing 85% of the outstanding shares. The meeting approved the distribution of cash dividends of S/ 251.3 million, corresponding to the maximum ceiling of the Dividend Policy, which included the advance payment made in September of the previous year of S/ 120.0 million, leaving pending S/ 131.3 million to be distributed in the year 2023. This amount is equivalent to a cash dividend of S/ 0.13897 per share, which was paid on May 5th, 2023. Pursuant to the Dividend Policy, in September, the Board of Directors agreed to pay another cash dividend of S/ 100 million on account of the profits for the year 2023. This amount is equivalent to a cash dividend of S/ 0.1068 per share, and was paid in October.

On the other hand, in May, the Board of Directors agreed to increase the company's share repurchase program to 10% of the capital stock, or 94 million shares. As of December 31, the balance of treasury shares was 12,310,817 shares.

It is important to highlight that Ferreycorp's shares had a positive performance in 2023, despite Peru's political and economic challenges and the impact of the weather phenomena recorded, as well as the complexity of the global situation. The opening price of 2023 was S/ 2.26; and the closing price was S/ 2.48. This increase in the share price, added to the total dividend per share of S/ 0.2458, is reflected in a shareholder return of 20% in 2023.

HUMAN MANAGEMENT

The management of people and the development of talent are important pillars of Ferreycorp's business management; therefore, it has defined a Value Proposal for its employees, which seeks to offer a good working environment and coverage of the needs of the families and, at the same time, opportunities for growth and development. During the year, several key issues were addressed through programs that contribute to preserving the physical and mental health of Ferreycorp families. In the area of occupational health and safety (OHS) management, the Integrated Safety Management System was standardized in the main processes, multiple activities and the first corporate safety congress were carried out, the discipline of internal audits was maintained, and new medical surveillance programs were implemented. Actions were also carried out to care for the work-family balance, as well as to continue promoting diversity and inclusion through the Pares program, the Ferreycorp Women Leaders Meeting and activities to prevent sexual harassment and gender violence, with an intense training program throughout the company and an updated virtual course on Sexual Harassment, with a very high participation of 98.5% of employees.

Management showed positive results: 83% of the more than 7,000 employees of Ferreycorp and its companies perceived a good working environment, and 88% expressed their commitment to the corporation (Work Environment Survey).

On the other hand, the corporation implemented new rules related to outsourcing, teleworking, the standardization of documents, and the application of new legal regulations related to human capital. In order to take advantage of synergies, the portfolio of services that are provided centrally to the companies was expanded.

Efforts in human resources management were recognized in 2023: Ferreyros completed an uninterrupted decade among the ten best companies for attracting and retaining talent in Peru, according to the Merco Talento ranking. The company maintained first place in its category and eighth place in this ranking at national level, in which more than 25,000 participants from multiple stakeholder groups participated. Also noteworthy were the first places achieved in the Good Labor Practices Contest of the Ministry of Labor: "Promotion of work-family balance" and "Employment, corporate solidarity and social participation in situations of force majeure" (Ferreyros); and "Prevention of harassment or sexual harassment in the workplace" (Ferreycorp).

Meanwhile, the PAR ranking of the consulting firm Aequales included the corporation among the top ten national companies in its category -up to 200 employees- that best manage and promote gender equity, diversity and social inclusion.

SUSTAINABILITY

First of all, it is worth highlighting the corporation's commitment to integrity. Ferreycorp and all its companies in Peru: Ferreyros, Unimaq, Orvisa, Soltrak, Fargo, Forbis Logistics, Soluciones Sitech Peru and Ferrenergy completed the Anti-Bribery Certification granted by the association Businessmen for Integrity (Empresarios por la Integridad) in 2023. In turn, Ferreyros, Orvisa and Forbis obtained ISO 37001 Certification: Anti-bribery Management System for their compliance system during the year, as did Unimaq, Soltrak and Fargo in previous years. Foreign subsidiaries have been following the same path.

In relation to initiatives aimed at contributing to society, we continued to generate infrastructure through the Works for Taxes mechanism, under which Ferreyros completed the construction of an educational center in the region of Ucayali, in consortium with Orvisa, and continued with the development of a water and sanitation project in Cusco. Additionally, it signed an agreement with the Regional Government of Arequipa for the improvement and expansion of a school. So far, the flagship company Ferreyros has financed twelve Works for Taxes projects, ten have already been completed, valued at more than S/. 130 million, benefiting 43,000 Peruvians in Pasco, Junin, Ucayali, La Libertad, Cusco and Arequipa.

In 2023, Ferreycorp and its companies Ferreyros and Unimaq assigned an aid package to assist several areas of the country affected at the beginning of the year by the disasters generated by cyclone Yaku, which included the free use of about 20 Caterpillar machines and eight motor pumps. The corporation also activated OperApp's community of machine operators, inviting them to join forces with their skills.

Meanwhile, the Ferreycorp Association set a record in 2023 by training close to 4,200 young Peruvians in more than 100 on-site and free programs nationwide, with a focus on strengthening soft skills, values and civic responsibility. Over 26 years, the Association has had an impact on almost 50,000 students from universities and institutes. In addition, Ferreycorp's Operators' Club has given more than 44 free virtual courses with more than 5,000 spectators, and six on-site seminars with almost 500 operators from the coast, mountains and jungle.

On the other hand, the corporation continued with the good practice of measuring its carbon footprint in its sites in Peru and Chile, having today a coverage of 66 locations. This time it considered four categories: 1 (direct emissions, resulting from the use of fuels, refrigerant gases, compressed gases, among others), 2 (electricity consumption), 3 (transportation of personnel and cargo) and 4 (consumption of inputs and services). It also highlights that Ferreyros increased by approximately 40% the generation capacity of its photovoltaic solar plant located in its facility in La Joya, Arequipa.

The corporation's commitment to managing its business in environmental, social and governance aspects has enabled it to continue its inclusion in the Dow Jones Sustainability Index for the MILA-Pacific Alliance region and in the S&P Global Sustainability Yearbook, in addition to the S&P BVL Peru General ESG Index and the Sustainable Management Company Distinction (EGS for its acronyms in Spanish), awarded by Peru Sostenible to Ferreycorp and five of its companies. At the same time, Ferreycorp was positioned as the fifth leading company in sustainability in Peru and at the head of its sector, according to the Merco Responsabilidad ESG ranking, and was recognized by PwC and G de Gestion magazine as one of the ten Most Admired Companies in Peru.

CLOSURE

After this brief review of our management for the year 2023, we would like to express our gratitude to our shareholders for their confidence in the Board of Directors, reaffirming our willingness to continue a smooth and transparent relationship; to our customers for their loyalty and continuous preference; to Caterpillar and the other prestigious brands we represent for their constant support; and to those who have given us their financial backing.

It is an honor to submit to the shareholders the management report for 2023, prepared by Management and approved by the Board of Directors on February 28th, 2024, as well as the financial statements, in accordance with Conasev Resolution No. 141.98 EF/94.10, which establishes the presentation of the annual reports of the companies, including the required statement of responsibility.

Lima, March 27th, 2024

Andreas von Wedemeyer
Chairman

2. About Ferreycorp

2.1 Presentation



Established 101 years ago, Ferreycorp is the leading Peruvian corporation dedicated to the provision of capital goods and related services. It operates both in Peru, where it generates close to 90% of its revenues, and in other Central and South American countries through highly specialized subsidiaries focused on their respective businesses.

In its history, it stands out the bond built with Caterpillar, an exceptional partner of the corporation for 81 years. In addition to marketing and supporting the products of the world leader in machinery, it distributes other prestigious brands. Currently, Ferreycorp's companies have a complete portfolio of solutions for its customers that enhances its market coverage. Thus, the corporation stands out for the quality of the machinery it offers and especially for the services related to capital goods (maintenance, repairs, condition monitoring, consulting in the use of equipment, training and financing, among others).

Human resource management and talent development practices, evidenced by an excellent organizational climate, together with the strength of its culture, rooted for more than a century, play a fundamental role in the commitment and sense of pride of its more than 7,000 employees.

Ferreycorp listed its shares on the Lima Stock Exchange (BVL) in 1962. With 61 years in the stock market, this widespread shareholding company has local institutional investors (pension funds, mutual funds and insurance companies, among others) and foreign investors. In addition, it attracts a large number of individuals who choose to invest their savings in the capital market, finding in the corporation an attractive investment alternative. Recognized in the capital markets, Ferreycorp is a reference for its good corporate governance practices and responsible management in the interest of sustainability.

To be one of the leading companies in the Peruvian market is possible due to a management based on values, supported by good business practices and strong financial management. From this position, the corporation participates in different business groups and initiatives, contributing to the development of the country with concrete actions, in line with its purpose: "Together we create development".

2.1.1 Mission and vision

MISSION

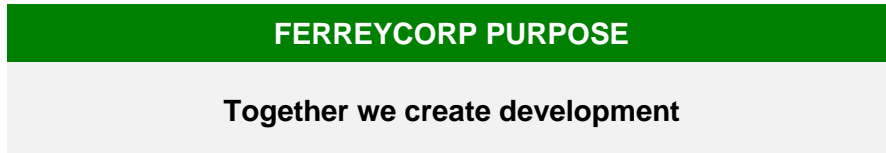
To operate, through its subsidiaries with focus and high degree of specialization, businesses of distribution of capital goods and supplies and services and support, for prestigious global brands with high standards, efficiency and profitability, achieving at the same time the development of its employees and being a reference of modern and responsible companies.

VISION

To be recognized as a leading economic group in Peru, with presence in Latin America, and an excellent supplier of capital goods, inputs and related services, which contributes to increase productivity and profitability in the economic sectors in which it participates. Moreover, it promotes the development of the countries and their different interest groups and is recognized by global brands as a preferred corporation to adopt new businesses and representations, in the fields in which it operates, due to its operational and financial capacity.

2.1.2 Ferreycorp Purpose

In order to put its purpose into words, Ferreycorp developed a collaborative and inclusive exercise of reflection, in which a unanimous consensus was reached among the participants: the corporation has been leaving its mark on all its stakeholders over the years, making a difference. In this context, something that has been tacitly guiding the actions of all employees for decades was put in writing:



Ferreycorp's purpose reflects its vocation to generate development in the places where it operates through its activities, by providing services, capital goods and inputs, achieving a positive impact among all its stakeholders.

The vision and essence of Ferreycorp, intimately present in the corporation and its subsidiaries since its inception, have endured over time, transcending the transformations of the organization. The Ferreycorp Manifesto, detailed below, puts this purpose into perspective:

“At Ferreycorp we provide services, capital goods and inputs that give our partners the tools they need to contribute to the growth of industries that are fundamental to the development of the countries in which we operate.

For 100 years, with integrity and under the highest quality standards, we have been a key agent in the development of infrastructure, impacting the quality of life of millions of people and generating greater access to opportunities. Thus, over time, we have become a leading corporation, with a presence in different countries and internationally recognized prestige.

*While we are proud of what we have achieved, we know that there is still much to do. Therefore, today more than ever we reaffirm our commitment to society and assume the responsibility of continuing to **create development**, seeking to constantly innovate and amplify our impact on society”.*

Corporate values

Ferreycorp's values represent the pillars that guide the daily actions of the corporation's employees, maintain the ethical conduct of the organization and contribute to the sustainability of the business.



2.2.2 Innovation and digital transformation

The corporation lives in the present, but always looking to the future. The ability to be in the present and, at the same time, to anticipate and adapt to changes and market requirements, as well as to the emergence of new businesses, allows it to position itself as a leader in the sector with a long-term vision.

This chapter explores the progress made by Ferreycorp and its companies in digitization and automation, as well as in the development of internal innovation and analytics capabilities.

2.2.2.1 Digitalization and automation

The following is an overview of the corporation's progress in digitalization and automation during 2023, with special emphasis on five key themes: a) Improvement in customer experience, b) Increase in e-commerce, c) Improvements in customer productivity, d) Supply chain optimization, and e) New products and services.

a) Improvement in the customer experience

This year, digital platforms contributed to the creation of value in the experience of Ferreycorp's customers.

- Preparation began on the Falcon Vision Tool project, winner of the corporation's 2023 Innovation Contest, which will allow customers to track the status of key services at the Component Repair Centers (CRC) in Lima and La Joya, by accessing online to check on progress notifications, photos of repairs, reports and more. It is expected to be launched in the first half of 2024.
- Ferreyros continued with the deployment of the service digitalization project via the Ferreynet portal, which allows clients to request field and workshop work, follow up on the progress of their service and receive the certificate of conformity and final report digitally. During the year, more than 400 services were generated through this portal.
- Also in Ferreynet, Ferreyros added new functionalities: "Productivity", which provides conclusions on equipment performance; "Customer Value Agreements (CVA)", to access and renew contracts under this modality, receive promotions and view maintenance histories, among others; and the second phase of "Order Tracking", focused on the delivery of spare parts.
- In turn, Trex, in Chile, developed the Trex Parts Center mobile crane application to enhance the sale of spare parts and facilitate customer access by consolidating information in one place.
- Fargoline continued to drive virtual interactions with customers in its main lines of business. At the end of 2023, the Temporary Deposit line had more than 90% of its operational processes digitized, while the Simple Deposit and Authorized Deposit operations showed progress in digitization of 70% and 80%, respectively.
- Likewise, the company continued to optimize the functionality of its digital platforms. Fargoline's progress focused on solutions in the virtual platform (Extranet) and logistics tracking to achieve speed in operations such as service revenue declaration and cargo dispatch request.
- Gentrac, Caterpillar's representative in Guatemala, launched the "G-Force" blog to provide its customers with topics of interest and useful information for their daily activities, seeking to increase their loyalty and consolidate its position in the market.

- Four models of the agricultural brands Valtra and Antonio Carraro joined the 360 virtual tours of Ferreyros machines. These tours allow you to appreciate, from all angles, the features and functionalities of key equipment from the Cat portfolio and allied brands.

b) Increase in e-commerce

In 2023, the adoption of e-commerce among the corporation's customers confirmed its favorable evolution.

- During the year, total sales of spare parts via the Parts.Cat.Com (PCC) e-commerce platform of Ferreyros, Unimaq and Orvisa in Peru, Gentrac in Guatemala and Belize, and General de Equipos in El Salvador reached US\$79 million. This is 10% higher than in 2022.
- 48% of Ferreyros, Unimaq and Orvisa customers who purchased spare parts during 2023 used the Parts.Cat.Com (PCC) e-commerce platform, placing them among the Caterpillar dealers with the highest online customer penetration in the world.
- Ferreyros, Unimaq and Orvisa were recognized again in 2023 by their main representative for their compliance with the demanding guidelines of the Dealer Global Standard (global standard for distributors) in the field of e-commerce.

c) Improvements in client productivity

During the year, the company continued to contribute to the productivity of its clients and their teams, capitalizing on digital and technological resources.

- Ferreyros continued with its machine fleet connectivity efforts. At year-end, more than 6,500 Caterpillar heavy machines in Peru were connected, opening up the possibilities for remote monitoring of their health and performance by Ferreyros and its customers. Nearly 1,000 new machines were added to the fleet of connected units during the year.
- Soluciones Sitech Peru completed field testing of its TMSE solution in 2023, which provides access to the vast amount of data generated by subway mining equipment to exploit the potential of data analytics and artificial intelligence.
- In August 2023, the DCI (Data Communication Interface), hardware developed by Ferreyros' Large Mining Division to contribute with maintenance management and equipment productivity, installed in eight large mining operations in Peru, reached one million accumulated working hours.
- The flagship company Ferreyros relaunched its main equipment management platform VisionLink in a new version that consolidates the former My.Cat.Com and VisionLink Unified Suite, focusing on current customer needs to perform remote management of their equipment. In addition, its version for mobile devices is now available.
- The use of the Cat Productivity platform was consolidated in new Ferreyros customers, which allows monitoring equipment productivity indicators and improving loading and unloading cycles to obtain better results in operations.

d) Supply chain optimization

From this perspective, we promote the fulfillment of the delivery of products and services to customers at the time offered, exceeding their expectations.

- As a pioneer in the industry, and in line with the standards of the best logistics chains worldwide, Ferreyros' Spare Parts Distribution Center (CDR, for its acronyms in Spanish) put into operation the project to automate the process of entry, storage and extraction of orders for minor parts. This milestone, completed in October 2023, significantly increases the speed at which these parts are handled at the CDR, as part of Ferreyros' strategy to enhance logistical support to its customers. For more information, see the Commercial Management section.
- In 2023, Fargoline's arrangement of orderly and uncongested spaces allowed 85% of yard dispatches to be kept within 40 minutes, less than the market average.
- To reduce repair time and maximize the number of repairs, Ferreyros implemented spare parts redistribution software in the Component Repair Centers (CRC) work orders.
- The implementation process of the predictive fatigue system in Ferreyros' transportation units was initiated. By 2023, 35% progress was achieved.
- Fargoline implemented its first electric van for last-mile spare parts delivery in Lima, for its services to Ferreyros, and plans to continue using this type of unit in order to reduce its carbon footprint.
- Fargoline also presented the project Autonomous Scales, to digitize the activities of the scales, which will add fluidity in the management of cargo vehicles and streamline services. This initiative, a finalist in the corporation's Innovation Contest, will be implemented in 2024.
- Ferreyros developed logistics capabilities in domestic transportation by using cabotage as a viable alternative.

e) New products and services

Through innovative solutions, we seek to satisfy our customers' needs by means of new products and services.

- In order to accelerate the resolution of pending challenges in mining, Sitech launched this 2023 the call for startups to its open innovation project, the Sitech OpenLab Challenge, co-financed by the Ministry of Production through ProInnovate Peru. This program will identify and select the most outstanding technology startups in the world to serve this industry in the Peruvian market.
- OperApp, a labor marketplace for operational talent developed by Ferreycorp, increased by 20% an increase in the number of applicants on its platform, reaching more than 37,000 operators, technicians and drivers, among others, and by 15% the number of registered companies, with more than 1,100 companies. It also exceeded 66,000 applications and 3,100 job offers published.
- During the year, Ferreyros and Unimaq's rental customers, as well as Ferreyros' regional customers, were provided with a new benefit to carry out their recruitment and selection processes free of charge through OperApp, after the purchase or rental of machinery.
- Unimaq developed an interactive application to migrate physical to digital reports in the operation of a mining client, which will save time, create a database and reduce paper waste, as well as reduce the costs involved in the production of this resource. We are focusing efforts on backlog reports (spare parts orders), forms for corrective work and maintenance lists, setting a precedent for other operations.

2.2.2.2 Internal innovation and analytics capabilities

During 2023, Ferreycorp and its companies continued with the development of capabilities that seek to drive innovation and analytical transformation in the corporation.

a) Innovation within the organization

- Ferreycorp reinforced the project management methodology quickly and made progress in the capacity to research client needs. This has made it possible to concentrate greater effort on business definitions, increasing the speed of solution adoption and the probability of platform success, as well as reducing time in the following stages.
- For the second consecutive year, the internal event Innovation Week was held, which brought together more than 1,500 employees of the corporation. It included talks focused on innovation and topics of interest to Ferreycorp and its companies, with prominent external and internal panelists.
- The Innovation Ideas Contest was carried out by employees, with an increase of 41% in the previous participation, equivalent to more than 100 applicant teams. A set of winning initiatives was selected, whose implementation began in 2023, addressing aspects such as new lines of business, optimizations in large mining, safety in logistics, modification and manufacture of parts, traceability in sales, among others.
- In 2023, the “For the next 100 years” development program focused on boosting the transformational capabilities of the corporation's leaders. As detailed in the Human Management chapter, this initiative sought to provide them with the latest trends in innovation and data, strengthen their mindset for change, and boost execution and team management.
- The company held 26 sessions of the Ferreycorp Circles - Marketing, Health, Environment, Product Support and Supply Chain - made up of employees from specialized areas of the corporation's different companies. They represented important spaces for sharing expert knowledge in their field and best practices, seeking to multiply their scope and application.
- Ferreyros continued its efforts to strengthen its digital identity internally. Within the organization, programs and newsletters were developed to spread digital knowledge and success stories. With regard to customers, twelve Digital Fest events were held in branches nationwide, with talks, training and exhibitions related to the range of digital solutions.
- The corporation launched the Design System, a project that seeks to strengthen capabilities in the development of digital tools. Its operation has allowed a reduction of at least 50% in the design and prototyping stage, as well as a saving of 60% in the development of websites. In addition, it contributes to generating consistency and facilitating the scalability of digital products.
- Gentrac, in Guatemala, created an Innovation Committee to diversify and enrich the creativity of proposals and/or definitions of innovation projects. It is made up of employees from all areas who wish to develop in contexts of creativity and innovation to support their business unit.

b) Advanced analytics

- Ferreycorp's Advanced Analytics Center reflects the corporation's commitment to adopting a management approach based on analysis and data interpretation (data-driven). During 2023, it has undertaken a number of key initiatives and projects to strengthen its analytics approach and improve decision making throughout the corporation.
- In this regard, the design and implementation of analytical models; the prioritization of high impact and feasibility projects; the construction of *machine learning* models (Vertex AI); and the ongoing development of an automated monitoring system to enhance the continuous supervision of the solutions delivered to the business stand out.
- At the same time, it highlights the implementation of models with image recognition (Computer Vision) and applications with Generative Artificial Intelligence (GenAI). In addition, Ferreycorp has been introducing advanced technologies, such as the MLOps framework, to add efficiencies in the construction of analytical models, aiming at the automation of their life cycle, from training to prediction.
- In the same way, the creation of synergies is being promoted, supported by the establishment of technical development spaces between Ferreycorp and its companies, reinforcing collaboration and the exchange of knowledge.
- The efforts made aim to increase the production of analytical models throughout the corporation, generating tangible value for the companies and facilitating strategic decision making.
- In the particular case of Soltrak, it has been designing analytics dashboards that contribute significantly to an efficient management of consumables in the operations of large mining customers.

c) Internal digitization

In 2023, Ferreycorp Corporation and its companies enhanced their internal technological capabilities to support and drive their business initiatives and operations.

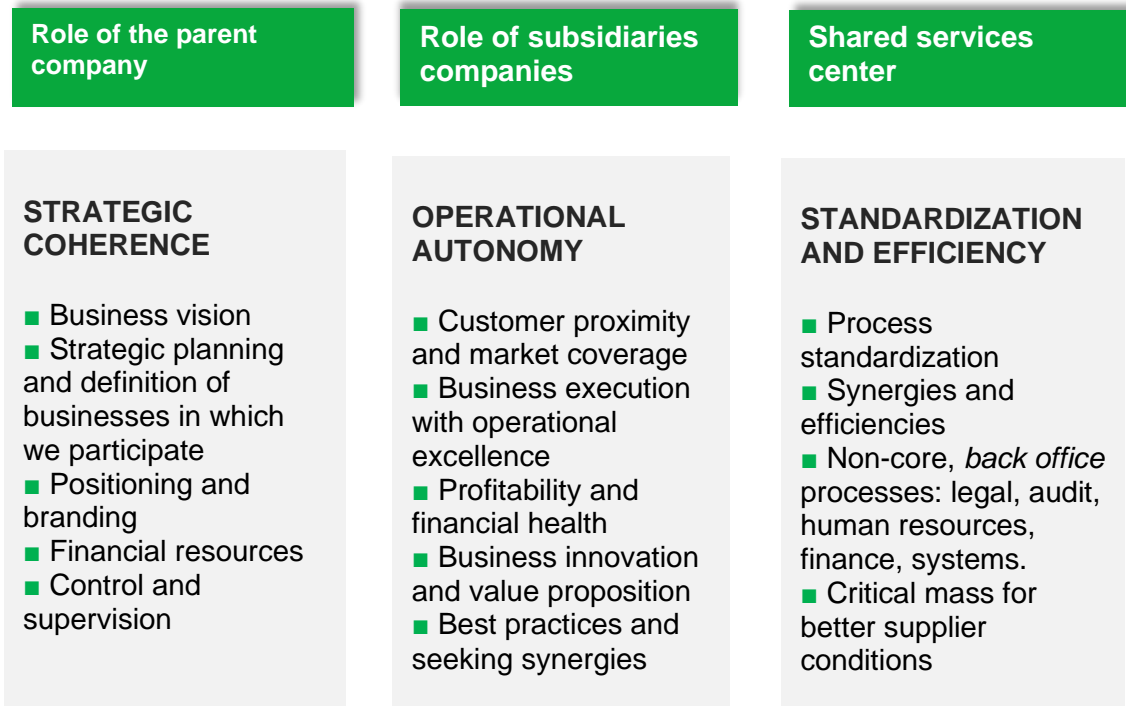
- In 2023, the data management platform (data lake) was launched for Ferreyros, Unimaq and Orvisa, a pioneer in the industry. This technology will allow the different companies of the corporation to develop analytical capabilities to enhance decision making in business and operations, and at the same time is the foundation for future projects using artificial intelligence.
- In the first quarter of the year, the most modern version of the corporation's enterprise resource planning (ERP) system was adopted, with the upgrade to the SAP S/4HANA 2021 version. In this way, Ferreycorp enhanced its operational and process integration capabilities. It also defined a biannual upgrade strategy to mitigate the risk of technological obsolescence.
- Soltrak implemented SAP corporate ERP in its operations in 2023, after several years of using another local ERP. This significant change, starting in January 2024, will favor technological scalability to accompany its future growth, improve the integration of its operations and drive synergies in the group.
- To help organize and optimize the use of resources in workshops, the Mangogem planning solution was implemented. It uses a mathematical model for scheduling repairs, taking into account the availability of human resources and the technical infrastructure required for the work, such as service bays. This project has started at the Component Repair Center (CRC) in Lima and will later be extended to other Ferreyros workshops and other group companies.
- During 2023, we managed the development of a new Health, Safety and Environment (SSMA, for its acronym in Spanish) management software, with scope

to companies in Peru and other countries where the corporation operates, which will be launched in 2024. In this way, the SSMART solution will contribute to the efficient processing of occupational health and safety information in order to anticipate, recognize, evaluate and proactively control risks and better monitor critical processes.

- The Yndika credit and collections management platform was implemented at Ferreyros, Unimaq and Orvisa during 2023. The solution, currently in the testing stage, uses artificial intelligence and data analytics to improve analysis by monitoring predictive indicators.
- Gentrac upgraded its CODA accounting system and its DBS enterprise resource planning system to achieve greater efficiency and effectiveness through key enablers such as information technology and the definition of efficient, standardized and digitized processes, enhancing its data analysis capacity for evidence-based decision making.
- Gentrac also launched Customer, Service and Management Request, which seeks to digitalize all the company's procedures to optimize internal and external customer service and to measure the performance of the human team that provides this service.
- Trex, in Chile, intensified the use of technological tools to prepare documentation and technically audit customer equipment in the services it offers.
- In 2023, the Integral Logistics Administration System (SALI, for its acronym in Spanish) platform, created by Forbis Logistics for the operational management of its processes in Peru, extended its scope to the United States office, thus adding to the integration of systems for commercial management with the offices in Peru and Chile, with the aim of generating customer service opportunities between these three countries.

2.1.3 The corporation's operating model

The corporation has established a model characterized by operational autonomy with strategic coherence and the use of synergies. For its deployment, three types of roles have been defined in the organization: the holding of the economic group, which provides strategic coherence and guidelines; the subsidiaries, responsible for managing their business with operational autonomy within the corporate guidelines; and the shared services, which promotes efficiencies and synergies among the subsidiaries, as shown below:



Within these established roles, the parent company allocates resources to support the growth and investment of the corporation's companies, defines guidelines to standardize management with time-tested practices, and promotes spaces where subsidiaries can share best practices and strengthen their value propositions. At the same time, the subsidiaries contribute to the productivity and efficiency of their customers through the provision of capital goods of leading and renowned brands, as well as related world-class services, with a vision of excellence and innovation.

The subsidiaries, which generate revenues and profits for the economic group, deploy a broad market coverage and enrich the organization's solutions offering. In addition, they complement each other's critical capabilities, such as national coverage and logistical deployment, generating synergies in favor of clients.

Thus, the corporation maximizes the possibilities of meeting the different needs of its customers with its vast portfolio of products and services, operating as a one-stop shop or single point of service. As a result, many customers of the flagship company Ferreyros receive goods and services from other subsidiaries of the group.

In turn, the Shared Services Center serves the organization's different subsidiaries by helping to add efficiencies and encourage synergies in processes and activities in various areas of specialization.

From this strategic perspective, the objective is to promote the dynamism and growth of the corporation, generating positive transversal impacts on its different stakeholders.

2.1.4 Companies of the corporation

Ferreycorp is integrated by the following subsidiaries and/or businesses:






Representatives of Caterpillar and allied brands in Peru

 A FERREYCORP COMPANY		
CAT heavy machinery and allies		
 A FERREYCORP COMPANY	 A FERREYCORP COMPANY	
CAT light machinery and allies	CAT machinery and allies in the jungle region	Assembly and operation of power generation plants

Representatives of Caterpillar and allied brands in Central America

 A FERREYCORP COMPANY	 A FERREYCORP COMPANY	 A FERREYCORP COMPANY
CAT Machinery (Guatemala and Belize)	CAT Machinery (El Salvador)	Spare parts for heavy transport (El Salvador and Honduras)

Complementary businesses in Peru and other countries in South America

 A FERREYCORP COMPANY	 A FERREYCORP COMPANY	
Consumables	Cranes, platforms, port equipment (Chile, Ecuador and Colombia)	
 A FERREYCORP COMPANY	 A FERREYCORP COMPANY	
Temporary warehousing, bonded and simple, transportation and distribution	Freight forwarder	Technological solutions





The subsidiaries contribute to the development of the countries where they operate by directing their products and services to sectors such as mining, construction, industry, energy, oil, fishing, agriculture, commerce and transportation.

An extensive description of these subsidiaries, their businesses and operations is provided in Chapter 3 - Business Management.




For information on the economic group according to the denomination of the Superintendency of the Stock Market (SMV, for its acronym in Spanish), please refer to Annex 2, section 2.1.3.

Below is more information on each of Ferreycorp's subsidiaries:




Representatives of Caterpillar and allied brands in Peru



Name	Year of incorporation	Sectors served	Product / Service	Country / Region
<p>Ferreyros</p>  <p>UNA EMPRESA FERREYCORP</p>	1922	Construction, mining, hydrocarbons, energy, marine and fishing, government, agriculture, trade, industry and services.	Commercialization of heavy machinery and equipment. Rental and supply of spare parts and services.	<p>Peru North: Piura, Tumbes, Lambayeque, Cajamarca, Trujillo, Chimbote Central: Cerro de Pasco, Huancayo, Ica, Ayacucho, Huaraz, Lima. South: Arequipa, Cusco, Moquegua and Puno.</p>
<p>Ferrenergy</p> 	2006	Mining, hydrocarbons, government, energy, construction, fishing and industry	Participation in the company of 50% Power solutions from 1MW up to the unlimited amount required, with gas, diesel, solar and residual oil (HFO) generating equipment.	<p>Peru Lima Brasil Recife Ecuador Francisco de Orellana – El Coca Guatemala Ciudad de Guatemala Costa Rica Puntarenas</p> <p>Its presence in the countries of the region is on a temporary basis to attend to the projects it serves.</p>
<p>Unimaq</p>  <p>UNA EMPRESA FERREYCORP</p>	1999	Construction, mining, hydrocarbons, agriculture, government, trade, industry and services.	Commercialization and rental of light equipment, after sales support.	<p>Peru North: Cajamarca, Chiclayo, Piura, Trujillo Central: Cerro de Pasco, Huancayo, Lima, Huaraz South: Ica, Arequipa, Ayacucho, Cusco, Ilo, Moquegua, Puno.</p>
<p>Orvisa</p>  <p>UNA EMPRESA FERREYCORP</p>	1973	Construction, forestry, agriculture, government, river transportation, hydrocarbons and energy.	Commercialization of equipment, spare parts, services and consumables.	<p>Peru North: Bagua, Iquitos, Tarapoto. Central: Pucallpa, Huanuco. South: Puerto Maldonado.</p>

Representatives of Caterpillar and allied brands in Central America

Name	Year of incorporation	Sectors served	Product / Service	Country / Region
Gentrac 	2010	Construction, aggregates, agriculture, government, mining, oil extraction, energy, industry and commerce	Commercialization of heavy machinery and equipment. Rental and supply of spare parts and services.	Guatemala Ciudad de Guatemala, Quetzaltenango, Teculután, Escuintla, Morales, Retalhuleu, Huehuetenango, Cobán and Peten Belice Ladyville
General de Equipos 	2010	Construction, housing, power generation, industrial, government, agricultural and automotive.	Commercialization of heavy machinery and equipment. Rental and supply of spare parts, services and lubricants.	El Salvador San Salvador, Sonsonate, San Miguel
Motored 	2015	Construction, freight and passenger transportation, government, trade and services.	Supply of spare parts for trucks and buses; consumables; trucks and buses.	El Salvador San Salvador, Santa Ana, Sonsonate, San Miguel, Metapán, Lourdes, Santa Rosa de Lima, Soyapango, Zacatecoluca, Aguilares and Usulután. Honduras Tegucigalpa, San Pedro Sula.

Complementary businesses in Peru and other countries in South America

Name	Year of incorporation	Sectors served	Product / Service	Country / Region
Soltrak 	2007	Mining, construction, transportation, industry, energy and hydrocarbons, agriculture, fishing and forestry.	Comprehensive solution for tire management, lubricants, filtration, predictive maintenance and personal protective equipment and other industrial safety products.	Peru North: Piura, La Libertad Central: Lima South: Arequipa
Trex 	2014	Mining, port industry, commerce, services and construction, among others.	Cranes and other lifting solutions.	Chile Santiago, Antofagasta, Calama Colombia Barranquilla, Bogotá Ecuador Quito, Guayaquil
Fargoline 	1983	Capital goods, consumer goods, energy, mining, construction, fishing, agriculture, trade and services.	Temporary warehouse for containers, loose and rolling cargo, customs deposit; simple storage;	Peru Callao and Arequipa

			movement of project cargo; transportation and distribution.	
Forbis Logistics 	2010	Automotive, mass consumption, mining, energy, retail, industry.	International air and ocean freight transportation for import and export, integral logistic service and cargo consolidation, inspection and processing services.	Peru Lima EE.UU. Miami Chile Santiago
Soluciones Sitech Peru 	2013	Mining, construction and hydrocarbons.	Integration of technologies to create solutions that enhance customer productivity	Peru Lima

2.1.5 Representations

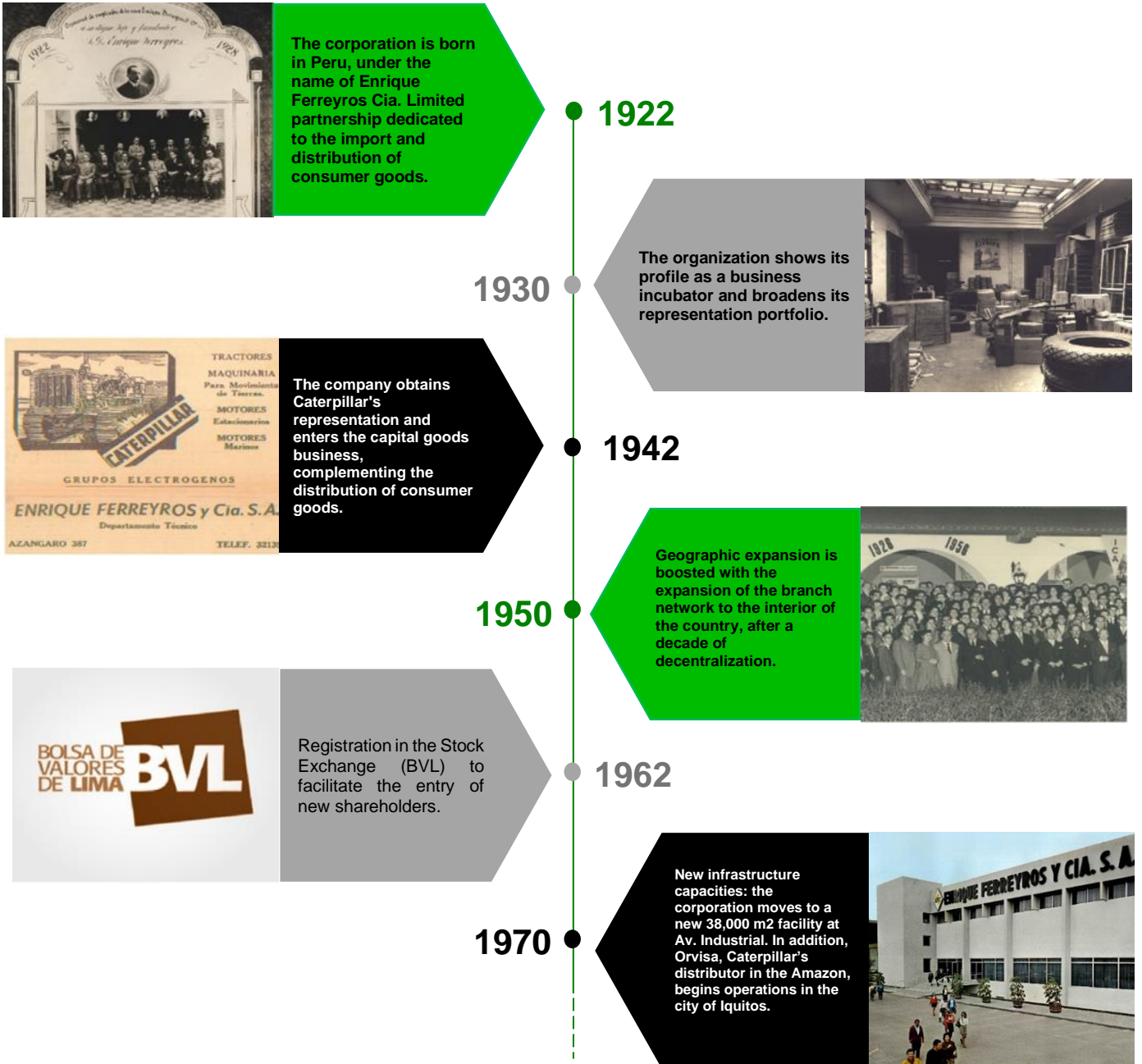
The first steps of the organization, which was founded in 1922, were oriented to the commercialization of consumer products. However, a key milestone changed its history two decades later: the beginning of its relationship with Caterpillar in Peru in 1942. Over the years, this relationship has grown and strengthened, gaining wide recognition from the distinguished global brand, as evidenced by several awards received. In addition, the Caterpillar representation contract in Central America, since 2010, is a clear indicator of this relationship of trust.

Over the course of its history, the corporation and its subsidiaries expanded their presence, operating both in Peru and in other Latin American countries, as well as taking on the distribution of other prestigious brands, aspects that allowed them to extend the scope of their service to customers in various industries. In this context, they deployed capabilities and knowledge already developed, together with a solid relationship with the represented companies, to implement local initiatives aligned with the global strategies of the manufacturers. This approach allowed the company to consolidate a prestigious portfolio of represented brands and build strong long-term ties with all of them, establishing itself as the unquestionable leader in its sector.



2.1.6 History

The following are the main milestones in the corporation's history. For further information, please refer to the Historical Review in Annex 2, section 2.2.3.1.





1980

Redefinition of the business portfolio, with the main focus on capital goods to give new impetus to growth. Development of logistics capabilities with the creation of a warehousing firm, which will later become Fargoline.

1980

Decade of the arrival of the first Cat trucks in Peru and construction of the CRC - Ferreyros Component Repair Center. The machinery rental and used machinery sales business is launched.



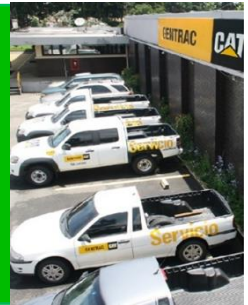
1990

Period of incorporation of complementary capital goods and consumables businesses to serve new segments with related products and services. Unimaq, a specialist in light equipment; Mega Caucho & Representaciones, now Soltrak; and Ferrenergy, total revenues of US\$ 230 million.

1990

2000

Decade of internationalization, with the acquisition of Genfrac and Cogesa, distributors in Guatemala, El Salvador and Belize, which later incorporated lubricants and auto parts businesses in the region. Acquisition of Trex with operations in Chile, Ecuador and Colombia, as well as the expansion of operations in Ecuador with Maquicetro. Creation of Forbis Logistics to expand logistics capabilities. Total revenues of US\$1 billion.



2010

The functions of Ferreycorp, as holding company and owner of the corporation's companies, and Ferreyros, as the group's flagship company, are made independent.

2010

2012

Also in this decade, the use of remote monitoring and integrated equipment management technologies was intensified; Condition Monitoring Centers, Sitech Peru Solutions and e-commerce of spare parts via Parts.Cat.Com (PP) were launched.



2012

Ferreycorp and its flagship company Ferreyros are celebrating 100 years in Peru and 80 years as Caterpillar distributors. Total revenues: US\$1.7 billion. Commissioning of 100% of the first fleet of autonomous trucks in Peru, a decade after introducing the first 400-ton trucks.

2012

2022

With more than 7,000 employees, Ferreycorp is the only Peruvian company to be included in all editions of the Dow Jones Sustainability Index for the MILA-Pacific Alliance region, for the seventh consecutive year. The corporation is part of the S&P/BVL Peru General ESG Index.



2022

2023

2.2 Looking to the future

2.2.1 Strategy 2022- 2026

In the five-year period 2022- 2026, the corporation is moving forward with solid growth targets in sales, profits and return on invested capital, while maintaining its commitment to generate positive impacts among its stakeholders.

To ensure the corporation's value over time, Ferreycorp's strategy is based on promoting profitable growth, driving customer-centric digital transformation, and strengthening a corporate organization with greater synergies, among other relevant and necessary approaches.

Two main components define this strategy:

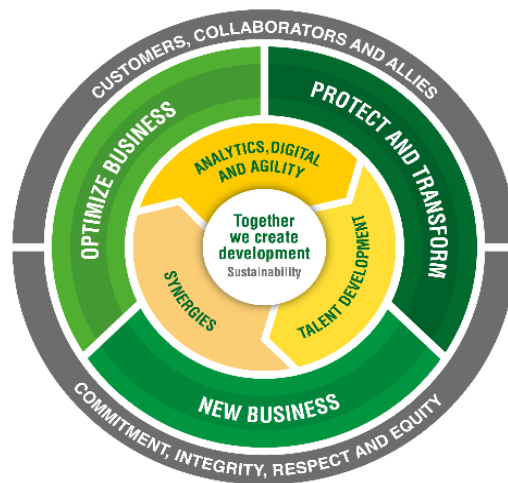
- a. **Strategic pillars**, which support the purpose of growing in businesses and markets that ensure the expected profitability and value of the corporation over time, with a focus on the development of solutions and services, as well as on understanding the customers' needs. These strategic pillars are:
 - **Business optimization**, which seeks to intensify efforts to add efficiencies in the business model, the organization, the use of assets and the composition of the portfolio of products and services, in addition to carefully managing capabilities and resources. The objective is to ensure an adequate balance with profitability and maintain a high-value offer for customers.
 - **Protect and transform**, which emphasizes the maximum use of the corporation's current capabilities and the continuity in the construction of new capabilities. The aim is to ensure the sustainability of the business, expand its value offering and provide comprehensive solutions to customers, with the support of technology and best practices in operations.
 - **New business**, which promotes the growth of the corporation through the development of new lines or businesses. Opportunities and spaces are identified as having an adequate strategic fit with the current portfolio of brands and that present the opportunity to obtain significant synergies with it. In this way, we serve markets in which Ferreycorp already operates, because they are based on capabilities that are already mastered or because they generate economies of scale with the current structure of the corporation.
- b. **Enablers**, which will facilitate and enhance the achievement of the strategic pillars. They are:
 - **Analytics, digital and agility**, which considers the development of capabilities for data management and analytical models that can be replicated or deployed transversely in all subsidiaries, with the possibility of generating new services to customers.
 - **Synergies**, which focuses on preserving and continuing to promote commercial synergies, as well as shared services among subsidiaries, with high levels of service. Collaboration between subsidiaries is encouraged in processes linked to the core business, provided that it is feasible to add value without losing segmentation and specialization.

- **Talent development**, which is based on continuous training and development to strengthen competencies, supported by a leadership development program. Also in the inclusion of new talent and the enhancement of existing talent to have digital, analytics and agility capabilities among employees. Ensuring the definition of objectives and performance evaluation aligned with the strategy, as well as maintaining a good working environment focused on the preservation of health, safety, favorable working conditions and development opportunities, strengthen the conditions for the development of talent in the corporation.

To ensure the successful execution of this corporate strategy, the governance model incorporates the oversight of the Board of Directors and, at the management level, of a Strategic Planning Committee, with the facilitation of the Corporate Strategy and Development Management.

Likewise, in order to communicate in a simple and clear manner the way in which the expected achievements will be obtained, the visual identity of the corporate strategy highlights Ferreycorp's purpose - **Together we create development** - at the center of the strategy, surrounded by employees, customers, represented brands and suppliers, among other stakeholders.

Finally, the corporation's purpose is complemented by its four values: commitment, integrity, respect and equity, which form the basis of the sustainability commitments that Ferreycorp assumes with society and the management of the impacts it generates on its stakeholders, in harmony with the environment.



2.3 Board of Directors and Management

Ferreycorp's governance regime is entrusted to the General Shareholders' Meeting, the Board of Directors and Management. Aspects related to the Board of Directors are regulated first by the Company's Bylaws and, in greater detail, by the Internal Regulations of the Board of Directors and its Committees.

This chapter presents relevant information on the two levels of direction and decision making in the organization: the Board of Directors and Management.

2.3.1 The Board of Directors

Composition of the Board of Directors

The number of members of the Board of Directors must ensure a plurality of opinions within the Board, so that the decisions adopted by the Board are the result of an appropriate and extensive deliberation, always observing the best interests of the corporation, its shareholders and the subsidiaries that comprise it.

The Board of Directors of Ferreycorp S.A.A. may be comprised of eight to twelve members elected for a three-year term, in accordance with the provisions of the General Corporation Law and Articles 31 and 32 of the Company's Bylaws.

At the General Shareholders' Meeting held on March 29th, 2023, it was agreed that the Board of Directors would be comprised of nine members, and the election was carried out after the list of candidates and their resumes were made public with due notice.

The directors of Ferreycorp for the period March 2023 - March 2026 are as follows:

Non-independent directors

Manuel Bustamante Olivares
Thiago de Orlando e Albuquerque
Mariela Garcia Figari de Fabbri
Andreas von Wedemeyer Knigge

Independente directors

Humberto Nadal del Carpio
Manuel del Rio Jimenez
Javier Otero Nosiglia
Alba San Martin Piaggio
Raul Ortiz de Zevallos Ferrand

The members of the Board of Directors elected Andreas von Wedemeyer Knigge as Chairman and Humberto Nadal del Carpio as Vice-Chairman for the aforementioned period.

The Report on Compliance with the Principles of Good Corporate Governance reports on the practices of the Board of Directors. These include its plural composition, the participation of independent directors and the operation through specialized committees, as well as the execution of its management, supervision and risk control functions.

The professional background of Ferreycorp's directors is presented below:

**Andreas von Wedemeyer Knigge
(Chairman)**

Chairman of the Board of Ferreycorp S.A.A. and Ferreyros S.A. since August 2020. Member of the Board of Ferreycorp S.A.A. since 2003 and of the Board of Ferreyros S.A. since 2012. He is also currently executive Chief and general manager of Corporation Cervesur, as well as Chairman of the Board of the various companies that make up that group (Alprosa, Creditex, Proagro, *Servicios de Asesoría*, Texgroup and Transaltisa, among others). He is Chairman of the Board of Euromotors; Altos Andes; Euro Camiones; Euroinmuebles; EuroRenting; and International Camiones del Peru; and Renting, as well as Inversiones Sabancaya. Likewise, he is Chairman of the Corporation Aceros Arequipa and CFI Holdings S.A., among others. He is ex-chairman of the Sociedad Nacional de Industrias; director of Comex Peru, where he is also a member of the Executive Committee. Also, he has been Chairman of the Board of Alianza, Company of Seguros y Reaseguros and Alianza Vida, Seguros y Reaseguros (Bolivia); La Positiva, Seguros y Reaseguros; La Positiva Vida, Seguros y Reaseguros; La Positiva Entidad Prestadora de Salud- EPS; and Profuturo AFP. He has chaired the Chamber of Commerce and Industry of Arequipa and has been temporary chairman of the Alliance Pacific Business Council. He was also director of Banco del Sur, as well as director and general manager of Cia, Cervecera del Sur del Peru, and chairman of the AFP Association. In addition, he was a member of the Executive Committee of the Sociedad Nacional de Industrias, of the Board of Directors of Tecsup and of the Peruvian-German Chamber of Commerce and Industry. He is a business administrator, degree obtained at the University of Hamburg, Germany. He is also a Brew master, graduated in Ulm, Germany. He has attended the Program for Management Development at Harvard Business School and a PAD at University of Piura.

**Humberto Nadal del Carpio
(Vicechairman)**

Vice chairman of Ferreycorp S.A.A. and Ferreyros S.A. since August 2020. Independent member of the Board of Ferreycorp S.A.A. and Ferreyros S.A. since March 2017. He is CEO and director of Cementos Pacasmayo, as well as CEO and vice chairman of Inversiones ASPI, *holding* company that controls Cementos Pacasmayo. He is CEO and director of Fosfatos del Pacifico and Fossal; director of the Cement Producers Association (Asocem); and former Chairman and current member of the Board of Trustees of University of Pacifico. He is a director of the Global Cement and Concrete Association (GCCA), an association that includes most of the world's cement producers. He is also a director of the Inter-American Cement Federation (FICEM), an association of Latin American cement producers that comprises 80% of the companies in the region. He is a member of the Advisory Board of the Faculty of Humanities, Arts and Social Sciences of the University of Engineering and Technology (UTEC). Previously, he was Chairman of the Board of Directors of Fondo Mi Vivienda. Currently, he is a member of the G-50 group. He is an economist from University of Pacifico and holds a Master's degree in Business Administration from Georgetown University.

Manuel Bustamante Olivares

Member of the Board of Ferreycorp S.A.A. since 2011, as well as member of its Innovation and Systems Board Committee (since 2016) and Chief of its Investment Committee (since November 2019); member of the Board of Ferreyros S.A. since 2012. Vice Chairman of the Board and member of the Risk Committee of La Positiva EPS (from 2017 to March 2019); Vice Chairman of the Board of La Positiva Vida Seguros y

Reaseguros (from 2005 until March 2019) and alternate director (as of March 2019); Chairman of the Investment Committee and member of the Audit Committee of La Positiva Vida Seguros y Reaseguros (from 2016 until March 2019); Vice Chairman of La Positiva Seguros y Reaseguros (from 1975 until March 2019) and director (as of March 2019); Chairman of the Investment Committee and member of the Audit Committee of La Positiva Seguros y Reaseguros (from 2016 to March 2019); director of La Positiva Sanitas (2012- 2015); director of Transacciones Financieras S.A. (since 2000); Chairman of the Board of Fundacion Chilca S.A. (since 2010); Chairman of the Board of Inmobiliaria Buslett S.A.C. (since November 2019); Chairman of the Board of Buslett S.A. (since 2013); director of Corporacion Financiera de Inversiones S.A. (since 2005); director of Mastercol S.A. (from 2008 to August 2019); director of Dispercol S.A. (from 1998 until July 2018); director of Sociedad Andina de Inversiones en Electricidad S.A. (since 1996); founding partner and member of Estudio Llona & Bustamante Abogados (since 1963); and Chief of Fundacion Manuel J. Bustamante de la Fuente (since 1960). He is a benefactor member of Instituto Riva- Agüero (since October 2017); Chief of Profuturo AFP (1993- 1999) and member of its Executive Committee (1993- 2010); first Vice Chief of Banco Interandino (1991- 1995); Chief of Banco de la Nacion and member of the Peruvian External Debt Committee (1980- 1983); member of the Board of Corporacion Financiera de Desarrollo- Cofide (1980- 1983); and foreign trainer member of Shearman & Sterling in New York (1962- 1963). Lawyer by profession, graduated from the Law School of the Pontificia Universidad Catolica del Peru.

Thiago de Orlando e Albuquerque

Member of the Board of Ferreycorp S.A.A. and of the Board of Ferreyros S.A. since 2020. He is a founding partner of Onyx Equity Management and has more than 18 years of experience in financial markets. He worked as an assistant professor of the Valuation course at the Graduate School of Finance at Insper. He holds an engineering degree from Universidade Federal do Rio de Janeiro and a master's degree in Business and Finance from Fundação Getulio Vargas. He is also a Certified Financial Analyst (CFA). Likewise, He participated in programs at Harvard Kennedy School and Columbia Business School.

Mariela Garcia Figari de Fabbri

General Manager of Ferreycorp S.A.A. since 2008 and director since 2020. She joined Ferreycorp in 1988 and held several positions in the Finance Division, being Finance Manager from 2001 to 2005. Subsequently, she served as Deputy General Manager of the company. She is a director of all the corporation's companies in Peru and abroad. She is a member of some of Caterpillar's advisory boards in which its dealers participate. She has been a director of the Foreign Trade Society of Peru (ComexPeru), of Sustainable Peru (formerly Peru 2021) and the Peruvian Institute of Economics (IPE), Businessmen for Integrity, and InRetail. She is a member of the Advisory Board of some faculties of University of Pacifico and University of Engineering and Technology (UTEC), member of the Board of Trustees of University of Pacifico, where she was a professor in the Master's Degree in Finance. She has been a member of the Board of Directors of the Sociedad Nacional de Minería, Petróleo y Energía (National Society of Mining, Petroleum and Energy), of the American Chamber of Commerce (Amcham Peru) and its Chief in the years 2018-2020; of Procapitales and chair of its Corporate Governance Committee, as well as director of IPAE. She was Chief, during the period 2010 - 2013, of the Companies Circle of the Latin American Corporate Governance Roundtable (Companies Circle). Previously, she was a researcher and member of the Editorial Committee of publications published by Consorcio La Moneda. She holds a degree in Economics from University of Pacifico and an MBA from University Adolfo Ibanez in Chile

and Incae in Costa Rica. She received a distinction from the latter as the 2016 Distinguished Graduate.

Raul Ortiz de Zevallos Ferrand

Independent member of the Board of Directors of Ferreycorp S.A.A. since 2020 and between 2011 and 2017; member of the Board of Ferreyros S.A. from July 2012 to date, being also member of its Audit and Risk, and Innovation and Systems Committees. Currently a partner of Ortiz de Zevallos Abogados SCRL; Chairman of the Board of La Parcela S.A.; director of Medlog Peru S.A., of Almacenera Grau S.A. and Agricola Comercial & Industrial (ACISA); and advisor to the Board of Sindicato Minero de Orcopampa S.A., a company of which he was a director from 1999 to 2009. He has been Chief of the Textile and Apparel Committee of the National Society of Industries until May 2021; and previously vice minister of Tourism and Commerce and director of companies such as Inversiones Cofide, Fertilizantes Sinteticos, Prolansa (Armco group) and Cerveceria del Norte (Backus group). He was Chief of Club Nacional from 2002 to 2004. He is a lawyer from the Pontificia Universidad Catolica del Peru, where he has been a professor.

Javier Otero Nosiglia

Independent member of the Board of Directors of Ferreycorp S.A.A. and of the Board of Directors of Ferreyros S.A. since March 2017. Chairman of the Audit and Risk Committee and member of the Investment Committee. He was a member of the Board of Directors of Nexa Peru and Nexa Atacocha until March 2018. He has been a member of the Board of Directors of AFP Prima and Visanet, as well as Chairman of the Board of Directors of Expressnet. Since 1978, he developed his professional career in several banking institutions, such as Wells Fargo and Banco Santander. During 1993 and 1994 he was General Manager of Union AFP and for the following 17 years he held various management positions at Banco de Credito del Peru. He holds a degree in Economics and Administration from the University of Malaga, Spain.

Alba San Martin Piaggio

Independent member of the Board of Directors of Ferreycorp S.A.A. and of the Board of Directors of Ferreyros S.A. since 2020. She is an independent director of Grupo Efe. She collaborates as part of the Advisory Board of the University of Lima and UTEC, and is currently vice president of Amcham. Since 2017 she has served as senior director of Channels for Latin America at Cisco Systems. She has been a trustee on the Board of Fundacion Cisco since 2020. Previously she served as general manager of Cisco Systems Peru and Bolivia, as well as commercial manager for Peru, Ecuador and Bolivia. She has also worked at Microsoft Peru as commercial director; at Oracle Peru, as general manager director and as manager of Alliances and Channels; at Hewlett Packard, as manager of Channels for Peru, Ecuador and Bolivia; manager of Intel Servers for Peru, Ecuador and Bolivia; and manager of Sales & Marketing Services, among other positions. She holds a Bachelor's degree in Administrative Sciences from the University of Lima, a Master's degree in Business Administration (MBA) from the University of Pacifico, a Master's degree in Corporate Social Responsibility and Environment from EUDE Business School (Madrid), certified in the Specialization Program for Directors from KPMG and PAD/IESE School and Global Strategic Leadership from Wharton.

Manuel del Rio Jimenez

Independent member of the Board of Directors of Ferreycorp S.A.A. and of the Board of Directors of Ferreyros S.A., as well as member of its Audit and Risk Committee and Innovation and Systems Committee. He is an independent director of Sociedad Minera Corona and chairman of its Audit and Risk Committee. He participates as an independent member of the Audit and/or Risk Committees of Group El Comercio, Group D&C, Puerto Bahia Colombia de Uraba, Fibra-Prime and Peruvian Broadcasting Company. He is also a member of the Board of Directors and the Finance, Audit and Risk Committee of CARE Peru, and is an associate consultant at Lee Hecht Harrison (LHH-DBM in Peru). He is a founding partner of Masterboard, a company that acts as an advisory board for medium-sized and family-owned companies. From 2004 to 2010, he was the partner in charge of the Transfer Pricing Division of KPMG Tax & Legal in Peru. From 2010 to 2013, he was the lead partner of the Advisory practice at KPMG in Peru. From July 2013 to September 2016, he was partner in Tax & Legal at KPMG in Peru and responsible for Transactions, Transfer Pricing, Corporate Finance and Business Development. He was for nine years leader of the Financial Control area and CFO of Citibank Peru. He was vice-president, member of the Executive Committee and director, for ten years, of Profuturo AFP. For eight years he was responsible, in Peru and Chile, for the Philips Professional and Medical Equipment business unit. In addition, for ten years he also held several responsibilities in the industrial and internal consulting sectors of Philips. He has given courses and lectures at various institutions. He holds a degree in mechanical engineering from the Pontificia Universidad Catolica del Peru and a Master's degree in Industrial Management from the Krannert Graduate School of Management, Purdue University (Indiana).

Special committees formed and constituted within the Board of Directors

The Board of Directors of Ferreycorp S.A.A. has four committees, three of which are chaired by independent directors:

- **Nominating, Compensation, Corporate Governance and Sustainability Committee:** Chaired by Humberto Nadal del Carpio.
- **Audit and Risk Committee:** Chaired by Javier Otero Nosiglia.
- **Innovation and Systems Committee:** Chaired by Alba San Martin Piaggio.
- **Investment Committee:** Chaired by Manuel Bustamante Olivares.

For more information on the responsibilities and attributions of each of the committees, please refer to the Report on Compliance with the Principles of Good Corporate Governance.

Board of subsidiaries companies

The governance system of the corporation also includes the Shareholders' Meeting and the Boards of the subsidiary companies.

The Board of the main subsidiary, Ferreyros, is composed of ten directors elected for a period of three years, in accordance with the provisions of the General Corporations Law and Articles 31 and 32 of the Company's Bylaws.

The directors of Ferreyros elected for the period corresponding to the fiscal year 2023-2026, elected at the Annual General of Shareholders Meeting held on March 31st, 2023, are as follows:

Directors of Ferreyros

Manuel Bustamante Olivares
 Thiago de Orlando e Albuquerque
 Mariela Garcia Figari de Fabbri
 Humberto Nadal del Carpio
 Manuel del Rio Jimenez
 Javier Otero Nosiglia
 Alba San Martin Piaggio
 Andreas von Wedemeyer Knigge
 Raul Ortiz de Zevallos Ferrand

The members of the Board of Ferreyros elected Andreas Von Wedemeyer Knigge as Chairman and Humberto Nadal del Carpio as Vice Chairman for the aforementioned period.

The boards of directors of all of the corporation's subsidiaries, with the exception of Ferreyros, are chaired by Mariela Garcia Figari de Fabbri, CEO of Ferreycorp, and have Ferreycorp's corporate business managers or the general managers of other subsidiaries of the group as their vice presidents, depending on the activity carried out by each of them.

Accordingly, such boards are composed of the following managers of Ferreycorp and/or some of its subsidiaries:

Name	Position	Companies of which he/she is a director
Mariela Garcia Figari de Fabbri	Chief Executive Officer Ferreycorp S.A.A.	Chairman of the Boards of Directors of all the subsidiaries of the corporation, except for Ferreyros S.A., of which she is a director.
Luis Alonso Bracamonte Loayza	Corporate Business Manager of Ferreycorp S.A.A.	Director in Soltrak S.A., Fargoline S.A., Forbis Logistics S.A., Forbis Logistics SpA, Forbis Logistics Corp. and Soluciones Sitech Peru S.A.
Emma Patricia Gastelumendi Lukis	Corporate Finance Manager of Ferreycorp S.A.A.	Director of all the corporation's subsidiaries, except Ferreyros S.A.
Jose Luis Gutierrez Jave	Product Support Division Manager of Ferreyros S.A.	Director of Unimaq S.A.
Rodolfo Wenceslao Paredes Leon	General Manager of Soltrak S.A.	Director of Fargoline S.A., Forbis Logistics S.A., Forbis Logistics SpA and Forbis Logistics Corp.
Ronald Edwin Orrego Carrillo	Corporate Business Manager, Ferreycorp S.A.A.	Director of Unimaq S.A., Orvisa S.A., Soltrak S.A., and companies of the Trex group ⁽¹⁾ .
Gonzalo Diaz Pro	General Manager of Ferreyros S.A.	Director of Unimaq S.A., Orvisa S.A., Soluciones Sitech Peru S.A., Ferrenergy S.A.C. (2), Motored in El Salvador and companies of the Gentrac group (3).
Paul Fernando Ruiz Lecaros	Manager of the Energy Division of Ferreyros S.A.	Director of Ferrenergy S.A.C.

Name	Position	Companies of which he/she is a director
Enrique Luis Salas Rizo-Patron	National Accounts Division Manager, Ferreyros S.A.	Director of Unimaq S.A., Orvisa S.A. and Soluciones Sitech Peru S.A., Motored in El Salvador, companies of the Gentrac group ⁽³⁾ and Trex group ⁽¹⁾ .
Andrea Sandoval Saberbein	Corporate Audit Manager of Ferreycorp S.A.A.	Director of Fargoline S.A., Forbis Logistics S.A., Forbis Logistics SpA and Forbis Logistics Corp.
Hugo Ernesto Sommerkamp Molinari	Central Finance Manager of Ferreyros S.A. until June 2018.	Director of Fargoline S.A., Forbis Logistics S.A, Forbis Logistics SpA, Forbis Logistics Corp. and Soltrak S.A.
Luis Fernando Armas Tamayo	Manager of the Large Mining Division of Ferreyros S.A.	Director of Soltrak S.A.
Alberto Renato Parodi de la Cuadra	General Manager of Unimaq S.A.	Director of Orvisa S.A., Motored El Salvador, companies of the Gentrac group and Trex group.
Ricardo Ruiz Munguia	General Manager of Gentrac S.A. and General de Equipos S.A.A.	Director of Gentrac group companies.
Victor Otero Pizarro	General Manager of Trex Latinoamerica S.p.A. and General Manager at Equipos y Servicios Trex S.p.A.	Director of Trex group companies.

- (1) Trex Group includes Equipos y Servicios Trex S.p.A., Trex Latinoamerica S.p.A., Trex Overseas Investments S.A., Trex Ecuador (Maquicentro) and Trex Colombia.
- (2) The board of directors of Ferreenergy S.A.C. is made up of 8 members, half of which are appointed by the shareholder SoEnergy International.
- (3) Grupo Gentrac includes Corporation General de Tractores (Gentrac), Company General de Equipos (Cogesa), General Equipment Company (Belize), INTI (Panama), Mercalsa (Nicaragua), Transpesa (Honduras), among other Central American subsidiaries.

2.3.2 Management

The functions of the Corporation's management are: (i) to decide which businesses should enter into and through which subsidiaries; (ii) to obtain financial resources for the Corporation's growth projects; (iii) to supervise and control the management of the subsidiaries; (iv) to establish certain standardized processes for the subsidiaries; and (vi) to provide certain shared services. To carry out these functions, Ferreycorp has a general management and corporate management.

In turn, the structure of the subsidiary companies is sized according to the complexity and size of their operations, and all of them have a general management.

The following are the main officers of Ferreycorp and its subsidiaries in 2023. The professional trajectory of each of them is available in Annex 2, section 2.4.1.

Officers of Ferreycorp S.A.A.

Mariela Garcia Figari de Fabbri
General Manager Director

Emma Patricia Gastelumendi Lukis
Corporate Finance Manager

Ronald Orrego Carrillo
Corporate Business Manager

Luis Bracamonte Loayza
Corporate Business Manager

Eduardo Tirado Hinojosa
Corporate Manager of Technology, Processes and Information

Maria Teresa Merino Caballero
Corporate Human Resources Manager

Eduardo Ramirez del Villar Lopez de Romana
Corporate Manager of Corporate Affairs

Andrea Sandoval Saberbein
Corporate Audit Manager

Main Officers of Ferreyros S.A.

Gonzalo Diaz Pro
General Manager

Luis Fernando Armas Tamayo
Large Mining Division Manager

Alvaro Vizcardo Wiese
Regional Accounts Division Manager

Enrique Salas Rizo-Patron
Regional Accounts Division Manager

Paul Ruiz Lecaros
Energy Division Manager

Angelica Maria Paiva Zegarra
Administration and Finance Division Manager

Jorge Duran Cheneaux
Human Resources Division Manager

Alan Sablich Nairn
Marketing and Digital Business Division Manager

Jose Gutierrez Jave
Product Support Division Manager

Main officers of other subsidiaries and businesses of Ferreycorp corporation

Alberto Parodi de la Cuadra
General Manager of Unimaq

Cesar Vasquez Velasquez
General Manager of Orvisa

Ricardo Ruiz Munguia
General Manager of Gentrac (Guatemala and Belize) and Cogesa (El Salvador)

Gonzalo Romero Pastor
Deputy General Manager of Gentrac Guatemala

Rodolfo Paredes Leon
Soltrak General Manager

Victor Otero Pizarro
General Manager of Equipos y Servicios Trex S.p.A.

Gonzalo Salazar Arenas
General Manager of Trex Colombia and Trex Ecuador

Jorge Devoto Nunez del Arco
General Manager of Forbis Logistics

Raul Neyra Ugarte
General Manager of Fargoline

Carlos Calderon Torres
General Manager of Soluciones Sitech Peru

Ernesto Velit Suarez
General Manager of Ferrenergy

2.4 Main awards

Ferreycorp is constantly dedicated to improving its operational performance and corporate management. This commitment has led the company to receive several awards in different aspects of its management, either from the global companies it represents, or from business associations and entities.



Caterpillar 2023 Excellence Programs

Gold: Ferreyros, Unimaq and Orvisa (Service, Spare Parts, Rental, Marketing and Sales, as well as Digital); Gentrac Guatemala (Service, Rental of Heavy Machinery, as well as Marketing and Sales); General de Equipos (Services, as well as Marketing and Sales).

Silver: Gentrac Guatemala (Rental of Light and Digital Machinery); General de Equipos (Spare Parts and Digital).

Bronze: Gentrac Guatemala (Spare Parts).

Since 2022, the performance of Ferreyros, Unimaq and Orvisa is evaluated jointly.



Caterpillar's Five Stars in Contamination Control

Fourteen workshops of Ferreyros (Arequipa; Cajamarca; Technical Development Center; Chimbote; CRC Lima; CRC La Joya; Cusco; Huancayo; Lambayeque; Piura; Rentafar; Machine Shop Lima; Taller Hidraulico; Trujillo) have this distinction by the end of 2023.

Likewise, Ferreyros' Spare Parts Distribution Center (CDR), as well as Orvisa's workshop in Tarapoto, have this certification.



Caterpillar Certification: World Class Workshops

Ferreyros keeps this important certification, granted by the main represented Caterpillar to its two Component Repair Centers (CRC), located in Lima and La Joya (Arequipa), as world class workshops.



Dow Jones Sustainability Index | MILA- Pacific Alliance

Ferreycorp, the only Peruvian firm to be included for the seventh consecutive year in this index, which recognizes the leading companies in sustainability in the Pacific Alliance region.



S&P/BVL Peru General ESG Index

Ferreycorp is once again part of the S&P Dow Jones and Stock Market of Lima index, which provides an ESG benchmark for the Peruvian stock market.



Merco Corporate Responsibility and Governance Ranking

Ferreycorp ranks among the top companies with the best social responsibility and corporate governance in Peru. Year after year, it reaffirms its leadership in its sector.



Sustainable Management Company Distinction (EGS)

Formerly known as the Socially Responsible Company Distinction (ESR, for its acronym in Spanish), this Sustainable Peru seal was awarded to Ferreycorp and its subsidiaries Ferreyros, Unimaq, Orvisa, Fargoline and Soltrak.



Peru's Most Admired Companies Award (EMA)

Ferreycorp was once again distinguished among the ten most admired companies in Peru through the EMA 2023 Award, organized by PwC and G de Gestión magazine, reflecting the perception of the corporate community.



Ranking Merco Companies and Leaders

Since the launch of this important list, for twelve consecutive years, Ferreyros has been recognized among the ten companies with the best corporate reputation in Peru. It remains in sixth place and at the head of the industrial sector.



Ranking PAR

Ferreycorp is among the leading companies in terms of gender equity, diversity and social inclusion in the PAR 2022 ranking, by the consulting firm Aequales, in the category of companies with up to 200 employees. It is among the top ten in the ranking, which evaluated more than 700 companies from 18 countries.



Ranking Merco Talento

Ferreyros celebrates a decade of recognition among the top ten companies for attracting and retaining talent in Peru and the leading company in its sector. It continues to rank eighth in the national ranking and first in its category.

3. Commercial and Operations Management

In 2023, Ferreycorp and its companies reached sales of S/. 6,995 million, 6% higher than the previous year (S/. 6,593 million). In dollar terms, the corporation's sales amounted to US\$ 1,865 million during the year, an increase of 9% compared to 2022 (US\$ 1,715 million).

The following is a broad overview of the commercial management and operations of Ferreycorp's companies in 2023, in three groups of companies according to their organization, as described in the chapter We are Ferreycorp.

3.1 Companies representing Caterpillar and allied brands in Peru

The companies representing Caterpillar and allied brands in Peru, Ferreyros, Unimaq and Orvisa, achieved total sales of S/. 5,624 million in 2023, 9% higher than the previous year, contributing 80% of consolidated revenues. In dollar terms, the revenues of this group of companies (US\$ 1,501 million) increased by 11% compared to 2022.

Thanks to the commercial management of its distributors and the broad valuation of the quality of its portfolio, the main Caterpillar representative company achieved a leading share in the Peruvian market that reached 50% in 2023, according to official information on imports in FOB values.

This set of subsidiaries reaffirmed its outstanding performance in Caterpillar's global dealer network by obtaining the Gold level, the highest rating, within the Excellence Programs with which Caterpillar evaluates the capabilities and service levels of its dealers in the areas of After-Sales Service; Spare Parts Sales; Rental Services; Digital Transformation; and Marketing and Sales.

Leader in heavy machinery and services in Peru, Ferreyros specializes in the largest machinery and equipment in its portfolio. Unimaq focuses on the light equipment line, while Orvisa is dedicated to serve the Amazon region, with a diverse portfolio of the same brands as Ferreyros and Unimaq, as well as other lines oriented to the needs of the Peruvian jungle.

3.1.1 Ferreyros

With more than a century of operations, Ferreyros, Ferreycorp's flagship company and leader in heavy machinery in the country, generated sales of S/. 4,927 million in 2023, 11% higher than the previous year. In dollar terms, its sales reached US\$ 1,315 million, representing a significant expansion of 13%.

The development of its business activities during the year is described below. It also presents an overview of the sectors it serves, which have an effect on the results of the corporation's different subsidiaries in Peru.

Open pit mining

In 2023, the social and political situation in the country impacted open-pit mining, mainly in the first months, with special emphasis on mining operations located in Moquegua and Apurimac, which faced blockades of ore transportation routes. However, copper production recovered during the year and increased 14% compared to the previous year, boosted by good ore prices and intensive mine operations.

In a context of maximum utilization of installed capacity, sales to open-pit mining, considering the delivery of machinery, spare parts and services, generated record levels of US\$ 800 million in 2023, promoted by the relevant accompaniment and support given by the company to the growing fleet of machinery in eleven large mining sites with world-class support, which provides them with spare parts and services with 24/7 coverage.

During the year, the first fleet of autonomous Cat trucks in the country, model 794 AC, with a load capacity of 320 tons, was consolidated at a mine in southern Peru, culminating in 2023 with a fleet of 30 units. This is the first and only fleet of mining trucks operating autonomously in the domestic market, equipped with Cat Command technology for hauling, from Caterpillar's MineStar platform.

In addition, the operation of a fleet of about 20 Cat 798 AC trucks, of 400 tons and electric traction, in six *open pit* mines was important. Five new units will be added to this fleet in a mining operation in central Peru, which is expected to be delivered in early 2024, reaffirming Ferreyros' position as the Caterpillar dealer with the largest fleet of Cat 798 AC trucks globally. It should be noted that the high productivity of this equipment, its outstanding power of 4,150 HP and its speed on ascending slopes are attributes recognized by Peruvian mining companies, where they have been producing successfully. Likewise, it is valued for its potential to adopt new technologies, such as the trolley system or batteries, which have a positive impact on the sector.

Although with lower levels compared to 2022, Ferreyros met the requirements of mining fleets during the year, with the delivery of Cat trucks with load capacities of 400, 320 and 250 tons, other large machines for the sector, such as motor graders and tracked and wheeled tractors, as well as mining production equipment for the drilling stage. Thus, the company supplied 57% of the large machines for open-pit mining in the country, as well as 43% of the mining trucks, according to official information on units imported into Peru.

As mentioned, the revenues generated by the supply of spare parts and services to open-pit mining especially boosted sales for the year, are reaching double-digit growth compared to the previous year.

Around 1,700 Ferreyros employees are dedicated to permanently attend to the needs of eleven large open pit mines. The Caterpillar fleets at the mine are supported by expert work teams in specialized maintenance, condition monitoring, analytics and advanced technologies to contribute to the productivity, efficiency and safety of the mines. In addition, the company has a modern infrastructure of workshops and warehouses, including two world-class Component Repair Centers (CRC), both in Lima and La Joya, and a strong logistics force that allows it to supply spare parts at all times.

It is important to note that three maintenance and repair contracts (MARC) were negotiated for Cat 797 and Cat 798 trucks at three mining operations in southern and central Peru. At the same time, for the third consecutive year, Ferreyros deployed a MARC contract to service the entire Caterpillar fleet of a major mining customer in Moquegua. With a duration of five years, this contract, initiated in April 2021, establishes a 24/7 service at the mine and includes technological support for its autonomous operations.

The company continued with the execution of various strategies to increase the repair and reconstruction business, as well as the supply of spare parts and specialized products. It is worth mentioning the experience gained by Ferreyros in the reconstruction of open-pit mining equipment, contributing to the circular economy; in 2023, the overhaul of three Cat 7945 shovels, the largest equipment in the Caterpillar portfolio in Peru, as well as of a Cat 6060 hydraulic shovel, stood out.

Subway mining

Subway mining operations in Peru maintained their production volumes during 2023, in the context of a mixed behavior of metal prices. As a sign of this, zinc and copper price levels were lower than in 2022, while the price of silver showed an increasing trend.

During the year, some of the sector's most important mining customers limited their investments in fleet renewal or expansion of their operations, after having required incremental volumes of units in 2022 and 2021. In this context, machine sales were lower than in the previous year, which was partially offset by the demand for machinery from mining contractors who began a fleet expansion or replacement phase.

In total, Ferreyros sold more than 60 Cat, Paus and Elphinstone brand equipment during the year, mainly for hauling material in mines, as well as for complementary work in underground mines.

Ferreyros and its represented Caterpillar, in the line of low profile loaders, obtained a market share of 78%, according to information on imports in FOB values. Thus, the company delivered new Cat R1300H, Cat R1600H, Cat R2900 and Cat R3000H units to its customers, with a capacity of 4.1 yd³, 6.3 yd³, 9.4 yd³ and 11.6 yd³, respectively.

Several operations continued to employ Caterpillar's MineStar technology, which now includes remote work applications, and has the ability to scale up to autonomy in the load and haul cycle.

Meanwhile, the line of rock scalers or rock unbolters of the German brand Paus obtained a leading market share of 65%, according to import data in FOB values. The most requested model in the portfolio was the PScale 8-T, with a maximum vertical reach of 8 meters. Among the novelties in its portfolio, in 2023, Ferreyros incorporated the Paus PScale 10-T model to the market, which increases its maximum vertical reach to 10 meters.

During the year, Ferreyros maintained its equipment maintenance and repair contracts with major mining companies, providing different types of technical support tailored to each client, which may include periodic or permanent attention at the mine, technical personnel assigned to service the units and the provision of spare parts at the operation itself, among other aspects. Ferreyros' after-sales support, together with the quality of the Cat product, was essential in reaffirming its productivity and safety results in Peruvian operations.

It also performed Cat low-profile loader rebuilds during 2023, giving them a new service life, a new serial number and a new factory warranty period, with an impact on the circular economy of the product.

Construction

Ferreycorp's flagship company stood out in 2023 for its significant levels of sales of new machinery for heavy construction work linked to the creation of infrastructure. Ferreyros

supplied close to 600 machines of this Caterpillar line in the Peruvian market, which is a peak in its last twelve years of operations, in which the demand for this equipment had not presented the dynamism of previous decades.

Although the year began with very low activity due to the national economic situation, the market gradually reversed this trend, so that the second, third and fourth quarters were successively better than the previous one. During 2023, there was a demand for machinery for works to prevent the El Niño Phenomenon (FEN), from different levels of government; for the development of public and private infrastructure works; and for road maintenance and earth moving in auxiliary activities in mines, by contractor companies.

Ferreyros maintained its leadership in the market, with a market share of almost 50% with Caterpillar, in FOB values. Among the most demanded Cat equipment lines were excavators, front loaders, motor graders, road rollers and tractors. The Metso line reached a share of 31% in FOB values, with crushers and mobile shakers for aggregate production.

The main subsidiary continued to accompany Cat construction fleets with the provision of specialized services and spare parts to customers, including maintenance contracts, repairs, certified rebuilds and the delivery of original parts, among others, with high standards and national coverage. Spare parts sales for construction grew 18% compared to 2022, driven by an increase in repairs of Caterpillar machine components.

It is worth noting that the demand for rental equipment had a significant performance during the year, up nearly 50% with respect to the previous year; a fraction of this equipment was used for de-silting and river defense works and other construction works, while the requirements of mining contractors for works in the most important operations in the country were also noteworthy. The Rentafer business unit has a rental fleet of more than 200 heavy-duty Cat machines and engines with more than 200 kW of power. The utilization level of the rental fleet was 73%, in line with the objective of always having machines available for customers.

Likewise, it is important to highlight that Ferreyros permanently incorporates the best technical service practices in the search for excellence in its workshops. As an example of this, the number of repair bays for machines and components in its branches in the interior of the country increased by nearly 20%, for the attention of heavy construction machines and other productive sectors. During the year, it is worth mentioning the dynamism in the repair of equipment and components in the Huancayo and Ica workshops.

Ferreyros has also continued to offer technical support adapted to the needs of its customers through maintenance contracts (Customer Value Agreements or CVA), which deploy preventive maintenance and inspections on a regular basis. At the end of the year, the company had more than 3,400 machines, both in construction and other productive sectors, under this type of contract.

Agricultural

In the first quarter of 2023, domestic agricultural production was affected by climatic phenomena, such as cyclone Yaku in the north and a prolonged drought in the southern highlands, while crop logistics were impacted by social protests. These effects were mainly evident in agroexports, which reduced production (kg/ha and quality) and limited the expansion of new crop areas.

However, Ferreyros' agricultural business recovered in the following months of the year, generating sales of US\$ 23 million in equipment, spare parts and services, similar to those of 2022 (US\$ 22 million).

The company sold close to 300 new agricultural tractors of the Massey Ferguson, Valtra and Antonio Carraro brands, 4% more than in 2022. During the year, Ferreyros strengthened its business with family farmers, supplying this segment with more models from its portfolio, with a value offer designed by region.

As a whole, Ferreyros obtained a 16% share of the agricultural tractor market in FOB values. In particular, in the family farming segment, its share amounted to 67%.

In addition, Ferreyros supplied 107 agricultural implements, such as plows, harrows, balers, sprayers, among others, compared to 125 in the previous year, maintaining its leadership in specialized implements for the treatment of sugarcane residues with the sale of two giant balers.

In 2023, the company introduced the specialized Antonio Carraro agricultural tractors, for conditions that require reduced dimensions, specifically with application in the cultivation of fruit trees demanded by the Peruvian agro-export market. With the representation of this Italian brand, with 110 years of experience, Ferreyros enhances its capabilities to serve the agro-export segment, focusing on high-value crops such as table grapes and blueberries, including compact, articulated and other specialized equipment. This complements the range of applications of the agricultural portfolio, which has the prestigious presence of Massey Ferguson and Valtra.

Finally, continuing with the inauguration of more AGCO Express spare parts sales points nationwide, he highlighted the start-up of operations of this channel in the city of Andahuaylas, focusing on the Valtra brand, with the aim of getting closer to family farming in this region.

Government

During the first months of 2023, the demand for machinery for the government sector showed relatively low growth; however, during the second half of the year it registered a significant expansion. In this context, during the year, Ferreyros supplied the three levels of government (central, regional and municipal) with 294 construction machines and 36 pieces of agricultural equipment. The equipment was requested by four ministries, nine regional governments and 56 district and provincial municipalities.

The sector made purchases from machinery suppliers to optimize their capacities for infrastructure improvement, as well as to deal with the effects of the rainy season and the El Niño phenomenon. In 2023, Ferreyros reached a market share of 54% of the units awarded by the Government. The company participated in a total of 170 selection processes, with a dozen competing brands.

It is worth highlighting the rigorousness of the corporate Compliance System to guarantee the transparency and integrity of the participation of Ferreyros' subsidiaries in these processes and their operation under solid standards, policies, tools and internal controls, in order to protect them against any act of corruption.

Energy

In 2023, the postponement of some of the projects of Ferreyros' customers in the energy sector influenced a lower demand for temporary power solutions. However, subway

mining and industry generated requirements for diesel generator sets, in power ratings above 1,250 kW, to support their operations in various parts of the country. Likewise, the diversity of demand from the commerce, services and agro-industry sectors, to which retail generator sets (from 200 kW to 1,250 kW) were delivered, demonstrating the breadth of the energy portfolio, was also noteworthy.

In this way, Ferreyros and Caterpillar supplied diesel generator sets of various capacities during the year, obtaining a 44% market share measured in FOB values, maintaining its leadership in the country.

During the year, Ferreyros continued to provide expert support to the large fleet of Cat generator sets in Peru, through comprehensive value propositions, such as Customer Value Agreements (CVA), and on-demand services at the customer's own operation.

It is important to highlight that the company has signed agreements that will materialize in the coming years in the energy business. Ferreyros will start the construction of a 30 MW solar photovoltaic plant in 2024, the third one to be delivered in the country, which strengthens its presence in the renewable energy business. It represents, in turn, an exponential growth in the capacities developed by Ferreyros for the development of photovoltaic plants. It should be noted that renewable energies, such as wind and solar, continued their gradual growth trend in the country.

Between 2024 and 2025, approximately 10 MW of natural gas generator sets will be supplied for sale and rental to companies in the energy and mining sectors. These sets will operate mainly as *peak shaving* supply.

The sales of Ferrenergy, specialized in the provision of energy, reached S/. 36 million in 2023, higher than those of the previous year, ratifying its leadership in the Power Purchase Agreement (PPA) market.

Thus, it highlighted its activity in the provision of diesel energy in the mining sectors, as well as with oil matrix, in the oil and hydrocarbon sectors, which included the extension in term and capacity of its service to an important oil project in Lot 95, Loreto, and to an open pit mining company in Lagunas Norte, La Libertad.

In another area, Ferrenergy continued to operate its solar photovoltaic plant for a mine in Arequipa. At the same time, during the year it signed an important commercial agreement for hybrid power generation, i.e., phased generation of gas and solar-photovoltaic energy.

As is known, Ferrenergy's presence in countries in the region other than Peru is temporary for the projects it serves. Thus, in 2023, the company supplied energy in Brazil, Ecuador and Costa Rica.

It is worth noting that Ferrenergy obtained the Anti-Bribery Certification granted by the association Businessmen for Integrity. It has also initiated the process to obtain ISO 14001 certification in environmental management and ISO 45001 in occupational safety management.

At the same time, the trend of low dynamism in the hydrocarbon sector businesses persisted during the year, so the contractors that provide support to the oil activity focused on the maintenance and repair of their equipment to ensure its operability.

Ferreyros also continued with the delivery of 12 industrial engines for a foreign supplier of compression packages for the oil sector, which represented an amount of US\$ 6.2 million. Another 17 engines are scheduled for delivery by 2024.

Fishing and marine

In 2023, the fishing sector experienced its most severe crisis in the last 25 years, with a 26% drop compared to 2022, mainly due to the consequences on the marine ecosystem of the coastal El Niño in central and northern regions of the country. This fact prevented the opening of the first anchovy fishing season in the area, a situation that has not occurred for 14 years. Therefore, the sector had only one opportunity to fish for this resource, in the second season that began in October, and at the same time with a lower quota established, approximately 25% less than that of the same period in 2022.

Among the opportunities generated during the year, 74% of new Cat marine engines were delivered to important fishing clients for the repowering of their vessels, while 26% were acquired by semi-industrial companies in the north of the country. In addition, the company participated in the construction of a new ship with the sale of marine generator sets.

In contrast, there was a greater dynamism in business related to marine equipment support. Customer Value Agreement (CVA) contracts, which provide specialized support, showed a significant increase of 50% compared to 2022. In total, 154 marine engines from industry customers had this specialized modality at the end of 2023. In addition, 125 Cat engines maintained their connectivity to a remote platform to monitor their performance and operating conditions, enabling marine customers to optimize the maintenance management of their fleets.

At the same time, Cat marine engine overhauls were once again a popular alternative in the market, giving new life to these units, although at lower levels compared to the previous year. In total, 24 overhauls of these Cat units were performed during 2023: 85% were carried out in the first closed season, with the expectation of a first fishing season that did not materialize.

Despite the fact that the sale of new marine engines was strongly affected by the decision of fishing companies not to make large investments due to the negative environmental conditions, Ferreyros achieved a 25% share measured in FOB values of imports in the industrial fishing segment, maintaining its leadership in a market with a large number of competitors.

Progress in service and logistics

In the second half of 2023, the Parts Distribution Center (CDR) started up the automation of the movement and storage of minor parts, which will significantly expedite its service and add efficiencies in the value chain to customers. This is a significant milestone in the logistics management of Ferreyros, a pioneer in its field in Peru.

The CDR houses close to 700,000 minor spare parts for national distribution. Minor spare parts are part of a complex logistics ecosystem at the service of the country: as an example of this, during the year, 11,000 tons of major and minor spare parts were shipped to customers in Lima, branch offices and mining sites, to serve different productive sectors throughout Peru.

With this project, the totality of minor spare parts in the RDC is under the automated management of 25 robots, with AutoStore technology, implemented for the first time in

our country. Minor parts constitute about 60% of the movement in the Spare Parts Distribution Center, which supplies the company's national network of warehouses and directly to customers.

Under the project, a high-density cubic geometry is adopted in the storage of small parts, without requiring shelves and aisles, which facilitates expansion on demand. Likewise, this automation contributes to the ergonomics in the work of the human teams involved in the management of these spare parts at CDR, certified since 2017 as an Authorized Economic Operator (AEO).

Ferreyros' two Component Repair Centers (CRC), in Lima and La Joya, Arequipa, reaffirmed their Caterpillar certification as world-class workshops, in addition to intensive production of around 200 major components per month. Likewise, 14 Ferreyros workshops nationwide, including the CRCs and the Parts Distribution Center, maintained the Caterpillar Five Star Contamination Control certification.

Furthermore, in order to contribute to the circular economy of the product and the reduction of the carbon footprint in the value chain, the workshops in Lima and La Joya continued with the application of extended criteria of reusability and reconstruction of parts and components, in order to increase the volume of recovered parts. In this direction, in 2023, new methods were incorporated in the metallization processes.

On the other hand, the La Joya Operations Center in Arequipa increased the capacity of its photovoltaic plant by nearly 40%; it should be noted that the energy generated by solar panels represents approximately 12% of the energy consumed at this site. In addition, a new fluid analysis laboratory was implemented in order to serve customers in the southern region in less time.

Digital business

In addition, digital parts sales channels led to sales of US\$95 million, 13% higher than in 2022, through Parts.Cat.Com (PCC) and the Cat IP integrated purchasing solution.

The increase in digital sales reflected the incorporation of new customers during the year. As part of this, Ferreyros deployed projects that enabled four new customers with high purchasing volumes to start using Cat IP, integrating their ERP systems with the company's ERP system. In total, 14 companies are now using this alternative.

Meanwhile, the Parts.Cat.Com (PCC) e-commerce platform continued to penetrate the market, with more than 600 new customers from sectors such as construction, subway mining, energy, industry and commerce adopting it in their purchasing processes. During the year, PCC accounted for 49% of Ferreyros' spare parts sales through its stores nationwide. This percentage even exceeded 80% in some cities, such as Cusco, Huaraz, Cerro de Pasco, Lima and Juliaca.

Overall, 46% of Ferreyros' active customers who purchased spare parts in 2023 used PCC for their procurement.

During the year, a series of relaunches and solution introductions were made to create value in the market. The VisionLink equipment management platform was introduced to customers with new applications that provide analytical capabilities on the status of their fleets. It is worth noting that, at year-end, around 40% of customers in the construction and mining sectors were using digital solutions such as VisionLink, Ferreynet and Monthly Reports, among others, provided by Ferreyros.

In addition, the SIS2Go solution was launched, an application for mobile devices that facilitates access to Caterpillar's Service Information System (SIS), which is widely used by customers with Cat fleets, as a field guide to the parts and procedures manual.

In turn, the Savings Calculator was implemented in the Ferreyret customer portal to show and quantify the savings generated by different concepts: for example, discounts for digital purchases, for remaining in Customer Value Agreements (CVA), for carrying out certified rebuilds or for connectivity benefits. More than 40% of customers with CVA contracts consulted this solution by the end of 2023.

About Ferreyros

- Leader in the provision of heavy machinery and specialized services in Peru, distributes the most important equipment of the Caterpillar portfolio in the country, required by the different economic sectors in the territory.
- In addition to the products of its main subsidiary Caterpillar, other prestigious brands such as Metso aggregate production equipment for construction; Paus subway mining equipment; and Massey Ferguson agricultural tractors, among others, are also part of its portfolio.
- With the most complete after-sales support in the market, it has a vast national coverage, through its branches, offices and headquarters, and a permanent presence in its clients' projects.
- It has the Anti-bribery Certification granted by the association Businessmen for Integrity and the ISO 37001:2016 certification for its Anti-bribery Management System. It has ISO 9001:2015 certifications for multiple processes of the Product Support Division Management and ISO 45001:2018 for the Industrial headquarters, the main operating location in the country. It is a founding member of the Good Employers Association (ABE) and has received the Socially Responsible Company Distinction.

3.1.2 Unimaq

In 2023, Unimaq achieved sales of S/ 616 million (US\$ 165 million), reflecting the breadth of its portfolio of products and services, as well as the value of its offer in the country. For comparative purposes, this is close to the revenues obtained the previous year by both Unimaq and Trex Peru, which joined its operation in 2023, with a 4% reduction in dollar terms.

The demand for Cat light equipment and allied brands for the construction and sanitation, mining and government sectors, for the development of works at the national level, boosted especially the business. In total sales, the support services provided to the large-scale mining industry also stood out.

Unimaq recorded a 46% market share with its subsidiary Caterpillar, according to information on imports in FOB values, maintaining its position as the leading company in its field. Among the most requested families of Cat light machines were backhoe loaders, skid steer loaders, excavators, rollers and front loaders; sales of Cat machines showed levels close to 2022. The Carmix line of self-loading concrete mixers also stood out, with 72% of the market, as part of an extensive portfolio of close to 30 brands.

The provision of services and spare parts grew 16% over the previous year, including the extension of maintenance contracts with major mining and cement companies. The total number of Customer Value Agreements (CVA) increased by a similar proportion, reaching close to 800 contracts, both to support Caterpillar machines and allied brand units.

A highlight of the year was the sale and execution of the first Caterpillar Certified Rebuild (CCR) of a Cat 420F backhoe loader for a customer in the construction sector, under the high standards established by Caterpillar. In this way, Unimaq became the first Cat dealer in the world to perform a CCR repair for this family of Cat machines.

In e-commerce, Unimaq's spare parts sales through Parts.Cat.Com (PCC) grew significantly, duplicating volumes by 2022, reaching US\$ 13 million. In addition, revenues from this digital channel represented a remarkable 60% of the company's total sales of spare parts through its stores.

In January 2023, Trex Peru, a local business unit focused on cranes and other lifting equipment, was officially integrated into Unimaq, as part of a strategy of optimization and search for synergies. Thus, Unimaq distributes the Trex Peru brand portfolio, which includes Tadano, Konecranes, Demag, Donati, Magni, PM and Terberg, among others, and maintains its usual after-sales support and spare parts supply, all backed by an infrastructure of branches and offices in 15 cities.

This business reported lower sales compared to 2022, due to limited demand from mining and infrastructure companies, and equipment rental customers. Mobile cranes, especially required by companies that provide services to the mining industry, and port equipment were the most relevant lines during the year. In addition, the articulated cranes family showed greater dynamism.

The line of spare parts and services for the lifting equipment portfolio showed a slight improvement during the year, driven mainly by the demand for components for mobile crane repairs from large mining customers. Contracts with foreign trade and container storage logistics companies were also maintained.

It should be noted that during the year synergies were created with Trex Chile, Ecuador and Colombia to promote the development of regional strategies for this business.

Meanwhile, the Asian machinery portfolio business, after the integration of Cresko to Unimaq in 2021, showed growth during the year. Sales of dumpers and mixers of the Shacman line amounted to nearly double those recorded in 2022, due to the demand from state entities, mainly, as well as private companies, which bet on the high quality-price ratio of this brand.

Sales were accompanied, to a lesser extent, by the placement of the SEM line of construction machinery, which received lower requirements than expected during the year in the infrastructure and quarrying sector, but maintained its leadership in the Asian machinery segment, despite growing competition with the entry of more brands in this segment into the Peruvian market.

During the year, Unimaq added loaders, rollers and SEM motor graders to its rental equipment offer. Unimaq's rental fleet consists of more than 300 pieces of light equipment, both Cat (including backhoes, skid steer loaders and excavators) and allied brands (e.g., Carmix self-loading concrete mixers, Genie aerial platforms, among others). In addition, a fleet of 300 forklifts is available for long-term rental, including maintenance and periodic renewal.

About Unimaq

- It was established in 1999, Unimaq is the company of the corporation dedicated to the sale and rental of light capital goods of Caterpillar brands and allied lines. It serves the urban and light construction, and the industrial, agricultural, commercial, service and mining sectors.
- In addition to the Cat General Construction line (compact equipment), it distributes allied brands such as Caterpillar forklifts, Caterpillar generator sets up to 220kW, Carmix self-loading concrete mixers, Wacker compaction equipment, Lincoln Electric welding equipment, CIFA concrete mixers and pumps, Blends mobile concrete plants, Luxtower lighting towers, Enerpac hydraulic tools, Sullair portable compressors, Gardner Denver stationary compressors, Lincoln Industrial lubrication systems, Genie aerial platforms, among others.
- Among Cresko's incorporated lines, it represents SEM, manufactured by Caterpillar, with loaders, crawler tractors, motor graders and rollers. Also, its portfolio includes Shacman trucks and Shaorui crushers and crushers, among other lines.
- As part of Trex Peru's migration to Unimaq, the brands Tadano, Konecranes, PM, Magni, Terberg, and the Demag and Donati material handling lines, mainly, were added.
- It has branches in Piura, Cajamarca, Lambayeque, Trujillo, Huancayo, Arequipa, Cusco and Ilo, and is present in new locations in Ica and Moquegua. It also operates offices in Cerro de Pasco, Huaraz, Ayacucho and Puno. In Lima, the company's main office is located in Lima, as well as a branch in the southern area, dedicated to the service of Caterpillar and allied brands, rental of units and used equipment.

3.1.3 Orvisa

The year 2023 had a special significance for Orvisa, a leading company in the marketing and support of capital goods in the Peruvian Amazon, as it celebrated its 50th anniversary of operations and its contribution to the development of this important region of the country.

The company achieved sales of S/ 165 million (US\$ 44 million) in the year, 11% higher in dollar terms than in the previous year. Business aimed at the government, construction, and contracting sectors, for fleet expansion and renewal, contributed to this increase.

The sale of new construction machinery, such as Cat excavators, backhoe loaders, motor graders and skid steer loaders, for public infrastructure and sanitation projects in the Amazon region, accounted for more than 50% of total sales.

In order to maintain its close relationship with its customers, Orvisa held two well-attended presentations of Cat machinery in Pucallpa and Tarapoto during the year, in which it showed the breadth of its portfolio and after-sales support.

On the other hand, Orvisa increased its sales levels to the agricultural sector compared to the previous year, thanks to the good market acceptance of the new models of Massey Ferguson agricultural tractors (MF 6712 and MF 6713).

Customers in the Amazon region learned about the functionalities of this equipment through demonstrations or field tests, which in turn helped to promote agricultural sales in the second half of the year and strengthen Orvisa's position to face 2024.

Orvisa continued to offer maintenance services for Caterpillar equipment with customized options for each customer, such as Customer Value Agreements (CVA) and Repair Options, which offer alternative solutions linked to the number of hours of operation of the machines.

The growth in the number of machines with CVA contracts stands out: the proportion increased from 30% in 2022 to just over 40% in 2023, by incorporating more flexible conditions for customers in the Amazon region, allowing them to become familiar with their advantages in order to gradually add benefits in subsequent agreements.

The sale of spare parts through the Parts.Cat.Com (PCC) platform showed an increase of 8% over revenues in 2022, exceeding US\$ 3.7 million. This growth trend in e-commerce is the result of a series of improvements in the user experience, including the follow-up of their requests and the constant demonstration of the benefits of purchasing through digital channels.

During the year Orvisa received ISO 37001 certification for its Anti-Bribery Management System, in addition to the Anti-Bribery Certification previously obtained from Businessmen for Integrity.

About Orvisa

- A specialist in capital goods, services and consumables for activities in the Peruvian Amazon, Orvisa has Caterpillar as its main brand represented.
- Its portfolio consists of the same product and service lines as Ferreyros and Unimaq, as well as products for specific applications in the jungle area. It includes Cat machines, Massey Ferguson agricultural equipment and Carmix self-loading concrete mixers, among others.
- It serves sectors such as construction, river transportation, hydrocarbons, forestry, as well as agriculture and government.
- With its main office in Iquitos, it has established branches in Tarapoto, Pucallpa, Huanuco, Bagua and Puerto Maldonado.
- Orvisa is a member of the Good Employers Association (ABE, for its acronym in Spanish) and holds the Socially Responsible Company (ESR, for its acronym in Spanish) Distinction. It has the Anti-Bribery Certification from Businessmen for Integrity and ISO 37001 certification.

3.2 Companies representing Caterpillar and other businesses in Central America

In 2023, companies representing Caterpillar and other businesses in Central America reported sales of S/. 614 million, down 9% from the previous year. In dollar terms, they obtained sales levels of US\$ 164 million, which represents a 7% decrease compared to the previous year. During the year, 9% of the corporation's consolidated sales were driven by this group of subsidiaries.

The corporation has been operating in Central America since 2010, with the acquisition of Caterpillar's representative companies in Guatemala and Belize (Gentrac) and in El Salvador (General de Equipos). Subsequently, it acquired Motored (formerly Transpesa), which specializes in the supply of spare parts for heavy transport in El Salvador.

3.2.1 Gentrac (Guatemala and Belice)

Gentrac, Caterpillar's representative in Guatemala, ended 2023 with sales of S/. 309 million (US\$83 million), close to the previous year (US\$85 million), equivalent to a 3% reduction. The main industries served were aggregates and quarrying, as well as construction and infrastructure, agribusiness, retail, and government.

In this significant year, in which Gentrac commemorated its 25th anniversary, the Cat machinery sales business had a relevant performance, with 313 units delivered. This result allowed Gentrac to obtain a 25% market share, maintaining its leadership in a context of increased competition due to the entry of new brands in Guatemala, mostly Asian.

With a decentralized sales force, Gentrac carried out several initiatives aimed at its customers, such as a well-attended equipment demonstration, focused on the productivity of Caterpillar and SEM machines and on positioning its allied brands, as well as access to special discounts on its portfolio of products and services for companies in different sectors.

The company provided specialized support to its customers' fleets during the year, for which it has 10 offices in the main cities and 11 mobile warehouses at customers' operations, while deploying field service alternatives. The service and spare parts business line maintained its demand with respect to the previous year.

It is important to highlight that Gentrac obtained three Gold medals in the Caterpillar Excellence Programs, in the Service, Heavy Equipment Rental and Marketing and Sales categories. It also obtained the Silver level in the categories of Light and Digital Machinery Rental, and Bronze in Spare Parts. The company also maintained the 5 Star Certification in the Retail Experience evaluation for its main headquarters in Guatemala City, as well as its branches in Quetzaltenango, Teculután and Escuintla.

Among its specialized services, Gentrac carried out the Cat Certified Rebuild (CCR) of a Cat 772 truck and a Cat 988 front loader, which were given a new life for operation in quarries. Thus, the company reached its 70th CCR since 2010, when it entered this modality.

An essential component in Gentrac's portfolio of solutions is machinery rental. This business showed dynamism in the year, in line with the demand from construction and

agribusiness companies, and material goods and food manufacturing companies. At the end of 2023, the company had 205 rented units, having added excavators, backhoes and Cat forklifts to its rental fleet, as well as equipment from allied brands, such as lighting towers, compressors and elevators.

In another area, the sale of spare parts online, through the Parts.Cat.Com (PCC) platform, recorded a 35% growth compared to the previous year, reaching a share of 26% of total sales of spare parts through its various channels. It is worth mentioning that Gentrac's web page obtained a 5 Star certification in the specialized evaluation carried out by Caterpillar.

During the year, Gentrac reaffirmed its commitment to human resources management. This included the training carried out during 2023, highlighting the training aimed at technical personnel through the Service Pro program; the emphasis on work climate management, with the design of action plans that reflect the results of the internal survey on the subject; and improvements in infrastructure that promote the welfare of employees.

On the other hand, Gentrac Belize ended the year with sales of S/ 24 million (US\$ 6.5 million), a decrease of around 10% in dollar terms compared to 2022. This reduction was due to the fact that the Cat line of machines did not record the exceptional sales levels that characterized the previous year.

In contrast, parts and service sales were well above 2022, with growth of 40%, supported mainly by the execution of equipment repairs to the Belize power generation company. In a market with new brands, Gentrac Belize obtained a leading share of 42% in 2023.

About Gentrac (Guatemala and Belice)

- In Guatemala, Gentrac is the authorized distributor of Caterpillar and SEM brand machinery and equipment, and representative of other brands such as Mitsubishi (forklifts), Kalmar, Terex/Finlay, Sullair, Wacker Neuson (light and compact), Schwing, Carmix, Genie, Mabey Bridge, Marine Travelift, Valley, SKF, JLG, Lincoln Electric, among others.
- Maintains its main office and a spare parts store in Guatemala City. Branch offices in Quetzaltenango, Teculután, Escuintla, Morales, Retalhuleu, Huehuetenango, Cobán and Peten, as well as 11 mobile warehouses in customer operations.
- Gentrac is a member of the Human Management Association (AGH, for its acronym in Spanish) in Guatemala.
- Its origins as a Caterpillar dealer in Guatemala date back to 1964, operated under other names and partners. It was acquired by the Caterpillar dealer in El Salvador in 1998 and subsequently by Ferreycorp in 2010.
- In Belize, Gentrac is the sole Caterpillar dealer and representative of Wacker, Sullair and Twin Disc brands, Mitsubishi forklifts and Olympian generators. It is headquartered in Ladyville, where the country's international airport is located.

3.2.2 General de Equipos- Cogesa (El Salvador)

In 2023, sales of General de Equipos (Cogesa), Caterpillar's exclusive representative in El Salvador, amounted to S/ 192 million (US\$ 51 million), 9% lower than in the previous year (US\$ 57 million). However, for comparative purposes, the business showed an increase of 4% when excluding the lubricants line distributed only until fiscal year 2022, and which therefore ceased to contribute results in this fiscal year.

During the year, General de Equipos' three business lines, machinery, spare parts and services, showed growth. Specifically, equipment sales were 25% higher than in the previous year, due to the special activity of the government sector.

Therefore, government entities acquired Cat machinery, such as excavators, motor graders, backhoe loaders, loaders, compactors, among other families, for the development of infrastructure works. They also demanded Kalmar forklifts and container carriers, which they will use in the management of their regular operations such as cargo handling at ports and airports.

In the first half of the year, there were challenges in the availability of supplies, which limited our ability to meet market demand. Despite this context, General de Equipos and its subsidiary Caterpillar continued as leaders in the main sectors they serve, with a 45% market share.

Specifically in the agricultural sector, the John Deere line obtained a 75% market share, the highest in the last five years. The sale of agricultural tractors and sugarcane harvesters of this brand stood out.

The progress made by General de Equipos in the Caterpillar Excellence Programs should be highlighted, in which it achieved the Gold level in the Service and Marketing and Sales categories, as well as the Silver level in Parts and Digital.

General de Equipos worked hard during the year to consolidate e-commerce, through Parts.Cat.Com (PCC), to increase the number of customers using this channel. As a result, it closed 2023 with 30% of customers active in the sale of spare parts online.

About General de Equipos - Cogesa (El Salvador)

- It was founded in 1926 and has been a Caterpillar distributor in El Salvador since 1930.
- It also represents lines such as Mitsubishi - Cat forklifts, Wacker compaction and lighting equipment, Lincoln Electric welding equipment, Olympian - Cat generators, Sullair compressors, Mack trucks, John Deere agricultural equipment, Kalmar forklifts and container carriers, and Michelin tires for construction, agriculture and trucks.
- It provides after-sales coverage nationwide through its three branches located in San Salvador, central zone; Sonsonate, western zone; and San Miguel, in the eastern part of the country.

3.2.3 Motored (El Salvador)

In 2023, Motored's sales reached S/. 80 million (US\$ 22 million), similar to those obtained in 2022, driven by the sale of Higer brand buses and minibuses, as well as by the sale of spare parts.

Business in the cargo transportation sector drove sales of spare parts and consumables, while the passenger transportation segment generated demand for buses and minibuses, as well as spare parts and consumables. The government sector also demanded trucks and buses.

As a result of a complex context due to the reduction in the number of municipalities in the Central American country, the line of garbage compactor trucks, one of Motored's most important products, was seriously affected. As a result, the company implemented different strategies to compensate for this contraction with the sale of the bus and minibus line.

In an increasingly competitive environment, Motored continues to be the leader in the sale of spare parts and consumables for cargo and passenger transportation in El Salvador, with a market share of more than 50%.

About Motored (El Salvador)

- Incorporated to Ferreycorp in 2015, Motored (formerly Transportes Pesados S.A. de C.V- Transpesa) has as its main business line the supply of spare parts for trucks and buses in El Salvador and with branches in nearby locations in Honduras.
- It also distributes additional lines of consumables, such as lubricants and tires, as well as Kenworth trucks and Higer minibuses.
- It has twelve branches in El Salvador, located in the cities of San Salvador, Santa Ana, Sonsonate, San Miguel, Metapan, Lourdes, Santa Rosa de Lima, Soyapango, Zacatecoluca, Aguilares and Usulután, and two branches in Honduras.

3.3 Complementary businesses in Peru and other South American countries

In 2023, the businesses that complement the supply of goods and services in Peru and other South American countries recorded sales of S/. 757 million, up 2% compared to the previous year, while in dollars they reached US\$ 200 million, up 4% compared to 2022. As a result, these businesses contributed 11% of the corporation's consolidated sales in 2023.

This group of businesses includes Trex, a supplier of cranes and other lifting solutions, which operates in Chile, Colombia and Ecuador; Maquicentro, specialized in the supply of light equipment in Ecuador; Soltrak, dedicated to industrial safety, lubricants, tires and related services; the subsidiaries Fargoline and Forbis Logistics, in the logistics business; and Soluciones Sitech Peru, focused on the integration of technologies.

3.3.1 Soltrak (Peru)

Soltrak, a specialist in industrial safety, lubricants, tires and related services, reported sales of S/ 303 million (US\$ 81 million) in 2023, close to the record levels of the previous year (US\$ 83 million). As a result, the business showed a slight reduction of 2% in dollar terms, mainly due to the lower economic activity during the first months of the year, linked to the political situation in the country.

Among the sectors that drove sales during the year were mining and its contractors, construction and industry in general, as well as transportation and logistics, among others.

The industrial safety and related services portfolio contributed the largest operating volumes to Soltrak during the year; demand for respiratory protection, skin and hand protection, and fall protection lines prevailed. The products of this division maintained a leading position in the country, although sales increased in 2022, with leading brands such as 3M, MSA, Alphatec (formerly Ansell), Bullard, Kleenguard (formerly Kimberly Clark), Showa and Tecseg, among others. During the year, Soltrak announced the addition to its portfolio of the Xtirpa brand, a new brand represented with innovative products to improve safety while working in confined spaces.

In addition, Soltrak continued to serve individual end users directly through its e-commerce store, <https://tiendaonline.soltrak.com.pe> doubling its sales in relation to 2022.

In the lubricants line, despite the impact of the country context in the first months of the year, the company obtained sales close to those of the previous year. The industrial products channel (B2B, or business-to-business), serving key sectors such as mining and industry, and, to complement this, the consumer products channel (B2C), which contracted.

Likewise, in the public transportation, heavy cargo and interprovincial passenger sectors, Soltrak continued with its initiatives to position the Chevron Ursa Super Plus motor oil brand, after its return to the Peruvian market in previous years, and progress was made in the positioning of the company with the Chevron Ursa Super Plus CK4 motor lubricant, exceeding expectations with a growth of 150% with respect to sales of other families of the brand by 2022.

On the other hand, sales of the tire line, where the distribution of the Goodyear brand stands out, showed an increase with respect to the previous year, in response to the incursion of models and specifications complementary to the current portfolio. Subway mining and the mining contractors segment, followed by logistics, were the most relevant sectors for the business.

During the year, the signing of commercial agreements with mining customers was noteworthy. These included the extension of the contract for the supply of personal protective equipment (PPE) for four years to a mine in the center of the country, as well as the extension of the lubrication services contract for five years with another mining company.

During the year, Soltrak carried out the process of implementing a new management operating system, the SAP S4/Hana corporate technology platform, which will be adopted as of January 1st, 2024.

The company also obtained the Authorized Economic Operator (AEO) certification granted by Sunat, in addition to carrying out follow-up audits for the current ISO 9001:2015 certifications, for its quality management system, and ISO 37001:2016, for its anti-bribery management system.

As part of its value proposition to its customers, Soltrak has developed the Giatrak technology platform to optimize the consumption of personal protective equipment (PPE) and improve the control of assets such as specialized tools and equipment. This solution has been contributing to savings of close to 30% in PPE consumption for customers using this solution.

About Soltrak (Peru)

- This is a company of the Ferreycorp corporation specialized in the supply of industrial consumables, with a focus on businesses related to industrial safety, lubricants and tires, as well as in the development of specialized services.
- Its product portfolio includes top-tier brands such as Chevron lubricants, industrial safety products under the brands 3M, MSA, Bullard, Alphatec (Ansell), Kleenguard (Kimberly Clark), Showa, Xtirpa, and the company's own brand Tecseg, as well as Goodyear tires.
- The service portfolio includes a wide range of activities, such as repair, calibration and maintenance of the products it distributes, as well as design and training, among other specialized tasks, including predictive maintenance practices, non-destructive testing (NDT), among others.
- It provides services nationwide and has local presence in Piura, Trujillo, Arequipa and Lima. Its main office is located in Lima.
- Soltrak has ISO 9001:2015 (quality management) and ISO 45001 (occupational health and safety management) certifications, as well as ISO 37001 (anti-bribery management), in addition to the Businessmen for Integrity certification. It is recognized as a Socially Responsible Company (CSR), is a member of the Association of Good Employers, and was recently certified as an Authorized Economic Operator (AEO) by Sunat.
- It joined Ferreycorp in 2007 with the acquisition of Mega Caucho & Representaciones S.A.C., a company specialized in the tire industry. In 2009, it merged with the acquisition of Inlusa S.A., incorporating the lubricants business. In 2013, it was

complemented with the acquisition of Tecseg S.A., which contributed a complete portfolio of businesses related to industrial safety.

3.3.2 Trex (Chile, Colombia and Ecuador)

In 2023, Trex Latin America achieved sales of S/344 million (US\$92 million), an increase of 30% compared to 2022, driven by the good commercial performance in Chile, Ecuador and Colombia. The new machines line stood out for its share of total sales, and light equipment and rental equipment for its growth during the year.

Magni telescopic handlers in Chile and Ecuador, which Trex distributes from 2022, contributed to higher sales levels in the light equipment business. This Italian brand is expected to join the Trex portfolio in Colombia by 2024.

It is also worth mentioning the entry of the German brand TII to the Trex Latin America portfolio, through its line of modular and special transport equipment, as an ideal complement for handling oversized cargo.

In a more stable political context, which influenced the improvement of market expectations, Trex sales in Chile had a remarkable increase of more than 30%, reaching an annual revenue of US\$ 71 million. The Konecranes line of port equipment, mainly used in ports, had the greatest impact on consolidated sales, with 28% of the total. It was followed in relevance by the placement of Tadano high tonnage cranes, with 25%, as well as the provision of light equipment and services.

In this way, Trex in Chile obtained a 32% market share in the line of cranes; 71% in port equipment; and 20% in the line of personnel hoists for the various productive sectors.

It is worth mentioning the delivery of 47 Konecranes equipment in Chile, 8 in Ecuador and 2 in Colombia during the period, for port and logistics activities, following a coordinated effort by the service team to have the units available on the dates required by the customers.

Also, as a bet to reach new markets, Trex Chile added to its portfolio the Sullair compressor brand, of US origin and highly recognized in the US market, as a complement to the portfolio of light equipment.

Finally, Trex's operations in Colombia and Ecuador allowed it to achieve combined sales of US\$ 21 million in 2023, compared to US\$ 17 million the previous year, showing growth in both countries. He highlighted the dynamism of the activity in Ecuador, promoted by the delivery of eight large-capacity Tadano rough terrain cranes (model GR-1000XL) to a customer in the heavy haulage sector, and by the sale of around ten Konecranes equipment.

About Trex

- It represents the brands Tadano, in off-highway cranes (RT) and all terrain cranes (AC); Genie, in lifting platforms and telescopic handlers; Konecranes, in port equipment and high tonnage forklift lines; Magni, with a range of high tonnage telescopic handlers; Donati and Demag, in bridge cranes; Sullair in compressors; TII in modulars and equipment for special transports; and to PM, in other lifting and loading solutions.

- The Trex business operates in Chile, Ecuador and Colombia. It was founded in 2000, but its origins in the crane and port equipment industry in Chile date back to the 1980s. It joined Ferreycorp in 2014.
- Trex Chile holds ISO 45001 (occupational health and safety), ISO 9001 (quality) and ISO 14001 (environmental management) certifications.

3.3.3 Fargoline (Peru)

In 2023, the logistics operator Fargoline celebrated its 40th anniversary in the country. The company now covers several highly important links in the logistics chain, from cargo reception at the port, through storage, cargo-related services, to domestic transportation and last-mile distribution.

Fargoline recorded sales of S/. 103 million in 2023 (US\$ 27 million), 10% lower in dollar terms compared to the previous year, as a result of the reduction in the dynamics of intermediate import goods and exports of chemicals and textiles, and with it, the movement and number of tons of containers and general cargo handled by the extra-port warehouses. Likewise, in 2023 there were lower cargo transportation requirements, due to stoppages at the beginning of the year, and a decrease in the operations of some clients in the face of reduced demand, especially for consumer goods.

During the year, Fargoline remained among the top five extra-port warehouses in Callao in terms of TEU imports and exports (unit of measurement of a standard 20-foot container), handling more than 65,000 TEUs. In addition, it handled 6,000 tons of breakbulk and roll-on/roll-off cargo.

It highlighted the relevance of the temporary storage business, both for imports and exports, which had a 72% share in the company's total sales, driven mainly by the demand for plastics and derivatives, chemicals, paper, glass and tiles, in addition to the textile industry and mass consumer products.

In turn, the bonded and simple warehousing businesses reached a 17% share of annual sales, and showed a 4% growth, while the complementary lines of transportation and distribution contributed 11% of revenues.

In 2023, services provided by Fargoline to other companies of the Ferreycorp corporation represented 26% of total revenues for the year, while the remaining 74% came from clients outside the corporation.

In another area, the company achieved incremental levels of customer satisfaction in 2023, with a net loyalty score (NLS) of 64%. As part of its management, the company responded to queries and provided solutions to close to 90% of cases in less than five days, and its timely attention in the yard allowed 94% of dispatches to be completed within 40 minutes, less than the market average. In terms of document management, it reduced the service time for import and export operations from 90 to 60 minutes, on average. As one more initiative of the digitalization and automation in which the company has been involved for five years, to improve its internal processes, in 2023 it began planning the Autonomous Scale Project, which seeks to digitalize the activities of the scales, providing greater fluidity in the management of trucks; thus, by having a more agile network, it will be possible to reduce the service time in this process.

The company ratified for another year two important certifications: ISO 37001, for the Anti-Bribery Management System, and the Anti-Bribery Certification granted by Businessmen for Integrity. It also received the "Building Governance with Integrity" award

from the Presidency of the Council of Ministers, with the support of the German Development Cooperation.

In the social area, Fargoline provided logistical assistance in transporting provisions for those affected by climatic phenomena, for the Navy Logistics Ship BAP Pisco, and transported humanitarian aid to Tumbes at the end of the year, as a preventive measure. The company also continued to collaborate with Aldeas Infantiles SOS, in Callao, and contributed to the Peruvian General Volunteer Firefighters Corps by unloading and storing the units they receive from abroad for their work. Fargoline was also recognized with the Sustainable Management Company (EGS, for its acronym in Spanish), awarded by the Peru Sostenible association.

About Fargoline

- With 40 years in the domestic market, Fargo offers services in the regimes of temporary storage of containers, loose and rolling cargo; bonded warehouse; simple storage; transportation and distribution; and cargo movement for projects.
- It is located in Callao, where it has two offices on Gambetta Avenue, and in the city of Arequipa, from where it extends its services.
- Its Security and Control Management System is certified by the Business Alliance for Secure Commerce (BASC). It also holds ISO 9001:2015 (quality), ISO 14001:2015 (environmental management) and ISO 45001:2018 (occupational safety and security) certifications. It holds ISO 37001 for its Anti-Bribery Management System and Anti-Bribery Certification from Entrepreneurs for Integrity.
- Fargoline also has the Sustainable Management Company Distinction (EGS), granted by Peru Sostenible.
- Fargoline is also certified as an Authorized Economic Operator (AEO) by Peru Customs and is a member of Amcham's Good Employers Association (ABE, for its acronym in Spanish).

3.3.4 Forbis Logistics (Peru, Chile and United States)

In 2023, sales of Forbis Logistics, which specializes in international freight transportation, reached S/. 136 million (US\$ 36 million). These volumes, with a 14% reduction in dollar terms compared to the previous year, reflected mainly the impact of lower ocean freight rates during the year, which appreciated in the market in which Forbis operates.

During the year, the most important sectors for the company's operations were mass consumption, energy, chemicals, construction, industrials, and automotive. The most dynamic line of business was the provision of services on the maritime route, mainly from Asia, followed by air transport, especially the route from the United States to Peru.

At the same time, one of the most relevant businesses in 2023 was the transportation of Cat mining trucks of different tonnage to Peru. There was also an increase in the number of solar energy clients, who moved cargo for projects in the south of the country.

During the year, Forbis Logistics made a significant effort to attract new customers in different sectors it serves. As a result, different clients from the corporation's subsidiaries accounted for 35% of the company's revenues, while Ferreycorp's firms accounted for 65%.

Forbis Logistics once again ratified its leadership in the ranking of freight forwarders on the U.S.-Peru air route and continued to rank among the top five worldwide air freight forwarders to the country. At the same time, it reached the fourth position in the maritime route of oversized cargo from the United States to Peru, while it ranked 28th in the maritime service of containerized cargo shipments from all over the world to Peruvian territory.

In 2023, the company was recertified by the ISO trinorm for quality, environmental risks and occupational health and safety; by BASC, the Business Alliance for Secure Commerce; and by Businessmen for Integrity. Furthermore, the company obtained ISO 37001 certification in anti-bribery management.

On the other hand, the performance of Forbis Logistics' operations in Chile continued its positive trend, thanks to key business with companies from different sectors, as well as those generated with the corporation's companies. As in previous years, China was one of the markets with the highest demand for import.

About Forbis Logistics

- Forbis Logistics is a logistics operator specialized in the provision of international cargo transportation, with coverage in more than 40 countries, and with abilities to provide services that extend to the final destination.
- It was created in 2010 in Miami, Florida, where it has a warehouse in an excellent location, 9 km from the international airport of that city and 26 km from the port. In 2012, Forbis Logistics was established in Lima and in 2017 in Santiago de Chile.
- It presents the Indirect Air Carrier (IAC) and NVOCC certifications, granted by the United States government; with BASC certification; and with the ISO trinorm certification, composed of the ISO 9001:2015 (quality system), ISO 14001:2015 (environmental management), ISO 45001:2018 (occupational health and safety) and ISO 37001 (anti-bribery management). Likewise, it works with the Caterpillar quality standard.
- It has obtained the Anti-Bribery Certification granted by the Businessmen for Integrity Association.

3.3.5 Soluciones Sitech Peru

In 2023, Soluciones Sitech Peru, a company of the corporation that integrates technologies for productive sectors such as mining and construction, generated sales of S/ 28 million (US\$ 7 million), which represented a 67% growth in dollars compared to the previous year.

Open-pit mining was the most dynamic sector for Sitech's business: anti-collision and anti-fatigue systems remained the lines with the highest demand. In addition, the incorporation of the structural and seismic testing laboratories business line gave an additional boost to the company's revenues. During the year, the deployment of the Structures Laboratory project for a university in the south of the country, which will be the most modern in Latin America and the most complete in its category in Peru, stood out. The manufacturing and installation stage is 80% advanced, and its start-up is scheduled for 2024.

Soluciones Sitech Peru also launched new advanced analytical services, focused on safety and operational health, and plans to extend these capabilities to other areas of the mining value chain, such as metallurgy and exploration.

At the same time, the company remains dedicated to solving mining challenges. For underground mining, where it is essential to explore the potential of data analysis and artificial intelligence, it has built TMSE, a solution that makes available the large amount of data generated by sensors and operating equipment in this industry, without friction and at very affordable costs. In 2023, field tests were completed for its next market launch.

In order to seek solutions to established problems in mining operations that can be addressed with cutting-edge technological solutions, Sitech launched this year its call for technology startups to the Sitech OpenLab Challenge, with co-financing from the Ministry of Production through ProInnovate Peru. Through open innovation, Sitech will seek to accelerate the resolution of pending mining challenges, encouraging collaboration with startups.

It is worth noting that during the year, Soluciones Sitech Peru achieved the Anti-Bribery Certification of Businessmen for Integrity.

About Soluciones Sitech Peru

- Since 2013 has been dedicated to the integration of technologies in order to create solutions that increase the productivity and safety of customers in the mining and construction markets.
- It has a complete portfolio of represented lines, such as Trimble, Torsa, Loadrite, Provix, Brigade, Fatigue Science (ReadiBand), Cat DSS and MTS Systems, among others.

4. Financial Management

The global and regional situation in 2023 brought important challenges and effects in all the countries where Ferreycorp operates. In Peru, the year began with little activity in several sectors and restrictions in the logistics chain, caused by social protests and natural phenomena that led to disruptions in the roads. In addition, it was the first year in office of the regional and local authorities elected at the end of 2022, so investment was impacted while they were defining their plans. In the other countries where the corporation operates, it also faced not very encouraging economic scenarios. Globally, there was a framework of high interest rates, high inflation levels during most of the year and constant uncertainty about a possible recession. As a result, the corporation's financial management focused on ensuring business profitability and seeking to improve asset turnover by monitoring the quality of accounts receivable and inventories. Likewise, the debt structure of the different companies was permanently monitored in order to protect liquidity and seek the best financing conditions to offset the increase in corporate financial expenses, as a result of the generalized increase in interest rates.

Despite the context described above, the corporation achieved an increase in sales during 2023, reaching S/ 6,995 million. This result represented an increase of 6% in soles compared to 2022 (S/ 6,593 million). In dollars, US\$ 1,865 million was recorded in 2023, reflecting a 9% increase compared to the previous year (US\$ 1,715 million). Thus, Ferreycorp and its subsidiaries once again demonstrated the solid fundamentals of their business.

Therefore, the accumulated gross profit (S/. 1,807 million) increased by 7% compared to the previous year (S/ 1,693 million), due to the higher sales and its composition between the machinery line and the spare parts and services line. The gross margin stood at 25.8%, slightly higher than in 2022 (25.7%). Excluding the effect of the exchange rate, the adjusted gross margin also reflected an increase in fiscal year 2023, reaching 26.5%, compared to 26.1% in 2022.

The accumulated operating margin, in turn, was 10.0% as of December 31st, 2023, equal to the one reported in the same period of 2022 (10.0%), due to the fact that the higher gross margin is reduced by a slight increase in expenses. The latter was supported by the increase in direct expenses related to sales growth; higher personnel expenses resulting from new hires; and the creation of provisions, especially those to cover delinquent accounts receivable. Consequently, expenses represented 15.9% as a percentage of sales in 2023, higher than the 15.7% of the previous year. Nevertheless, if the adjustment in gross profit for the effect of the exchange rate is considered, the operating margin amounts to 10.6%, higher than the adjusted 10.4% in 2022.

Earnings before interest, depreciation and amortization (EBITDA) for 2023, at S/ 951 million, increased by 7% compared to the previous year (S/ 888 million). It should be noted that the EBITDA margin for 2023 was 13.6%; without the exchange rate effect, it increases to 14.2%.

As of December 31st, 2023, the accumulated net financial expense (S/ 78 million) was 51% higher than in 2022 (S/ 52 million), mainly due to the 48.9% increase in the average cost of liabilities, while the average debt for the year had only a slight increase. Financial debt, at S/ 2,315 million as of December 31st, 2023, showed a 7% variation compared to that recorded in the same period of 2022. At the same time, debt in dollars (US\$ 624 million) increased by 10% compared to the balance at the same period of 2022 (US\$

565 million) and reported a significant increase in its average cost. The corporation's average interest rate reached 4.66% in 2023, compared to 3.13% in 2022.

It is important to highlight that, at the end of 2023, the Company recorded a net profit of S/. 434 million, 4% higher than that obtained in 2022 (S/. 419 million). This result is a consequence of the higher sales, the solid gross margin, and the foreign exchange gain obtained during the year. Adjusted net income, excluding the exchange rate effect, was S/ 443 million, 6% higher than last year.

Once again, the exchange market was volatile throughout the year. However, Peru's currency was resilient and defined a declining trend towards the end of 2023. As a result, the exchange rate closed the year at S/ 3.713 per dollar, 3% below its value at the end of 2022 (S/ 3.820 per dollar). The result of the different movements during the year was an accumulated exchange gain of S/. 29 million in 2023, in contrast to the exchange gain of S/. 34 million the previous year.

As has been reported, the vast majority of the corporation's subsidiaries in Peru and abroad carry out their operations in US dollars, and also use this currency to purchase from their subsidiaries abroad; finance their imports, working capital and investments; and invoice and collect payments in most of the countries where they operate, and therefore enjoy a natural match. The Chilean operation is considered an exception, as it has rules that lead to lower dollarization and the maintenance of the account receivable in Chilean pesos.

The corporation's assets increased by S/ 276 million compared to December 2022 (from S/ 6,249 million in 2022 to S/ 6,525 million in 2023). Inventory increased by S/ 49 million (from S/ 2,207 million in 2022 to S/ 2,256 million in 2023) as a result of the arrival of machinery and spare parts to be delivered in the following months. Accounts receivable also increased by S/ 51 million (from S/ 1,330 million in 2022 to S/ 1,381 million in 2023), mainly due to higher billings to large mining and government clients in the last months of the year. When analyzing the number of days of inventory, there was an improvement in turnover, from 158 days in 2022 to 156 days in 2023, while, with respect to the turnover of accounts receivable, collection days rose from 55 in 2022 to 59 in 2023. Likewise, fixed assets grew by S/. 178 million (from S/. 1,648 million in 2022 to S/. 1,826 million in 2023) mainly as a result of investments in infrastructure works, the acquisition of premises for the Ferreyros company that were rented in the past, investments in machinery and equipment for workshops, and the purchase of a new rental fleet.

As one of the pillars of its strategy, Ferreycorp permanently evaluates growth through new businesses and products, in order to continue to increase its sales level and complete the value proposition to its customers. In particular, in 2023, it did not invest in new businesses.

It should be noted that the financial debt includes US\$ 12 million corresponding to the application of IFRS16 Leases. This standard indicates that lease contracts must be converted into a liability and an asset equivalent to the right to use the property covered by the contract.

The corporation's total indebtedness recorded an improvement, with a debt/equity ratio of 1.45 in 2023 versus 1.51 in 2022, in line with the profits achieved, and remaining within the acceptable debt range. The net financial debt/EBITDA ratio at the end of 2023 was 2.25, lower than the 2.30 ratio recorded at the end of 2022.

It is worth mentioning that Ferreycorp's shares had a positive performance in 2023, in spite of the national and global economic situation. The opening price for 2023 was S/

2.26 and the closing price was S/ 2.48. In 2023, the company paid S/ 231.3 million in dividends to shareholders (S/ 131.3 million corresponding to fiscal year 2022 and S/ 100 million as an advance dividend for fiscal year 2023), which represented, in soles, S/ 0.2458 per share, or a dividend yield of 9.9%. The S/ 100 million delivered as an advance dividend payment was equivalent to a cash dividend of S/ 0.1068 per share, which was paid to shareholders on October 26, 2023.

Also, in May 2023, the Board of Directors agreed to increase the company's share repurchase program to 10% of the capital stock, i.e. 94 million shares. The balance of treasury shares is 12,310,817 shares as of December 31st, 2023.

For more information on the topics addressed in this chapter, please refer to Appendix 1, Management's Discussion and Analysis of the Audited Financial Statements; Appendix 3, section 3.1, Share Capital and Share Price Performance; and the Sustainable Management chapter, section Corporate Governance.

5. Sustainable Management

For Ferreycorp and its companies, business management must seek the sustainability of the organization and the environment in which it operates. In this sense, the corporation understands sustainability as an integral part of its way of operating: it is key to its corporate strategy and is closely related to its purpose, "Together we create development". Therefore, it applies environmental, social and governance (ESG) practices in its sustainable management model, taking care to generate positive impacts on its customers, shareholders, suppliers, employees and other groups in society and, in turn, mitigating and controlling the effects on the environment. Likewise, it endorses the United Nations Sustainable Development Goals (SDGs), and they guide the definition of its strategy, programs and actions, also gathering the opinions and expectations of its stakeholders.

Ferreycorp believes that the company must be an agent of change in society, taking advantage of its resources and capabilities, and the broad spectrum of audiences it addresses. This is possible thanks to a long-term commitment to generating value for its stakeholders (shareholders and investors, employees, collaborators, customers, community, suppliers, the environment, government and society in general), within the framework of transparent and ethical behavior and an inclusive and responsible vision, and with the support of the highest levels of the corporation.

This conviction existed long before both the concepts of sustainability and social responsibility were widely disseminated.

As such, the organization applies best practices in terms of attracting, motivating and retaining talent; investor relations; access to capital; comprehensive risk management; and positioning and reputation, both in the market and in the society in which Ferreycorp and its companies operate.



Economic Dimension and Corporate Governance

Corporate Governance

Risks and compliance

Relationship with customers and suppliers

Social Dimension

Human capital management

Community impact

Environmental management

Complementing the information on commercial, operations and financial management presented in chapters 3 and 4, this chapter presents the other aspects of sustainable management, as well as the main results achieved in 2023.

5.1 Economic Dimension and Corporate Governance

5.1.1 Corporate Governance

Ferreycorp's commitment to transparent governance and sustainability is based on elementary principles. These include: having clear policies of the Board of Directors; ensuring equitable treatment of shareholders; conducting the organization with integrity, fairness, and seriousness; guaranteeing transparency of information in the management of the company; and developing areas of control, risk management, and compliance. To foster a climate of respect for the rights of shareholders and investors, the corporation adopts the best corporate governance practices, which contribute to the generation of value, soundness and efficiency.



The corporation has voluntarily adopted the principles of the Code of Good Corporate Governance for Peruvian Companies, updated in 2013, which is structured in five pillars organized in thematic areas: **i) Shareholders' Rights; II) General Shareholders' Meeting; III) The Board of Directors and Senior Management; IV) Transparency of Information; and v) Risks and Compliance.**

Ferreycorp's shareholders and investors not only value aspects such as market leadership, the generation of expected profitability and the preservation of a healthy financial structure, but also dimensions such as the organization's commitment to its human resources, society and the environment.

Both its leadership and its high compliance standards have enabled the corporation to win a series of awards in Peru and abroad for its good environmental, social and corporate governance (ESG) practices.

The following is a summary of how the corporation treats the five areas of the Code of Good Corporate Governance. For more information on this pillar of corporate governance, please refer to Section A- Cover Letter of the Report on Compliance with the Code of Good Corporate Governance for Peruvian Companies.

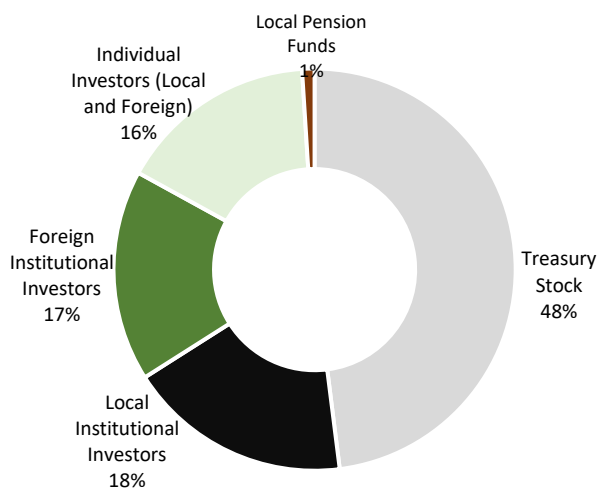
5.1.1.1 Rights of Shareholders

Ferreycorp ensures equal treatment of its 3,987 shareholders, protecting their rights. At the same time, it ensures appropriate and timely disclosure of all corporate matters considered relevant, and is governed by strict insider information guidelines. Likewise, it ensures the strategic management of the organization, through the effective monitoring of the Board of Directors and the definition of its responsibilities towards the shareholders.

a) Ferreycorp shareholders

100% of the corporation's outstanding shareholding is distributed as follows:

Composition of Ferreycorp's shareholders as of December 31st, 2023



On the other hand, the free float of the corporation was 81.06% at the end of 2023. This percentage excludes shares held by members of the Board of Directors and Senior Management, including relatives; employees; Peruvian government entities; banks, finance companies, municipal savings banks under the supervision of the SBS; entities not included in the previous numerals; and shares in portfolio, as defined by the Superintendency of the Stock Market.

b) Shareholder profitability

For more than 20 years, the corporation has fully complied with its Dividend Policy, fulfilling one of the main rights of shareholders: to receive the profitability generated by their investment. Thus, it promotes the permanent improvement of the value of its shares through the achievement of good financial results and transparent information practices.

At the General Shareholders' Meeting held in March 2023, it was approved to distribute dividends for a total of S/ 251,327,666.14 corresponding to fiscal year 2022. Since in September 2022, S/ 120,000,000.00 had been distributed on account of the 2022 profits, the remaining amount to be distributed was S/ 131,327,666.14. Shareholders received in May 2023 the equivalent of S/ 0.1390 per share, which represented a dividend yield of 5.6%.

A few months later, in October 2023, shareholders also received S/ 100,000,000.00 on account of the 2023 profits, equivalent to S/ 0.1068 per share, which represented a dividend yield of 4.3%. Considering the total dividend distribution in 2023, the dividend yield for the year was 9.9%.

Dividend yield* of Ferreycorp for the last 10 years

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Dividend yield</i>	4.4%	5.2%	5.0%	5.3%	5.7%	10.4%	8.8%	9.6%	11.6%	9.9%

(*) **Profitability per dividend** indicates the return that has been achieved on the amount of the investment through the company's dividend payout alone. The calculation considers the year-end share price.

It should also be mentioned that, despite the challenges experienced during the year, Ferreycorp's shares had a positive performance for the year. The opening share price for 2023 was S/ 2.26; and the closing share price was S/ 2.48. Such increase in the share price, added to the dividend per share, enabled to achieve a 20% shareholder return in 2023.

Since 2016, the corporation has had a market maker to provide greater liquidity to its shares on the Lima Stock Exchange (BVL, for its acronym in Spanish).

5.1.1.2 Shareholders' Meeting

Among the key issues discussed at the **Shareholders' Meeting** are the evaluation and approval of strategic decisions for the corporation's operations. In this space, where the results of the previous year's management are reported, the dialogue and participation of the shareholders is promoted. In this context, Ferreycorp promotes that the motions on the agenda are disseminated and approved by the largest number of shareholders or represented through their proxies present at the meeting, and seeks to increase the quorum at the annual meeting. The installation quorum of the Meeting held on March 29th, 2023 was 68.20%, reaching up to 85% during the session, with the direct participation or by proxy of 131 shareholders.

5.1.1.3 The Board of Directors and Senior Management

In its composition, the corporation seeks to ensure that the **Board of Directors** is made up of people with vast professional experience in different fields of economic activity, especially those linked to the company's strategy, and that they contribute diversity. It also promotes the participation of independent and non-independent members. The active participation of members with diverse and enriching experiences, training and backgrounds is valued in meetings and committees.

The Board of Directors, thanks to its current composition, has skills and experience in the mining, construction and agricultural sectors, knowledge of representations and distribution businesses, expertise in innovation and technology, experience in investment and portfolio management, talent management and sustainability issues, among others.

5.1.1.4 Transparency of information

Ferreycorp ensures **appropriate information disclosure and transparency**. All important issues for shareholders and investors are disseminated with accurate and regular information through communication channels, mainly virtual and easily accessible. In turn, the corporation has encouraged an increasing inclusion of public information required to support the results of sustainability initiatives and its environmental, social and corporate governance practices, making it available to all its stakeholders.

The corporation's Corporate Finance Management has an Investor Relations area, which maintains constant communication with current and potential shareholders. Thus, during 2023, 344 investors participated in conferences, meetings and telephone calls. In addition, Ferreycorp provides its shareholders and investors with a quarterly management report and a conference call in English, with the participation of the general manager, whose objective is to present and explain the financial results of the period, as well as the performance of the business and other topics of interest.

The corporation, it is important to note, contemplates regulations and guidelines on the handling of privileged and reserved information.

5.1.2 Risks and compliance



5.1.2.1. Corporate Control Environment

The Board of Directors of Ferreycorp, in its role of ensuring the integrity of the accounting systems and financial reporting as part of its fiduciary duty to the company and the shareholders, submits to the Shareholders' Meeting its proposal for the external auditing firm. It is the Board that assumes the responsibility each year of auditing the individual and consolidated financial statements of the corporation's companies.

It should be noted that the Internal Control environment integrates internal auditing, the Compliance System and Ferreycorp's corporate risk management. Therefore, it contributes to a corporate performance based on values and, at the same time, promotes the company's sustainability. By reaching all employees and managers of the organization, it is responsible for promoting socially responsible business, contributing to strengthen the confidence of stakeholders and promoting decision making based on risk analysis.

a) External audit

After evaluating the service received during 2022, at a meeting held on February 22nd, 2023, Management proposed to the Audit and Risk Committee of the Board of Directors to hire the firm EY to audit the financial statements for fiscal year 2023. For the past two years, EY has been responsible for the financial audit of the company and its subsidiaries, to the full satisfaction of the corporation. In this regard, the Board of Directors saw fit to recommend to the General Shareholders' Meeting the appointment of the firm Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada, a member firm of EY, to carry out the audit for fiscal year 2023.

b) Internal audit

At the December 19th, 2022 meeting, the Audit and Risk Committee of the Board of Directors approved an annual plan for 2023 consisting of 195 tasks for the year and ratified the appointment of the Corporate Audit Manager (internal auditor). This Management participated in the four sessions of the Committee during the year, in which it presented the progress of the execution of the 2023 Annual Plan, the results of the audit reviews and the implementation of the recommendations of the 2022 Annual Plan (97% of a total of 973 were implemented) and the 2023 Annual Plan (71% of the 1,507 recommendations issued in 2023 were implemented). Likewise, at the December 18th, 2023 session, the 2024 Annual Plan was approved, consisting of 270 projects for operational, process, regulatory and continuous audits, among others.

5.1.2.2. Risk management

In order to achieve sustainability and generate value for its stakeholders through risk mitigation, Ferreycorp has guidelines aligned with the principles of good corporate governance and its values. An organizational culture that promotes proactive risk management is fostered.

The corporation has a Corporate Policy for Integral Risk Management to carry out this process. This policy is based on several international standards and an internal methodology that contains components such as:

- **Risk Identification:** Process by which the internal and external risks of Ferreycorp and its companies that affect the strategy and business objectives are identified. Risks must be identified and prioritized to establish their impact on compliance, and are classified as Strategic, Operational, Financial, Compliance and Emerging.
- **Risk Assessment:** Process by which the risks of an enterprise, operation or project are assessed using qualitative or quantitative techniques or a combination of both. Risks are evaluated in their inherent and residual state, and are prioritized according to their criticality.
- **Risk Treatment:** Process by which it is decided to accept the risk; mitigate the risk, i.e. reduce the probability of occurrence/frequency and/or reduce the impact; transfer it totally or partially; avoid it or a combination of the above measures.
- **Risk Monitoring and Control:** Mechanism to follow up on the implementation of the response plans defined to mitigate the main inherent risks identified, which results in risk maps for all group companies.

- **Organizational Context and Risk Communication:** Comprises the internal organization and governance of the corporation's risks. There is a specialized area headed by the Senior Corporate Risk Management Executive, who reports directly to corporate finance management, which in turn reports to the Corporation's General Management. Workshops are organized to follow the aforementioned steps with the leadership of each company's senior management. The report on the risks identified and their progress are communicated to the Audit and Risk Committee of the Board of Directors.
- **Incident Management:** Preparation to respond efficiently in the event of unwanted incidents.

In December 2023, it was presented to the Audit and Risk Committee of the Board of Directors the risk maps of all the companies, the control activities and their mitigation. This work is the result of keeping the identification of the risks of all the companies of the corporation up to date.

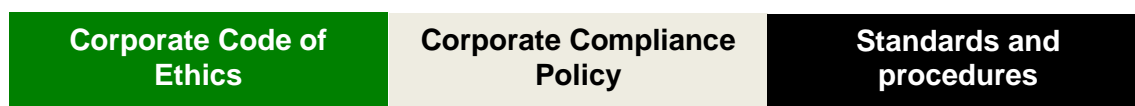
Similarly, during the year, the main representative Caterpillar was integrated into a program of specialized talks by the Corporate Risk Unit, with the participation of a hundred representatives of Ferreycorp and its companies, in which central issues of the organization's risk management were presented.

In addition, the Contingency Plan for the El Nino Phenomenon was prepared, coordinating with all the areas involved in the event of possible scenarios, such as infrastructure damage at the premises, inventory breakdown due to lack of availability or logistical impacts on the supply chain, as well as inconveniences that could harm its employees.

5.1.2.3 Compliance System

Ferreycorp has implemented the Compliance System for the prevention of crimes, especially corruption and money laundering, in order to ensure that the actions of all employees are carried out within the framework of a culture of integrity, in line with ethical values and principles, and respecting the legal framework applicable to all areas of business management.

The system is based on three pillars:



The **Corporate Code of Ethics** describes the corporate values that guide the behavior and decision-making of all Ferreycorp's employees, including officers and directors, without exception. At the same time, it defines the fundamental lines of action that govern the links with the different stakeholders, based on ethical principles.

In turn, the **Corporate Compliance Policy** reflects the corporation's commitment in its fight against bribery in any form; through an agent or a third party; in relation to a public employee or a natural or legal person; in any situation that may arise; as well as against the crimes of collusion, influence peddling, money laundering and financing of terrorism. The development of this policy, as well as the measures and the design of the

Compliance System that is deployed, contemplates the requirements established by the ISO 37001:2016 standard, as well as the laws and regulations in force in the field of compliance and crime prevention.

Likewise, specific corporate **standards** have been developed to guide the actions of collaborators, officers and directors in circumstances that potentially present risk situations, such as the giving or receiving of gifts, conflict of interest, business with government agencies and relationships with public officials, as well as other standards related to reputational risk control and preventing corruption in business with third parties. Likewise, there are **procedures** focused on identifying and evaluating risks; managing communications; auditing the system, among others, promoting its efficient management.

By the end of 2023, the Compliance System, which systematizes, organizes and implements different Ferreycorp initiatives in this area, is implemented and certified in nine of the corporation's companies: Ferreycorp, Ferreyros, Unimaq, Soltrak, Fargoline, Orvisa, Forbis Logistics, Soluciones Sitech Peru and Ferrenergy. Likewise, during 2023 the integration of the system into the processes of the companies located abroad began, an initiative that will continue during 2024.

It is important to highlight that by the end of 2023, all Ferreycorp companies in Peru have an anti-corruption certification, demonstrating their commitment to the matter. Thus, the parent company Ferreycorp and all its companies in Peru have the Anti-Bribery Certification granted by the Businessmen for Integrity Association. The companies Sitech and Ferrenergy obtained it during the year, joining Ferreycorp, Ferreyros, Unimaq, Soltrak, Fargoline, Forbis and Orvisa, which received it previously.

Also in 2023, Ferreyros, Orvisa and Forbis achieved ISO 37001 Certification: Anti-Bribery Management System, after verification by the independent auditing company SGS. Thus, there are six Ferreycorp companies with this certification, considering also Unimaq, Soltrak and Fargoline, which achieved it in previous years.

These certifications demonstrate the existence and proper functioning of an anti-corruption regulatory system, and the commitment to a culture of integrity in the corporation and its companies, with clear principles to promote ethical behavior based on values with all stakeholders.

It should be noted that, as part of the main elements for the operation of the system, there is a Corporate Ethics and Compliance Officer, a whistleblower channel and training processes for employees and suppliers in these aspects.

5.1.3 Relationship with customers and suppliers

The corporation, through its companies in Peru and abroad, is dedicated to the commercialization of capital goods of prestigious brands and recognized quality. It has increasingly higher levels of loyalty due to its attributes of excellence in the quality of products and services, as well as in customer safety, with the purpose of satisfying their expectations, establishing solid long-term relationships and generating recommendations.



Along these lines, Ferreycorp companies, in particular the flagship company Ferreyros, are characterized by offering an after-sales service recognized for its quality. They have national coverage; support in an extensive network of workshops, with the participation of trained technicians; and field service capabilities. In order to respond efficiently to customer needs, its efficient supply chain includes a large inventory of spare parts, a network of approved carriers and the logistical capacity of companies such as Fargoline and Forbis Logistics, guaranteeing minimum times for the arrival and dispatch of products.

5.1.3.1 Clients

a) Product quality and customer satisfaction

Ferreycorp companies apply six best practices to implement a customer experience management model aimed to build customer loyalty:

- Design of experiences consistent with the brand promise of products and services.
- Periodic information gathering mechanisms such as the “Voice of the Customer” survey.
- Specification of loyalty indicators (satisfaction, repurchase, recommendation).
- Service recovery actions.
- Analysis of customer pain points or insights.
- Specification of initiatives to improve customer experience and/or improve the value proposition of products and services.

With the aforementioned “Voice of the Customer” survey, it is possible to determine the customer satisfaction index, as well as the net loyalty score (NLS). The latter considers three relevant indicators: satisfaction, repurchase intention and recommendation. Based on these three ratings, on a scale of 1 to 10, the number of loyalists or promoters -who score 9 or 10 in the three questions- minus detractors -who register 5 or less in any of the questions- is identified.

b) Customer Privacy

Ferreycorp and its companies, in compliance with the Peruvian Personal Data Protection Law, request prior, informed, express and unequivocal consent to process the data or information of a natural person. In the case of processing sensitive data, written consent is also required.

In addition, the corporation has established rules and procedures to ensure the proper handling and storage of customer data:

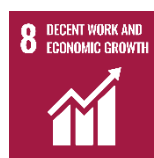
- GTPI-SEG-NC-003: Corporate Standard for the Protection of Personal Data.
- INP-SEG-PRC-002: Corporate Procedure for the Management of Incidents Related to the Personal Data Protection Law.

In the data management rules, a relevant point is to have the consent of the owner to access their personal data, except in cases exempted by law, and its use for the purposes established.

Meanwhile, customers of Caterpillar's dealer companies digitally approve a Data Management Statement, with which they grant Caterpillar authorization for the collection, use and sharing of information, which can be personal, system and operational data.

5.1.3.2 Providers

In its effort to establish lasting and reliable ties with its principals and suppliers, Ferreycorp operates from a perspective of mutual growth and promotes relationships based on fair, loyal, and transparent treatment. The corporation and its companies aim for their suppliers to assume an ethical commitment and behave responsibly, in both social and environmental terms.



Thus, the group's suppliers must abide by the Corporate Code of Ethics, Supplier Code of Conduct, Compliance System and other related corporate standards, in addition to complying with the regulations in force within the scope of their business activity.

The corporation considers eligible suppliers to be those that provided services to all group companies in Peru. At the end of 2023, there were a total of 9,585 registered suppliers. In addition, it was observed that 21% of the purchases made by Ferreycorp and its companies during the year corresponded to local suppliers, while the remaining 79% came from international suppliers, given its role as a distributor of globally prestigious brands with goods manufactured in several regions of the world. Foreign suppliers are mostly corporations with a global presence that have also adhered to principles of responsible and sustainable management.

Number of suppliers and purchases made by the corporation in 2023

	Billing amount (S/)	
Total purchases of goods and services	S/ 6,243,448,965	100%
Total domestic purchases (goods and services)	S/ 1,297,208,319	21%
Total foreign purchases (goods and services)	S/ 4,946,240,646	79%

	Number of suppliers	
Total purchases of goods and services	9,585	100.00%
Total domestic purchases (goods and services)	9,124	95.19%
Total foreign purchases (goods and services)	461	4.81%

a) Supplier risk management

It is a central part of Ferreycorp's management to mitigate risks related to the supply chain, especially in the contracting of suppliers. In this way, a formal risk assessment is carried out, following the relevant regulations and considering variables such as severity, damage to the image, legal compliance and operational continuity.

In turn, the corporation has a Compliance System, in which it has integrated good practices, anti-corruption clauses, ethical principles and sustainable development in contracts. In addition, it requires a Supplier Affidavit and a Due Diligence Questionnaire in the supplier file, in accordance with established ethical standards.

b) Supplier evaluation and selection

The supplier selection process at Ferreycorp and/or its companies is carried out through a competitive bidding process, either through a private bidding process or through an administrative procedure. Thus, it is considered aspects such as price, quality, delivery time, good sustainability practices, as well as the review of financial aspects and commercial references of the candidates.

c) Approval of suppliers

It is an indispensable requirement that non-commercial suppliers, including service and workshop suppliers, administrative suppliers and carriers, be approved. This is done to comply with the recommendations of Ferreycorp's Compliance System and its companies. In 2023, a total of 2,040 suppliers were approved nationwide.

Thus, the corporation can have a database of suppliers to meet the needs and activities presented, approved under criteria of compliance, legal, financial, HSE, among others, and following the requirements and corporate standards.

d) Suppliers training

The training of suppliers, both internally and externally, is promoted by the corporation and its companies in a sustained manner. Thus, at the end of 2023, 3,457 suppliers were trained nationwide.

The following topics were presented in the internal training sessions: sustainability, labor rights, gender equity, diversity and inclusion management, climate change, compliance system, eco-efficient driving, SIRE, health and safety, among others. All the purchasing managers of the different companies were also invited to participate.

The following aspects were addressed in the external programs and/or training:

- **Competitive Businesses** of the Global Reporting Initiative (GRI), allowed 53 suppliers to issue their Sustainability Report (35 companies did so for the first time).
- **Platform Provee Pyme**, the initiative of the ILO and Confiep that connects large corporations with small and medium-sized companies, ensured that 27 suppliers were registered by the end of 2023.
- **The Score Program** of the Ministry of Labor and Employment Promotion enabled 12 companies to complete this program, which seeks to increase productivity and improve the processes of MSMEs (delivery times, labor relations, etc.).

Training for suppliers in 2023

	Holding company Ferreycorp	Ferreiros	Unimaq	Orvisa	Forbis
Total number of suppliers trained	1072	1534	529	29	56
Man hours of supplier training	8	1767	1058	1	1
Number of suppliers trained in health and safety	47	633	56	0	0
Number of suppliers trained in the Compliance and Due Diligence System	64	284	359	29	56
Number of suppliers trained in sustainability topics	447	583	57	0	0
Number of suppliers trained in other topics	514	34	57	0	0

	Soltrak	Fargoline	Sitech	Ferrenergy	Total corporate
Total number of suppliers trained	38	150	40	9	3457
Man hours of supplier training	1	3	6	1	2846
Number of suppliers trained in health and safety	0	50	10	0	796
Number of suppliers trained in the Compliance and Due Diligence System	38	25	21	9	885
Number of suppliers trained in sustainability topics	0	25	9	0	1121
Number of suppliers trained in other topics	0	50	0	0	655

Homologation of suppliers in 2023

Homologations	Holding company Ferreycorp	Ferreyros	Unimaq	Orvisa	Forbis
Internal	0	0	426	111	54
External	88	625	120	23	5

Homologations	Soltrak	Fargoline	Sitech	Ferrenergy	Total corporate
Internal	382	0	43	0	1016
External	71	77	9	6	1024
					2040

e) Due diligence of suppliers

In order to prevent any act of corruption or being compromised in the commission of any related or related crime, the corporation submits all suppliers to due diligence controls in general. These are included in the Corporate Standard for Due Diligence on Customers, Suppliers and Collaborators GEN-GCAC-NC-008, independently of the process of each company.

5.2 Social Dimension

5.2.1 Human capital management

5.2.1.1 Human capital management model

Ferreycorp performs a dedicated human capital management in all its companies, being aware that more than **7,400 employees** in Peru and abroad are the most important and valuable resource of the corporation, allowing it to maintain its success and transcendence in 101 years of trajectory.

Thus, aligned with its purpose and values, and with the business strategy, Human Resources management is based on the following strategic focuses:

- Ensure a Value Proposition to the collaborator in which occupational health and safety is prioritized, and actions are carried out for their physical and mental well-being.
- Develop a solid culture that aligns employees with business objectives, as well as a work environment that motivates and provides the necessary conditions for them.
- Manage talent in our companies: attract, retain and develop it to reach its full potential.
- Generate efficiencies at the organizational level to optimize the structure in each company, create synergies among the companies of the corporation and foster a culture of high performance to achieve the best results.

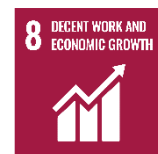
In order to ensure optimal human capital management within Ferreycorp, the Corporate Human Resources Management provides a management framework to all its companies in the countries where it operates. The latter have their leaders as the main promoters of change from each of their specialized areas of human resources management.

This section describes relevant aspects of the corporation's human resources management.

5.2.1.2 Employment

a) Employment generation

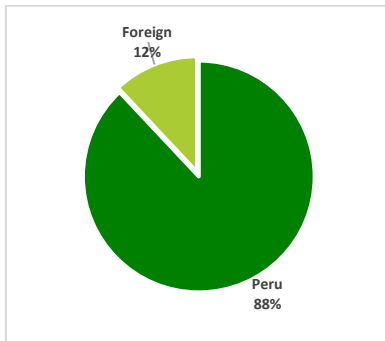
Ferreycorp has developed a value proposition for all its employees, based on producing pride and purpose; providing them with quality of life and an excellent work environment; and encouraging their personal and professional growth, including a competitive compensation and benefits system.



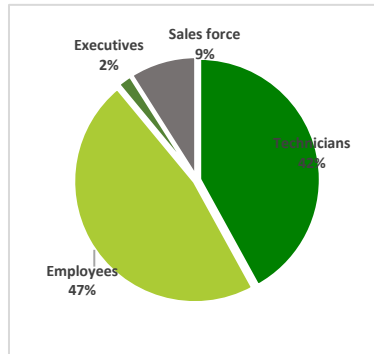
At the end of 2023, the team of employees of the corporation and all its subsidiaries in Peru and abroad totaled 7,464 people, compared to 7,022 in 2022. In this way, the organization has continued to incorporate talent to its workforce, backed by solid values and commitment.

Below you will find the distribution of the workforce of the entire corporation according to geographic location, type of employee and gender.

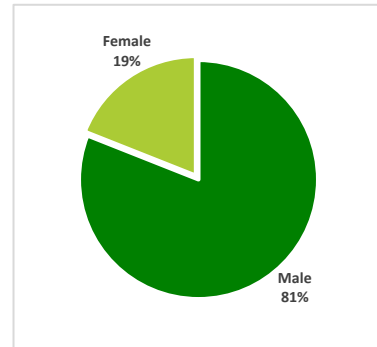
Distribution by geographic location



Distribution by type of employee



Distribution by gender



b) Employee relations

Respect for workers' freedom of association is essential for Ferreycorp and its subsidiaries in Peru and abroad. Therefore, it has no policies that affect their decisions to belong to unions or to sign collective bargaining agreements.

Since 1946, the Unitary Workers' Union has uninterruptedly represented the personnel of Ferreycorp, the corporation's main company. This group of collaborators, with 650 members at the end of 2023, including employees and technicians, maintains good relations with the company and contributes to improving policies that favor working conditions. It should be noted that it is in the process of collective bargaining for the 2023-2024 period.

At the same time, the Trex subsidiary, in Chile, has a Unitary Union made up of 85 employees, which also maintains a good relationship with the company. In 2023, a new collective bargaining agreement was agreed directly, maintaining the agreed benefits for three years.

The corporation, committed to ensuring compliance with legal labor standards, standardizing processes, and managing labor relations among employees, has continued to strengthen the advice it provides to its companies in Peru and abroad in this area. Likewise, it maintains respect for the principles of gender equity and equality and non-discrimination in employment. Likewise, it has reinforced the process of reporting labor harassment through the Ethics Channel and training.

c) Compensation and benefits

The compensation system of Ferreycorp and its subsidiaries, both in Peru and abroad, is based on job evaluation using a methodology that considers factors such as the complexity of the function, the specialized knowledge required and the level of decision making. Using this information, salary scales are elaborated taking into consideration data from salary surveys in the labor market. The objective of this system is to ensure internal equity and external competitiveness, under the framework of the Corporate Compensation and Benefits Standard applicable to the entire corporation.

It should be noted that, according to an analysis carried out in the companies in 2023, there is salary equity with equal average annual income between women and men.

In addition, there are short-term variable compensation schemes. An example of this is the performance bonus for Ferreycorp employees in Peru and abroad, which takes into account performance evaluation and the achievement of their objectives for the previous year. Incentives are also offered to the sales force and sales managers based on the fulfillment of certain objectives and goals established by each company.

5.2.1.3 Diversity and human rights

a) Gender equity

In Peru and abroad, 1,439 women worked at Ferreycorp and its companies at the end of 2023, representing 19% of the total number of employees, compared to 18% in 2022.

In particular, the percentage of women in non-technical positions increased to 29% of total employees in 2023, compared to 28% in 2022.

It is important to note that Ferreycorp's General Management, Corporate Human Resources Management and Corporate Finance Management, among others, are headed by women. It is worth noting that 30% of the management positions in the parent company Ferreycorp and its subsidiaries in Peru were occupied by women at the end of 2023, compared to 25% in 2022. At the same time, the boards of directors of the corporation and its subsidiaries include female talent.

Ferreycorp maintains equitable management between men and women in terms of salaries, job opportunities and positions.

Ferreycorp has carried out several initiatives to promote the development of women in the labor market, including technical careers, where the market still has a limited supply. Among them, the offer of internships for women in technical positions and scholarships for technical careers in specialized institutes. In turn, Ferreyros' +Juntas program is focused on the emotional well-being of female technical personnel. In 2023, the VI Ferreycorp Women Leaders Meeting was also held, which addressed issues related to equity and professional development of women within the corporation. All the women in the organization had the opportunity to attend this event, on site and virtually.

In Peru and abroad, the corporation's diverse actions to promote gender equity among its employees are framed under its Peers program, created in 2018. This seeks to ensure equal opportunities without distinction for employees, also including different skills, ethnicities and cultures, LGBTQI+ community and generations.

In that sense, in 2023, Ferreycorp was distinguished within the Top 10 in its category in gender equity and diversity in Peru, according to the PAR ranking of the consulting firm Aequales. The evaluation considered four fundamental areas for gender equity: management of objectives, organizational culture, organizational structure and talent management.

Likewise, the Good Practices Contest of the Peruvian Ministry of Labor awarded Ferreyros first places in two categories for its support to its workers and their families during the pandemic: "Promotion of work-family balance" and "Employment, corporate solidarity and social participation in situations of force majeure". Also, the parent company Ferreycorp took first place for the program "Zero tolerance to sexual

harassment and gender violence" in the category "Prevention of harassment or sexual harassment in the workplace".

b) Equal opportunity and inclusion

With the commitment to promote and maintain a work environment free of discrimination, Ferreycorp and its subsidiaries in Peru and abroad favor equal opportunities based on the merits of each employee, regardless of gender, ethnicity, origin, creed, sexual orientation or social status. The corporation's employees, it should be noted, come from different geographical areas and different socioeconomic strata.

c) Respect for human rights

As part of its commitment to the respect and protection of human rights, Ferreycorp and its subsidiaries in Peru and abroad incorporate international standards to ensure respect for human rights in the scope of their activities. Therefore, the corporation is aligned with the principles included in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Declaration.

The corporation does not endorse or contemplate the employment of minors, inside or outside the workplace, and does not use or sponsor practices that induce forced or compulsory labor against their will or freedom of contract.

5.2.1.4 Development of collaborators

a) Performance Management

Over the years, Ferreycorp has reinforced the Performance Management Program in its systematization processes, measurement parameters, and competency model: We have passion for our clients, We are agents of change, We generate knowledge and self-learning, We work as a team, and We achieve results with excellence.

In 2023, 99.9% of the employees of all the corporation's subsidiaries in Peru and abroad completed their performance evaluation, while 98.8% defined their objectives and incorporated them into the evaluation system, allowing better monitoring of the results achieved by each employee and their action plans. The percentages of compliance are considered as of the official closing date of the processes. The minimum percentage of people who could not comply is made up of employees who were on medical leave during the processes; however, these cases are regularized upon their return.

b) Succession and leadership development

During 2023, the corporation promoted the development of capabilities to successfully face the challenges of the business. To achieve this, it designed a new version of the For the Next 100 Years program, aimed at the main leaders of the organization, with the objective of strengthening their skills and knowledge aligned with the corporate strategy, focusing on three key topics: trends and challenges of the environment, strategy and leadership, and the impulse to innovation. The second version of the LiderazGO program, aimed at managers and supervisors, focused on team management skills and skills for the future, such as data-driven decision making. A total of 370 leaders participated in both programs, with high levels of satisfaction, from 90%. The corporation will continue to promote leadership initiatives and will focus on ensuring the succession

of critical positions, and on fostering talent that will enhance its growth through assessments and development actions.

c) Training and job opportunities

In its effort to promote the development of its employees, Ferreycorp provides both internal and external training. Thus, in 2023, 8,199 employees of the corporation in Peru and abroad were trained; this figure includes personnel who are still working to date, as well as personnel who have already left the company. A total of 258,883 hours of training were provided, with an average ratio of 32 hours per employee. The knowledge provided at the corporate level can be grouped into seven main types: soft skills, leadership skills, skills specific to each role, digital skills, technical skills (Pro programs), and regulatory and safety, health and environmental (HSE) training.

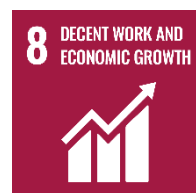
The corporation maintained agreements with several institutions to offer its employees scholarships and discounts for studies at several levels of education. In Peru, 16 agreements were in force in 2023.

Likewise, employment opportunities led to movements between the group's subsidiaries, with 612 employees changing positions. Of the total, 189 were promoted, while 423 participated in horizontal movements in Peru during 2023.

5.2.1.5 Health and Safety

a) Occupational health care, safety and working conditions

The corporation is committed to protecting its employees, in line with its corporate values, such as fairness, integrity and respect for the individual. Therefore, Ferreycorp's Safety, Occupational Health and Environmental Management System in Peru and abroad follows high standards that regulate the regulatory aspects, mechanisms for dissemination, control and monitoring, as well as the active role of the corporation's leaders.



During 2023, Ferreycorp focused on strengthening the safety culture centered on employee behavior and active and visible leadership. To this end, several activities were deployed, including the first Congress on Safety and Health at Work, whose purpose is to promote leadership in safety and share best practices. We also conducted surveys on the perception of safety culture and psychosocial risks, the results of which will be evaluated and taken into account to develop action plans to be applied in 2024. Similarly, we began implementing the SSMART Platform, with the aim of optimizing processes through digital transformation in risk prevention and standardizing the main corporate processes of safety, health and environment (HSE), based on prevention and resource optimization.

b) Safety management indicators

The corporation's safety management handles three main indicators: fatalities, the lost-time injury frequency rate for employees and contractors, and the accident rate.

During 2023, there were no fatalities, the number of events in which injuries result in the death of the employee or contractor, in the group's subsidiaries, both in Peru and abroad.

The accident rate was 0.08, while the lost-time injury frequency rate was 1.36, and the severity rate was 55.46.

c) Safety and Occupational Health Circles

In 2023, the Occupational Health Circle, created in 2020 to integrate all occupational physicians and Human Resources areas of the corporation's subsidiaries in Peru and abroad, continued to operate. Its actions have been aimed at continuing with the biosafety measures established by the regulatory body from time to time, and defining and coordinating corporate activities in occupational health, such as medical surveillance plans and programs, mental health management and general health awareness plans. As a reminder, since the beginning of the gradual return to on-site work in all companies, Ferreycorp's health protocols have been adapted to the needs of the operations and the employees who participate in them.

In addition, the Workplace Safety Circle was created, in which all those responsible for occupational health and safety in all the group's companies participate. Through these circles, synergies are generated to carry out corporate activities that are part of the annual Safety, Health and Environment (HSE) program, such as occupational hygiene monitoring, HSE training, audits of the HSE Management System, review and analysis of safety indicators, activities of the integral HSE software, as well as sharing good practices in Safety and Health issues.

5.2.1.6 Social Well-being

In order to contribute to the well-being of each of its employees, the corporation developed 232 initiatives in all its subsidiaries inside and outside Peru in 2023, having as main axes: physical health (97), mental health (97), life balance (19), various benefits (15) and entrepreneurship (4), with an average satisfaction rate of 95%. These include the "Ninos de Hierro" (Iron Children) program, to prevent and combat anemia in collaborators' children between 6 months and 5 years of age, and "Pa Lante" ('Go Ahead'), which provides guidance to employees' family members who are developing enterprises. At the same time, psychological and nutritional counseling was provided to 216 and 434 employees, respectively.

Similarly, Ferreycorp's commitment to the mental health of its employees was strengthened by revitalizing the "Talking is Preventing" program, which consists of psycho-educational workshops aimed to prevent and promote mental health. Thus, the number of interventions and the reach of the group's companies was increased. Two new actions were also developed: Podcasts "Minutos de Bienestar" (Minutes of Well-being) and interventions in the workplace for administrative, technical and operating personnel "Activa tu Bienestar" (Activate your Well-being). We also carried out synergies in support of the programs of the different companies of the corporation, such as: Pa Lante, + Juntas - Ferreyros, Voceros - Soltrak, Sembrando mi Futuro - Unimaq, among others.

These initiatives complement the health benefits offered to employees, such as a company-sponsored cancer insurance and private health insurance (EPS), in addition to the possibility of affiliating their children and spouses or partners, and having private insurance for family members (nieces, nephews, siblings, same-sex partners, parents, etc.). It is important to remember that the Social Welfare area of each company provided personalized and permanent attention in health, education and housing, among others.

5.2.1.7 Climate and culture

a) Culture and internal communication

The corporation was able to evaluate employee satisfaction in various dimensions, such as relationship with the team, culture and work environment, among others, through the 2023 Work Climate survey.

The survey showed the following corporate results:

99%
Response rate

83%
Work climate

88%
Engagement

5.2.2 Community impact

5.2.2.1 Ferreycorp Association

The Ferreycorp Association, a non-profit civil organization was founded in 1997, within the framework of the company's 75th anniversary, and concentrates the corporation's social responsibility activities. Its objective is to contribute to the training of professionals with values and civic responsibility, as well as to create specialized technical skills that contribute to the development of people and, therefore, of their communities. For this purpose, it carries out training activities aimed at the stakeholders of its associates: Ferreycorp, Ferreyros, Unimaq, Orvisa, Fargoline and Soltrak.

Since its founding to date, the Ferreycorp Association has achieved important milestones in its history: close to 50,000 students from higher education institutions nationwide have benefited from its soft skills, employability and, especially, promotion of values and civic responsibility programs. In addition, it has trained more than 6,000 operators in face-to-face events on the operation of Caterpillar machinery and has generated more than 25,000 connections in virtual chats for this specialized public, through social networks.

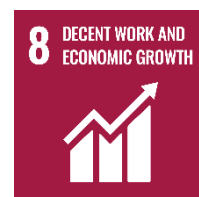
a) Training in ethics and civic responsibility for young people

During 2023, the Ferreycorp Association resumed its face-to-face activities, benefiting more than 4,200 students from universities and institutes throughout Peru with its Ferreycorp Employability Program. This result set a record in its annual scope of face-to-face programs. During the year, the Association carried out 100 free training programs, each one held over three days, in universities and institutes in the 25 regions of the country, to promote soft skills, ethical values and civic responsibility among its young participants.

At the same time, through its social networks and YouTube channel, the Ferreycorp Association shared valuable content, achieving more than 5,800 reproductions and over 1,200 live connections. In these virtual spaces, topics such as "Ethics for daily life", "Tools for well-being", "Citizen participation", "Empathy", "Ideas to take care of the environment", among others, were addressed.

b) Technical training from the Operators Club and Heavy Equipment Technicians Club

The corporation contributes to the development and recognition of machinery operators through its Heavy Equipment Operators Club, launched in 2012, as part of the organization's 90th anniversary. This initiative of Ferreycorp and its companies Ferreyros, Unimaq, Orvisa and Gentrac, Caterpillar representatives in Peru and Central America, has 22,252 members to date. It also generates positive impacts on the professional development of maintenance technicians with the Technicians Club, launched in 2016, which has more than 6,517 members by the end of 2023.



During 2023, we took up again the on-site seminars of the Operators' Club in various cities of the country, with six editions that gathered 472 attendees. In each city, the largest number of participants in the last seven years was reached. We also continued to provide virtual training through 44 one-and-a-half-hour talks, broadcast live on social networks, which reached 5,000 participants.

5.2.2.2 Technical skills training programs



a) ThinkBIG and DreamBIG Programs

Since 2002, Ferreyros and Tecsup have been successfully implementing in Peru the ThinkBIG program, a Caterpillar global initiative that seeks to train future technicians and technicians with specialization in Caterpillar products. In recent years, Unimaq and Orvisa have also joined this program.

During the year, 168 young people participated in the program, including 53 women. The latter are beneficiaries of *DreamBIG*, a scholarship program designed to encourage the entry of female talent into technical careers in heavy machinery, guaranteeing coverage of 50% of career expenses.

b) Dual Apprenticeship Programs

Under the sponsorship of Ferreyros, Unimaq and Soltrak, the Dual Apprenticeship Program of the National Training Service (Senati) integrated 55 heavy machinery maintenance students in 2023. The objective is to enrich their technical training through practical learning in the facilities of the corporation's companies, which belong to Senati's General Taxpayers' Register.

It is worth mentioning that Unimaq maintained its alliance with the Cerro Verde mining company, sponsoring 11 young people, including eight women, graduates of educational institutions located in the client's area of influence in Arequipa, in their preparation for the Senati admission exam.

Other companies of the corporation, such as Fargoline, contribute to similar dual learning models of institutions such as InLog (National Institute of Logistics).

c) Programs to promote technical careers aimed at women

Two of the corporation's programs have been providing female talent with the opportunity to develop university and technical careers. The first, the Ferreycorp Scholarship, has made it possible for two outstanding students to study Electronic Engineering and Mechatronics Engineering at the University of Engineering and Technology (UTEC) this year, thanks to an agreement established with this institution in 2019. The second, a similar program in alliance with Senati, has allowed twelve students, exclusively women, to be trained in fields such as Industrial Electricity, Automotive Mechanics and Machinery Maintenance, in the cities of Lima, Arequipa and Trujillo. Presented in 2020, this program fully covers studies and other expenses related to their academic training.



d) Specialization Program in Preventive Maintenance of Heavy Machinery

After three years, the specialization program in Preventive Maintenance of Heavy Machinery, carried out in collaboration between Ferreyros, its customer Anglo American Quellaveco and the Jose Carlos Mariategui Institute, was successfully completed. Thanks to this, 77 participants received this technical training free of charge, while five teachers were trained to give continuity to the program once it was completed.

Thus, the program had four graduates, young men and women from the city of Moquegua, whose training included face-to-face and virtual classes, with state-of-the-art equipment in the workshops, for approximately five months. This important initiative had the participation of Ferreyros' expert instructors in the training.

5.2.2.3 Corporate volunteer work

For more than 1,700 hours, 50 employees of Ferreycorp and its companies were dedicated to preparing and facilitating school reinforcement sessions for close to 3,400 students from public educational institutions nationwide. This work, carried out during the year, is part of the virtual corporate volunteering activities of the Kallpachay Educacion program, organized by Empresarios por la Educacion, Enseña Peru and Osmia.



Likewise, the annual corporate volunteering activity was resumed in order to contribute to the improvement of educational infrastructure in vulnerable areas. More than 110 volunteers from the corporation participated in the central activity held in Lima, at IE 7234 Las Palmeras- Villa El Salvador, benefiting more than 560 students.

5.2.2.4 Ferreycorp 4K

More than 3 thousand people registered to participate in the annual "Ferreycorp 4K" race, held simultaneously in 14 cities in Peru. This integration activity, which brings together the corporation's employees and their families, has been held for the past 14 years to raise funds for corporate volunteering.

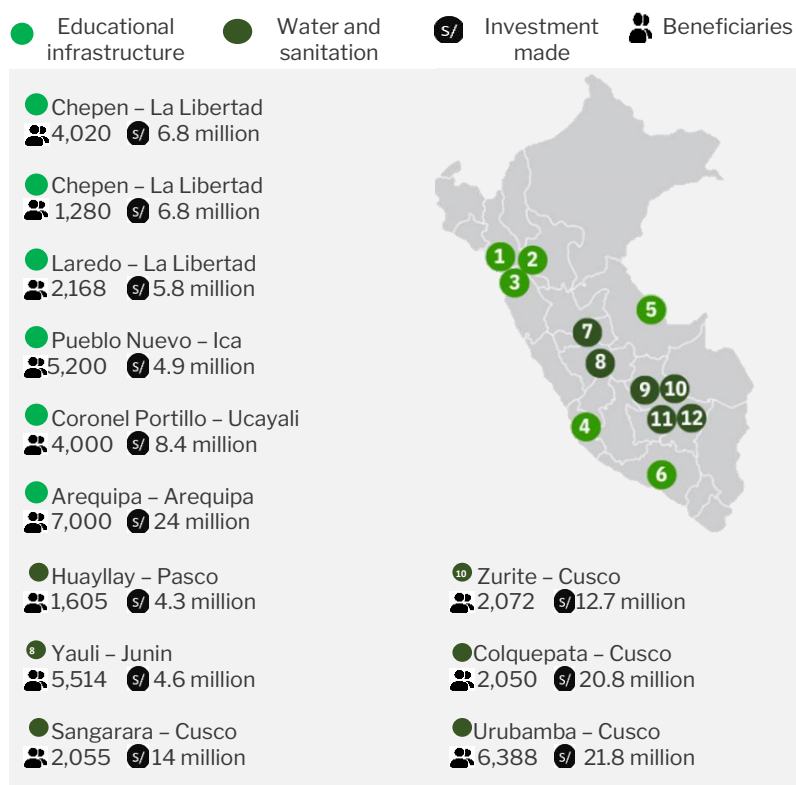
5.2.2.5 Works Projects for Taxes

Under the Works for Taxes modality, the corporation has been financing and executing public investment projects that make possible the development of water, sanitation and education infrastructure throughout Peru. In this way, it seeks to contribute to reduce the infrastructure gap in a more expeditious manner and improve the quality of life of Peruvians in different regions.



Through this mechanism, this year Ferreycorp completed the improvement and expansion project of the Juana Alarco de Dammert No. 283 kindergarten in Pucallpa, with an investment of S/. 8.4 million, benefiting more than 400 children from a highly vulnerable population center. It also signed an agreement with the Regional Government of Arequipa for the improvement and expansion of the kindergarten, primary and secondary school No. 40220 "Heroes del Cenepa", in Paucarpata, with an investment of S/. 24 million, which will benefit more than 7 thousand students over a ten-year period.

To date, the corporation's companies have allocated more than S/ 130 million in 12 projects, benefiting more than 43 thousand Peruvians in regions such as La Libertad, Ica, Ucayali, Pasco, Junin, Cusco and Arequipa.



5.2.2.6 Membership in associations

In order to promote a culture of continuous improvement and good corporate practices, Ferreycorp and its subsidiaries actively participate and/or work with several associations related to the sectors that meet the guidelines, values and policies of the corporation.



The following table shows the associations of Ferreycorp and its subsidiaries with operations in Peru.

Ferreycorp	<ul style="list-style-type: none"> ● Asociacion de Empresas de Mercados de Capitales (Procapitales) ● Consejo Privado de Competitividad ● Instituto Peruano de Accion Empresarial (IPAE) ● Peru Sostenible ● Camara de Comercio Americana del Peru (Amcham) ● Camara de Comercio Peruano- China (Capechi) ● Camara Espanola de Comercio ● Asociacion Secretarios Corporativos Latinoamerica (Ascla) ● Asociacion de Buenos Empleadores (ABE) ● Empresarios por la Integridad ● Alianzas de Obras por Impuestos (Aloxi) ● Nexos+1
Ferreyros	<ul style="list-style-type: none"> ● Asociacion de Buenos Empleadores (ABE) ● Camara de Comercio de Lima ● Camara de Comercio Americana del Peru (Amcham) ● Camara de Comercio de Canada ● Camara de Comercio Alemana ● Camara de Comercio Peruano Mexicana ● Camara Peruana de la Construccion (Capeco) ● Sociedad Nacional de Minería, Petróleo y Energía (SNMPE) ● Sociedad Nacional de Industrias (SNI) ● Sociedad Nacional de Pesquería (SNP) ● Sociedad de Comercio Exterior del Peru (Comex Peru) ● Instituto Peruano de Economía (IPE)
Unimaq	<ul style="list-style-type: none"> ● Asociacion de Buenos Empleadores (ABE) ● Camara de Comercio de Lima ● Camara Peruana de la Construccion (Capeco)
Orvisa	<ul style="list-style-type: none"> ● Camara de Comercio, Industria y Turismo de Loreto ● Camara de Comercio, Produccion y Turismo de San Martin ● Camara de Comercio e Industria de Huanuco
Soltrak	<ul style="list-style-type: none"> ● Asociacion de Buenos Empleadores (ABE) ● Camara de Comercio de Lima (CCL) ● Camara de Comercio Peruano China (Capechi) ● Asociacion Automotriz del Peru (AAP) ● Camara de Comercio Americana del Peru (Amcham)
Fargoline	<ul style="list-style-type: none"> ● Asociacion de Buenos Empleadores (ABE) ● Asociacion Peruana de Operadores Portuarios (Asppor) ● Sociedad de Comercio Exterior del Peru (Comex) ● Camara de Comercio de Lima (CCL) ● Camara de Comercio de Arequipa ● Business Alliance for Secure Commerce (BASC)
Forbis Logistics	<ul style="list-style-type: none"> ● Asociacion de Buenos Empleadores (ABE) ● Business Alliance for Secure Commerce (BASC)

	<ul style="list-style-type: none">• Asociacion Peruana de Agentes de Carga Internacional (APACIT)• The International Air Transport Association (IATA)• Asociacion de Exportadores (ADEX)• World Cargo Association (WCA)
Ferrenergy	<ul style="list-style-type: none">• Camara de Comercio de Lima• Camara de Comercio de Canada• Consejo Empresarial Colombiano

5.3 Environmental Dimension

Through the Environmental Management Programs of each company, Ferreycorp and its subsidiaries execute, monitor and audit risk mitigation plans for their environmental impacts, in line with their corporate strategy. The corporation is also focused on managing environmental aspects to reduce the impacts of climate change in the different areas of the organization.

A specialized environmental area at Ferreycorp defines the guidelines of the corporate environmental strategy and promotes and manages environmental projects in coordination with the different companies of the corporation. The Environmental Circle led by Ferreycorp is maintained as an initiative through which experiences and practices related to the strategy are shared among each company's environmental specialists.

During 2023, the subsidiaries Fargoline, Forbis Logistics, in Peru, and Trex, in Chile, continued with the ISO 14001 certification of their current environmental management system for their facilities in Callao, as well as in Antofagasta and Santiago, respectively. The Sitech subsidiary is in the final stage of the certification process, which will be completed in the first quarter of 2024.

On the other hand, during the year, Ferreycorp launched a course on Waste Management and Circular Economy for the employees of all its companies at the international level, with the result that more than 6,300 employees were trained in this area (approximately 84% of the total number of employees of the corporation).

The improvements implemented in the Ecodatos digital platform continued, incorporating the functionality to enter new information on the corporation's premises, such as environmental management instruments (EMI), urban habilitation (UH) and licenses, in addition to the record of water, electricity, waste and fuel consumption.

5.3.1 Environmental Impacts in the Value Chain

In order to identify the main areas where Ferreycorp's subsidiaries are generating environmental impacts among its stakeholders and at each stage of its value chain, it is necessary to analyze the process of importing capital goods and related products that it markets until they are delivered to the client:

- Ferreycorp's subsidiaries do not have factories in the countries where they operate; product **manufacturing** is carried out by its principals in various parts of the world, which have world-class environmental practices and an increasingly eco-efficient product development strategy.
- The **international transportation** of equipment and spare parts is carried out on ships and airplanes belonging to third party companies, which has an indirect impact.
- As soon as they arrive at customs or **warehouses**, they begin to have a direct impact, since Fargoline and Forbis Logistics, subsidiaries of Ferreycorp, are involved in the logistics chain during the import process.
- The **domestic transportation** is handled mainly by transportation companies and Fargoline, a company of the Fargoline Corporation, which is responsible for moving the equipment components and spare parts by truck. The impact is considered direct when the units are managed, whether owned or leased.

- The **use** of machinery and equipment acquired or leased by the clients of the corporation's companies corresponds to the clients themselves, so the footprint generated at this stage is indirect.
- Most of Ferreycorp's branches provide **after-sales services**, which consist of repairing the machinery or its components and other related services such as failure assessment, oil analysis, and painting, so these are processes that generate a direct impact. At this stage, the **reconstruction of equipment and components** can extend the useful life of the machinery or its components by two or three opportunities, making it the greatest contribution to the environmental strategy of Ferreycorp's companies. In this way, the generation of tons of scrap is avoided, with the consequent reduction of environmental impacts along the entire value chain.
- Finally, the parts and components that cannot be reused are sent to **smelting, recycling and/or final disposal**, processes in which alternatives must be sought to reduce the impact in a responsible manner. In the case of spare parts or components, there are procedures for **returning** them to Caterpillar to avoid a negative impact on the environment when they are destroyed.

After evaluating each impact and its importance for both the corporation and its *stakeholders*, the main areas where the greatest environmental impacts can be managed and reduced are climate, energy and emissions; water and effluents; and waste and materials. The identification of these areas allows Ferreycorp to focus its efforts on project management, as well as to take advantage of the opportunity to generate positive impacts and reverse negative ones, if any.

A The following is a description of the environmental management focused on these areas during 2023, both in the parent company Ferreycorp and in the main locations of its subsidiaries.

5.3.2 Environmental commitment in products and services

a) Machinery design

The machinery marketed by the corporation's companies incorporates modifications and new configurations made by the manufacturers to contribute to the reduction of environmental impact. For example, not only do Cat diesel and natural gas generator sets have highly efficient electric generators and engines with state-of-the-art technologies, but also, as part of the portfolio of the subsidiaries, the adoption of Cat natural gas generator sets is being promoted in the domestic market. Likewise, for several years, a wide range of Cat equipment in the country has had engines that allow reducing the emission levels of the units, while some truck models do not consume fuel in downhill or can incorporate a dual system to operate with a high percentage of liquefied natural gas (LNG).

The main brand represented, Caterpillar, set sustainability targets for 2030, including further reducing absolute GHG emissions, in scopes 1 and 2, by 30% between 2018 and 2030. It also defined a target for 100% of new products to be more sustainable than the previous generation, achieving a 51% decrease in Scopes 1 and 2 between 2006 and 2020. In addition, it continues to invest in new products, technologies and services that help its customers on the rapidly evolving path to decarbonization.

Remanufacturing and rebuild options provide multiple sustainability benefits by returning components at the end of their initial service life to the same condition as when they were new, decreasing material waste and minimizing the need for raw materials, energy and water to produce new parts.

The proposal of CAT machines continues to promote fuel savings by optimizing the design of the machines and reducing the size of diesel engines, for which it is introducing new generation models in excavators, loaders and motor graders.

On the other hand, there is a guaranteed fuel program as a result of the launching of the new generation models (*Next Gen*). The parent company guarantees a fuel consumption limit; if an excess is generated, it will be compensated through a bonus in spare parts.

b) Extended product responsibility

In 2023, Ferreyros successfully rebuilt more than 40 Caterpillar machines, contributing to the circular economy of the product by giving the units a new life for production in the field.

The company has carried out the certified rebuild of several families of Caterpillar equipment, including three units of the largest model in the portfolio, the Cat 7945 shovel, a key production equipment for copper mining, over 20 meters high; a Cat 6060 hydraulic shovel, for use in mining; mining trucks of various capacities; low profile loaders for subway mining; auxiliary equipment for use in mining; and heavy construction equipment.

The reconstruction is a reality thanks to the Cat Certified Rebuild (CCR) program, as well as Ferreyros' general equipment overhaul program, which offers the possibility of rehabilitating a wide range of machines, according to the needs of each customer.

Likewise, the reconstruction carried out by Unimaq of the first Cat backhoe loader in the world under the CCR program, specifically the 420F model, was also highlighted.

Equipment	2023	2022
Cat Low Profile Loaders	11	16
Cat heavy construction equipment	13	29
Cat Mining Trucks	7	7
Other Cat mining machines	13	12
Cat light construction machines	1	0
Total	45	64

c) Pollution control standards

Fourteen Ferreyros workshops (Arequipa; Cajamarca; Technical Development Center; Chimbote; CRC Lima; CRC La Joya; Cusco; Huancayo; Lambayeque; Piura; Rentafar; Lima Machine Shop; Hydraulic Workshop; Trujillo), its Spare Parts Distribution Center (CDR), and the Orvisa workshop in Tarapoto have been awarded Five Star Certification in Pollution Control by Caterpillar, the highest rating in the field.

5.3.3 Greenhouse Gas Emissions and Energy Use

Aware of the impact of greenhouse gas (GHG) emissions on the environment, Ferreycorp measures its carbon footprint at 66 locations in Peru and at Trex Chile, works to reduce energy consumption in its operations, and seeks to increase the use of cleaner energy sources.



a) Carbon footprint measurement

Since 2016, Ferreycorp and its subsidiaries put on their agenda the need to measure the carbon footprint in their larger locations, gradually increasing the number of sites evaluated and verified by an independent third party, under the ISO 14064-1 standard. This standard is aligned with and complies with the principles of the Greenhouse Gas Protocol (GHG Protocol).

Since the beginning of the carbon footprint measurements, more of the corporation's sites have been gradually incorporated, starting with two main sites from 2016, and nine larger sites from 2017 to 2019. Starting in 2020, two additional measurements were contemplated - one at the repair complex and another at a mining operation - thus expanding the number of locations evaluated for the 2020 period to 11. In the measurements corresponding to 2021, two additional locations were included - the Rentafer headquarters of Ferreyros and the Callao headquarters of Forbis Logistics - increasing the total number of locations evaluated to 13. From 2022 to the present, for better decision making, the corporation has been deploying a major effort to cover the measurements of its relevant operations in Peru and Trex operations in Chile, increasing from 13 locations to 66 locations in 2023, including smaller branches and operations in customer facilities.

In accordance with the update of ISO 14064 version 2018, which standardizes the measurement of the carbon footprint, it became necessary to expand the measurement coverage from categories 1 and 2 (footprint that the corporation manages or influences directly as, for example, the direct use of fuels or the consumption of electric power) to categories 3 and 4, which comprises the indirect footprint generated by transportation through third parties (waste, transportation of ground and air personnel paid by the company), in addition to the electricity used in remote work and water consumption.

From 2023, we will also measure the footprint of cargo transportation, which includes maritime, air and land transportation.

The following table contains the carbon footprint measurements taken from 2020 to 2023.

Scope	9 sites**				11 sites**			
	2020*	2021*	2022*	2023*** **	2020*	2021*	2022*	2023**** *
Total annual (scope 1 +2)	1,660.2	2,075.77	2511.70***	2955.01	2,498.26	3,126.17	3618.10* **	4793.95
Sales coverage	27.15%	29.28%	32.6%	35.0%	33.22%	36.52%	40.3%	43.1%

Scope	13 sites**				79 sites****			
	2020*	2021*	2022*	2023*****	2020*	2021*	2022*	2023*****
Total annual (scope 1 +2)	SD	3336.66	3912.37***	5102.30	SD	SD	8971.62***	10297.87
Sales coverage	SD	37.6%	42.0%	44.7%	SD	SD	89.7%	90.84%

* Emissions for 2020, 2021 and 2022 have been verified by an independent third party under the ISO 14064-1 standard.

** Emissions measured at 11 sites (two additional sites to the initial nine: Cerro Verde mining operation and La Joya site, both of Ferreyros), and those of 13 sites (two additional sites to the previous 11: Rentafar site of Ferreyros and Callao site of Forbis Logistics) are presented as part of the good practice of gradually increasing the measurement coverage.

*** The 2022 values present a slight change with respect to those reported in the 2022 Annual Report, due to subsequent verification by an independent third party.

**** In 2022, the footprint of 79 sites was measured. Due to changes due to operational needs, as well as the exclusion of two companies (Sitech and Ferrenergy), 66 sites were counted in 2023.

***** Emissions for 2023 are in the process of being measured and will be verified by an independent third party.

b) Emissions offsets

During 2023, nine subsidiaries of the corporation offset part of the footprint generated corresponding to 2022 emissions in categories 1, 2, 3 and 4 (without taking into account cargo transportation), through different projects, such as the REDD+ project Cordillera Azul National Park of the National Service of Natural Protected Areas (SERNANP); likewise, the footprint generated by air passenger flights was offset through the Vuela Neutral program of LATAM Airlines. In the latter case, the offsetting of emissions was carried out in three projects: REDD+ in Shipibo Conibo and Catacaibo indigenous communities in the Ucayali region, Cururos Wind Plant in Chile, and Co2Bio in Colombia.

The amount of tons of carbon offset was 9,549.4 tCO₂e out of a total of 14,405.9 tCO₂e measured for the 2023 period.

c) Energy consumption

Throughout the year, energy consumption measurements were taken at 31 individual premises, 14 shared headquarters and 21 operations at customer facilities, and we continued to implement projects aimed at reducing energy consumption and, therefore, the carbon footprint. We also continued with the acquisition of 100% renewable energy at 5 of the corporation's main locations.

Overall, 88.3% renewable electricity has been achieved by 2023, which also includes electricity self-generated by solar panels in La Joya.

On the other hand, 29.5% of the energy used (electricity and fuels) at 45 headquarters and 21 mining operations analyzed came from renewable sources in 2023, distributed as follows: 25.3% from electricity purchased as a free user for six main locations; 3.4% from energy purchased from the National Interconnected Electrical System - SEIN (Peru); and 0.7% from solar energy, thanks to the use of photovoltaic panels at Ferreyros' headquarters in La Joya, Arequipa. Although the aforementioned locations also use non-renewable sources, the measures to reduce the impact of energy use will allow migrating towards a greater use of renewable energy.

Energy consumption in 2023 at all locations evaluated in Peru and Chile was 155,435.6 GJ.

d) Measures taken to reduce energy consumption

In 2023, a second stage of solar panels was implemented at La Joya, increasing its installed capacity by 38%, which will allow savings of 20 tons per year as of 2024. These are in addition to the 66.9 tons of carbon saved in 2023 and, since their installation in 2019, total a footprint reduction of 225.2 tons of carbon.

Other measures that have also received attention during the year include the installation of LED lighting at the Ferreyros Arequipa, Trex Chile and Soltrak Callao plants; the implementation of more modern air conditioning and other equipment; scheduled maintenance of electrical control panels that consume fuel and equipment that uses refrigerant gases; and night monitoring by security personnel to turn off or unplug equipment that may be on or connected outside working hours.

Likewise, a competition was held for more eco-efficient buses for the Surco headquarters (two CNG buses).

On the other hand, during the year, the fleet of forklifts and combustion *order pickers* has been replaced by electric ones; this renewal has started in the main Ferreyros headquarters in Lima (7 units in the Spare Parts Distribution Center, 2 in the Industrial headquarters, 2 in the Gambetta headquarters, 1 in the Rentafer headquarters); all of them will be working in 2024. In addition, 4 stackers were replaced with lithium batteries, which reduces electricity consumption by 40%. It is worth mentioning that this fleet of electric equipment has been provided by the subsidiary Unimaq.

In this line, at the Parts Distribution Center, LED lighting systems were installed to reduce energy consumption and thermo-insulating panels were incorporated to reduce the need for air conditioning. At the Surco headquarters, presence sensors were also implemented and circuits were separated, and LED lighting fixtures were replaced.

On the other hand, Fargoline acquired its first electric van for last-mile distribution services.

5.3.4 Water use and effluent management

a) Water consumption at Ferreycorp's sites

In the service processes of the corporation's subsidiaries, water is used mainly for washing machinery in the workshops and for cooling; it is also used for domestic purposes, such as hygiene of the corporation's personnel and food preparation.



The water used by 45 sites analyzed representing 90.8% of the corporation's sales comes mainly from public supply systems (67.5%), while 16.5% comes from an extracted subway source and 16% is acquired through tanker trucks.

Since 2017, the corporation's subsidiaries have been adopting different measures to reduce water consumption. In particular, in 2023, technified irrigation was installed in Trex Chile and Surco headquarters, and the use of flow regulators continued. Likewise, we have continued with the good practice of water treatment that allows reuse in production processes for irrigation, we have developed awareness campaigns and we have made constant follow-up for the timely repair of leaks.

The water consumption of the 45 locations of these subsidiaries -without considering mining operations- was 131,441 m³.

b) Industrial and domestic wastewater management

Ferreycorp uses water both for domestic use and for its machinery repair service processes, and generates domestic wastewater (from human consumption and use) and non-domestic or industrial wastewater (from washing machinery, some cooling processes, and canteens).

In order to prevent any type of negative environmental impact associated with the management of this wastewater, and in order to improve its quality and allow it to be reused in washing processes, most of the workshops have primary treatment systems for industrial wastewater (machinery washing).

On the other hand, at facilities that require greater treatment, either because of the quality of the effluent or the characteristics of the receiving body, secondary treatment plants (physicochemical, aeration, etc.) are used for domestic and industrial wastewater. This is the case of the Industrial Avenue, La Joya- Arequipa, Cusco and Cajamarca sites. This type of treatment also makes it possible, in some cases, to reuse the water, for example for watering green areas or washing.

Likewise, in 2023 it continued with the environmental monitoring service, in compliance with the corporate effluent monitoring program in most of the corporation's premises, through the service of accredited laboratories.

Company	Site	Treatment System
Ferreyros	Arequipa	Solids holding tanks and settling ponds
Ferreyros	Cajamarca	Grease traps (industrial), domestic WWTP*
Ferreyros	Chimbote	Grease traps
Ferreyros	Cusco	Grease traps (industrial) and domestic WWTP
Ferreyros	Huancayo	Grease traps
Ferreyros	Huaraz	Grease traps
Ferreyros	Ica	Grease traps
Ferreyros	Industrial	Grease traps
Ferreyros	La Joya	WWTP (2 domestic and 2 industrial)
Ferreyros	Lambayeque	WWTP (domestic and industrial)
Ferreyros	Piura	Grease traps
Ferreyros	Rentafer	Sedimentation pond
Ferreyros	Trujillo	Grease traps
Unimaq	Arequipa	Grease traps
Unimaq	Cusco	Sedimentation pond
Unimaq	Gambetta	Septic tanks
Unimaq	Huancayo	Grease traps
Unimaq	Lurin	Seven septic tanks for storage of hazardous effluents
Unimaq	Trujillo	Grease trap and sedimentation pond
Orvisa	Iquitos	Grease traps
Orvisa	Pucallpa	Grease traps
Orvisa	Tarapoto	Grease traps
Trex-Chile	Santiago	Sedimentation pond

*WWTP: Wastewater treatment plant

5.3.5 Responsible waste management

a) Waste generated and its management

The percentage of waste recycled in the corporation during the year reached 44.9%. Within the framework of good waste management and final disposal practices adopted by Ferreycorp, Ferreyros, Unimaq, Orvisa, Fargoline, Soltrak and Trex Peru to minimize the impacts generated by their processes, the corporation continued working in 2023 with companies specialized in the recycling and final disposal of waste, especially in the management of waste electrical and electronic equipment (WEEE), hazardous waste, scrap metal, used oils, general waste, among others.

Ferreycorp seeks that its companies operate under guidelines that allow them to be socially responsible; that they comply with current environmental regulations; that they work with operating companies (EO-RS); that they have qualified personnel for their functions; and that they ensure that the waste is sent to recycling, treatment, and/or authorized landfills.

On the other hand, it should be noted that at the Surco headquarters we have been working with the supplier SINBASURA, a company specialized in the valorization of organic waste, contributing to the reduction of the carbon footprint at this location. In the same way, it is being managed in 2 premises of the company Unimaq (Ate and Lurin).

It is important to note that in 2023 we signed the Clean Production Agreement with the Ministry of the Environment, whose purpose is to achieve goals related to the circular economy of the product (valorization), to have a more eco-efficient packaging and to train employees and support a local government in the management of its waste in Waste Management and Handling.

This agreement has a duration of one year and is currently in the implementation phase. At the end of December, we have achieved the goals related to the reuse of more than 40 tons of wood at two sites (Parts Distribution Center and Industrial); the reconstruction of machinery, which has allowed us to recover more than 1,600 tons of scrap metal and avoid its disposal; 84% of staff training on waste management and circular economy issues; support to a municipality through training provided to formalized recyclers; as well as communication and dissemination of the environmental benefits of the reconstruction of machinery. On the other hand, in 2023 a diagnosis was carried out to look for more eco-efficient packaging alternatives in the Soltrak and Ferreyros subsidiaries, resulting in the convenience of replacing *stretch film* with reusable nets; replacing cardboard boxes with Kraft material envelopes; and acquiring *stretch film* with 30% recycled origin. These improvements are already being implemented in the first quarter of 2024.

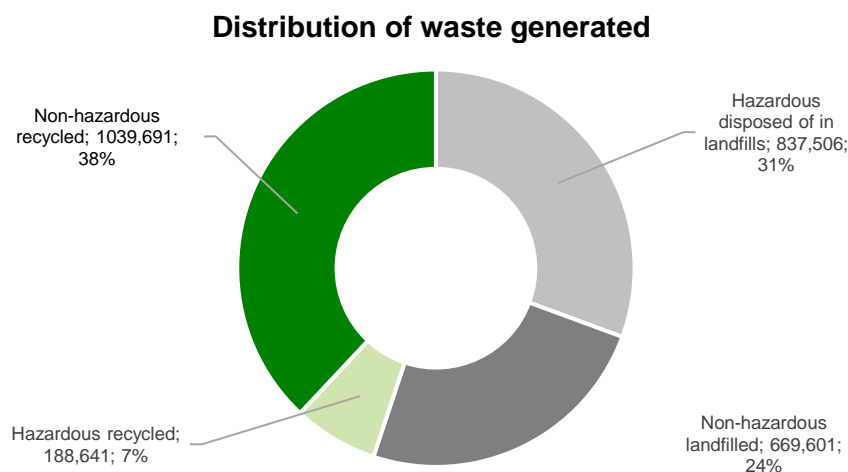
The amount of waste generated in 2023 was 2,735.4 tons.

b) Measures for proper waste management (recycling)

All hazardous waste generated is transported by authorized companies and disposed of in secure landfills and/or authorized recycling systems within the country. The corporation tendered the waste transportation service on a nationwide basis through a route-based collection system, optimizing the use of resources and reducing the carbon footprint associated with transportation. This type of system has been implemented for non-usable hazardous waste, recyclable oil and scrap metal.

In 2023 we continued with the corporate agreement with the Asociación de Ayuda al Niño Quemado (ANIQUEM), thanks to which it has been possible to donate 67.5 tons of waste for the benefit of financing therapies for patients.

On the other hand, since the publication of the “Special Regime for the Management of End-of-Life Tires (ELT)” in 2021, which involves four companies (Ferreyros, Unimaq, Orvisa and Soltrak), their management plans have been approved. The companies have already signed an agreement with a company specializing in UF conditioning and are expected to start collecting and recovering UFs in the first quarter of 2024.



The graph shows the distribution of recycled waste by type, achieving 44.9% of recycled waste, a 1.8% improvement over the previous year.

5.3.6 Disclosure of climate risks in alignment with TCFD recommendations

Institutional investors that maintain strong relationships with organizations such as Ferreycorp seek to identify in their public information how they manage their risks and, in particular, those related to climate change. Ferreycorp's disclosure process is aligned with the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative that develops recommendations on the types of information that companies should communicate to help investors adequately assess a specific set of climate change-related risks.

The TCFD suggestions are structured around four thematic areas or pillars that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

Pillar 1: Governance

Corporate Finance Management is responsible for leading the climate agenda and reporting to the Board of Directors on risks and opportunities related to climate change. To support this role, the Environmental Circle and the Environmental Operating Committee have been created, and the Corporate Environmental Policy has been defined.

Pillar 2: Strategy

Together with employees from different areas of the corporation, an inventory was made of the different physical, transition and climate change risks and opportunities that could have an impact on Ferreycorp. The most relevant risks and opportunities were analyzed and strategies were developed to mitigate or take advantage of them.

Pillar 3: Risk Management

A methodology is being developed to identify, evaluate and control climate change risks in the corporation, which considers the characteristics of such risks and is integrated into Ferreycorp's corporate risk management taxonomy.

Pillar 4: Metrics and Objectives

The corporate carbon footprint was quantified including scopes 1 and 2 of its main sites. In addition to defining climate, water, energy and waste indicators, we are updating our science-based emissions reduction targets, along with defining an internal carbon price and continuing to offset our emissions.

Exhibits

Appendix 1: Management's Discussion and Analysis of Audited Financial Statements

Ferreycorp S.A.A., as a *holding* company, makes investments in its subsidiaries, both domestic and foreign, and establishes the strategic guidelines and policies to be followed by all the companies of the corporation. Ferreycorp's income, on an individual basis, is generated mainly by the equity in the results of its investments in subsidiaries both in Peru and abroad, as well as in joint ventures.

In addition, by maintaining ownership of certain properties used by its main subsidiary, Ferreyros S.A., the corporation receives rents as operating income and reports the operating expenses of managing such properties. These rents are based on fixed-term contracts and market rates.

Therefore, the main assets of the corporation are the investments in its subsidiaries and the aforementioned real estate.

For a full understanding of the turnover and results of the corporation's business as a whole, it is recommended that this chapter be read in conjunction with the consolidated financial statements. The main explanations are available in Chapter 4 - Financial Management.

Changes in those responsible for the preparation and review of financial information

During 2023 there were changes in those responsible for the preparation and review of the Company's financial information. Ms. Veronica Paiva Cano, Accounting and Budget Manager, was promoted to another position in the company and an internal reorganization took place. Thus, during 2023, the responsibility for the consolidation of financial statements and financial reporting was assigned to Mr. Daniel Candela, Manager of Management Control and Accounting.

SEPARATE FINANCIAL STATEMENTS OF FERREYCORP S.A.A.

Analysis of the statement of financial situation

Statement of Financial Situation (in millions of Nuevos Soles)

	31-12-23	31-12-22	Variation	
			Amount	%
Asset				
Current assets				
Cash and cash equivalents	36.3	64.5	-28.3	-43.8
Trade accounts receivable, net	9.8	10.4	-0.5	-5.2
Accounts receivable from related parties	373.1	175.5	197.6	112.6
Other current assets	14.9	14.3	0.6	4.1
Expenses contracted in advance	0.7	0.6	0.1	13.9
Non-current assets held for sale	0.0	13.9	-13.9	-100.0
Total current assets	434.8	279.2	155.6	55.7
Other long-term assets, net	33.2	34.1	-0.9	-2.7
Investments in subsidiaries	1,950.4	1,990.0	-40.5	-2.0
Investment property, net	287.3	289.7	-2.4	-0.8
Furniture, fixtures and equipment	1.6	1.1	0.5	45.3
Intangible assets	0.5	0.5	-0.1	-14.4
Total assets	2,707.6	2,595.5	112.1	4.3
Liabilities and net equity				
Current liabilities				
Financial obligations	15.9	59.9	-44.1	-73.5
Trade accounts payable	3.9	3.5	0.4	12.0
Other accounts payable and provisions	33.6	38.3	-4.7	-12.4
Accounts payable to related entities	0.9	0.5	0.4	0.0
Total current liabilities	54.2	102.2	-48.0	-47.0
Financial obligations	32.7	49.3	-16.5	-33.5
Deferred income taxes, net	48.4	48.1	0.3	0.6
Total non-current liabilities	81.1	97.4	-16.2	-16.7
Total Liabilities	135.3	199.5	-64.2	-32.2
Patrimony				
Issued capital	946.1	946.1	0.0	0.0
Shares in treasury	-12.3	-1.1	-11.2	1,015.1
Additional capital	27.7	42.5	-14.8	-34.8
Legal reserve	211.6	211.6	0.0	0.0
Other patrimony reserves	248.8	258.3	-9.5	-3.7
Accumulated results	1,150.4	938.5	211.9	22.6
Total Patrimony	2,572.4	2,396.0	176.4	7.4
Total	2,707.6	2,595.5	112.1	4.3

As of December 31, 2023, total assets reached S/ 2,707.6 million, compared to S/ 2,595.5 million as of December 31, 2022, which means an increase of S/ 112.1 million.

The main variations in assets are mainly explained by accounts receivable from related parties, due to loans granted and dividends receivable.

As of December 31, 2023, total liabilities amounted to S/ 135.3 million, compared to S/ 199.5 million as of December 31, 2022, equivalent to a decrease of S/ 64.2 million, in line with a reduction in short and medium-term financial obligations.

Financial ratios

The current ratio as of December 31, 2023 is 8.03, higher than the current ratio of 2.73 as of December 31, 2022. The total indebtedness ratio at December 31, 2023 is 0.05, lower than the 0.08 at December 31, 2022.

Analysis of results of operations

Statement of results (in millions of Nuevos Soles)

	2023	2022	Variation
	Amount	Amount	%
Income			
Equity in results of subsidiaries	438.7	430.4	1.9
Sale of real estates	14.0	95.7	-85.4
Financial income	4.0	2.3	71.5
Rental income	34.2	34.8	-1.8
Management support service	14.6	13.3	9.7
Miscellaneous income	8.0	0.7	988.5
	513.4	577.2	-11.0
Operating costs and expenses			
Cost of real estate sales	-13.9	-91.1	-84.7
Financial expenses	-2.7	-4.0	-31.9
Administrative expenses	-56.2	-49.9	12.7
Cost of rental services	-5.3	-5.8	-8.9
Other expenses	-0.5	-7.9	-94.2
Exchange difference, net	1.0	0.6	70.6
	-77.5	-67.9	-50.9
Profit before income tax	435.9	419.3	4.0
Income tax expense	-2.1	-0.4	440.9
Profit for the year	433.9	418.9	3.6

The decrease in income in 2023 is basically due to the sale of the Punta Negra premises to a third party in 2022, which is reflected in the lower cost of sale of the property in 2023.

CONSOLIDATED FINANCIAL STATEMENTS OF FERREYCORP S.A.A.

The following are the consolidated financial statements as of December 31, 2023 and December 31, 2022, as well as the explanation of the main accounts and their variations. For this purpose, some figures have been reclassified in the income statement shown below, to include the gross profit of purchase orders transferred by Caterpillar to Ferreyros, as sale and cost of sales.

Analysis of the consolidated statement of financial situation of Ferreycorp and subsidiaries

Consolidated Statement of Financial Position (in millions of nuevos soles)

	31-12-23	31-12-22	Variation	
			Amount	%
Asset				
Current assets				
Cash and cash equivalents	219.1	192.0	27.1	14.1
Trade accounts payable, net	1,344.5	1,292.1	52.4	4.1
Other assets	199.8	208.8	-9.1	-4.3
Stocks, net	2,256.4	2,207.4	49.0	2.2
Advanced paid expenses	34.0	39.6	-5.6	-14.1
Assets available for sale	2.8	14.8	-12.0	-81.2
Total current assets	4,056.6	3,954.7	101.9	2.6
Long-term trade accounts payable, net	36.8	37.9	-1.1	-2.9
Other long-term assets	40.1	46.0	-5.9	-12.9
Investments in joint ventures	23.3	20.7	2.6	12.6
Property, machinery and equipment, net	1,825.6	1,648.0	177.6	10.8
Intangibles, net	208.8	231.2	-22.4	-9.7
Commercial credit	156.5	159.2	-2.7	-1.7
Deferred income tax asset	177.3	151.1	26.2	17.3
Total non-current assets	2,468.3	2,294.1	174.2	7.6
Total assets	6,524.9	6,248.8	276.1	4.4

Consolidated Statement of Financial Situation (in millions of Nuevos Soles) continuation

	31-12-23	31-12-22	Variation	
			Amount	%
Liabilities and net equity				
Current liabilities				
Financial obligations	1,563.1	1,111.6	451.5	40.6
Rental liabilities	26.8	36.8	-9.9	-27.0
Trade accounts payable	792.0	782.4	9.6	1.2
Other accounts payable and provisions	553.1	547.4	5.7	1.0
Income tax liabilities	23.5	51.3	-27.9	-54.3
Total current liabilities	2,958.5	2,529.6	429.0	17.0
Financial obligations	752.0	1,048.1	-296.1	-28.2
Rental liabilities	16.3	41.5	-25.2	-60.7
Other accounts payable and provisions	1.7	2.3	-0.6	-27.4
Deferred income tax liabilities	129.0	133.3	-4.3	-3.2
Deferred income	2.7	5.7	-3.1	-53.7
Total current liabilities	901.6	1,230.9	-329.3	-26.7
Total Liabilities	3,860.2	3,760.2	99.7	2.7
Patrimony				
Issued capital	946.1	946.1	0.0	0.0
Shares in treasury	-12.3	-1.1	-11.2	1,015.1
Additional capital	27.7	42.5	-14.8	-34.8
Legal reserve	211.6	211.6	0.0	0.0
Other patrimony reserves	341.2	350.7	-9.5	-2.7
Accumulated results	1,150.4	938.5	211.9	22.6
Total patrimony attributable to shareholders	2,664.7	2,488.3	176.4	7.1
Total patrimony	2,664.7	2,488.3	176.4	7.1
Total	6,524.9	6,248.8	276.1	4.4

As of December 31, 2023, total assets reached S/ 6,524.9 million, compared to S/ 6,248.8 million as of December 31, 2022, which means an increase of S/ 276.1 million (4.4%). This variation was mainly due to the increase in fixed assets of S/ 177.6 million, explained by the purchase of premises that were previously rented for the operation of the rental business, as well as the increase in the number of units in the rental fleet.

As of December 31, 2023, total liabilities amounted to S/ 3,860.2 million, compared to S/ 3,760.4 million as of December 31, 2022, equivalent to an increase of S/ 99.7 million, mainly explained by the growth of financial debt.

Financial ratios

The current ratio as of December 31, 2023 is 1.37, lower than the current ratio of 1.56 as of December 31, 2022.

The financial indebtedness ratio at December 31, 2023 is 0.80, lower than the ratio of 0.82 at December 31, 2022. For the calculation of this ratio, the cash and bank balance and liabilities with suppliers that do not generate financial expense have been excluded.

The debt ratio at December 31, 2023 is 1.45, lower than the 1.51 obtained at December 31, 2022.

The net financial debt (cash) / EBITDA ratio at December 31, 2023 was 2.25, lower than the 2.30 achieved at December 31, 2022. With this, the corporation continues its capacity to generate the necessary cash to meet its obligations without inconvenience and is within the *covenants* established in the corporate bond issuance agreement.

Analysis of consolidated results of operations of Ferreycorp S.A.A. and subsidiaries

Consolidated statement of income (in millions of nuevos Soles)

	2023		2022		Variation
	Amount	%	Amount	%	%
Net sales	6,995.1	100.0	6,592.5	100.0	6.1
Cost of sales	-5,187.7	-74.2	-4,899.7	-74.3	5.9
Gross profit	1,807.5	25.8	1,692.8	25.7	6.8
Sales and administrative expenses	-1,115.4	-15.9	-1,034.6	-15.7	7.8
Other income (expense), net	7.9	0.1	1.1	0.0	626.9
Operating profit	700.0	10.0	659.3	10.0	6.2
Financial income	31.8	0.5	24.9	0.4	27.8
Share of results in business as a whole	2.6	0.0	0.9	0.0	185.4
Financial expenses	-109.8	-1.6	-76.4	-1.2	43.7
Exchange difference, net	29.1	0.4	33.5	0.5	-13.2
	-46.4	-0.7	-17.1	-0.3	171.0
Profit before income tax	653.7	9.3	642.2	9.7	1.8
Income tax expense	-221.7	-3.2	-222.8	-3.4	-0.5
Profit for the year from continuing operation	432.0	6.2	419.4	6.4	3.0
Result for the year discontinued operation	1.9	0.0	-0.5	0.0	-478.3
Profit for the year	433.9	6.2	418.9	6.4	3.6

Net sales

	2023		2022		Variation
	Amount	%	Amount	%	
Domestic sales	6,041.7	86.4%	5,654.7	85.6%	6.8%
Foreign sales	953.4	13.6%	937.8	14.2%	1.7%
Total	6,995.1	100.0%	6,592.5	100.0%	6.1%

In millions of nuevos Soles

	2023		2022		Variation
	Amount	%	Amount	%	
Machinery and equipment:					
Cat mining trucks and machines (GM)	358.7	5.1%	535.6	8.1%	-33.0
Caterpillar machines and engines to other industries (NGM)	1,377.8	19.7%	1,167.8	17.7%	18.0
Rentals and Used	428.6	6.1%	420.0	6.4%	2.1
Partner teams	544.3	7.8%	473.5	7.2%	14.9
	2,709.3	38.7%	2,596.9	39.4%	4.3
Spare parts and services	3,817.4	54.6%	3,386.1	51.4%	12.7
Other lines	468.4	6.7%	609.5	9.2%	-23.1
Total	6,995.1	100.0	6,592.5	100.0%	6.1

As of this year, there is a change in the distribution of sales, depending on the line of business.

Net sales in 2023 amounted to S/ 6,995.1 million, compared to S/ 6,592.5 million in the previous year, representing an increase of 6.1%.

Sales of Caterpillar and allied brands equipment reached S/ 2,709.3 million, equivalent to an increase of 4.3%.

The sale of spare parts and services recorded a 12.7% growth, which has allowed it to continue to maintain an important participation in the total sales composition, obtaining 54.6%.

Other business lines showed a decrease of 23.1%, which is mainly explained by the fact that at the end of 2022 the Central American subsidiaries concluded the Mobil lubricants business, which represented annual sales levels of US\$ 24.3 million in three countries.

When analyzing the results by each group of companies, Caterpillar dealers' sales in Peru in 2023 are higher by 8.7% compared to 2022. Caterpillar dealers and other businesses abroad show a reduction in sales of 9.2% in the same period, while the third group of companies, which complements the supply of goods and services through the marketing of equipment and vehicles, consumables and logistics solutions, among other lines, showed an increase of 2.3% in sales in 2023 compared to 2022.

Profit on sales

Gross profit in 2023 was 6.8% higher than in 2022. In percentage terms, gross margin was 25.8%, similar to 2022 (25.7%), which includes a foreign exchange effect through gross margin of -0.6% in 2023 and -0.4 in 2022. Excluding this exchange rate effect, the gross margin in 2023 (26.5%) is similar to that of 2022 (26.1%).

Selling and administrative expenses

Selling and administrative expenses amounted to S/ 1,115.4 million in 2023, compared to S/ 1,034.6 million in the previous year, an increase of 7.8%. Among the most representative expense items that have experienced the greatest increases are variable expenses related to higher sales, personnel expenses (salary increases, new hires, profit sharing) and provisions recorded.

Miscellaneous income (expense), net

In 2023, a net income of S/. 7.9 million was recorded in this item, while in 2022 it was S/. 1.1 million, due to the fact that in 2023 provisions were reversed for the probability of success in tax proceedings provisioned as an expense in previous years.

Financial income

Financial income in 2023 amounted to S/ 31.8 million, while in 2022 it was S/ 24.9 million.

Financial Expenses

Financial expenses totaled S/ 109.8 million in 2023, higher than the S/ 76.4 million of the previous year, which is mainly explained by the increase in average interest rates.

Exchange profit (loss)

In 2023, net liabilities in foreign currency showed a profit of S/ 29.1 million: in Peru, an exchange gain of S/ 45.2 million was generated, due to an appreciation of 2.80%, while in Chile, an exchange loss of S/ 16.1 million was recorded, due to a devaluation of 2.48%. In turn, in 2022, a net exchange gain of S/ 33.5 million was obtained: in Peru an exchange gain of S/ 40.1 million was generated, due to an appreciation of 4.45%, and in Chile there was an exchange loss of S/ 6.6 million, due to a devaluation of de 1.32%.

Income tax

Income tax for 2023 and 2022 has been calculated in accordance with current tax and accounting standards.

Net income

Net income for the year amounted to S/ 433.9 million, an increase of 3.6% compared to S/ 418.9 million in the previous year.

Earnings before interest, depreciation and amortization (EBITDA)

EBITDA for 2023 amounted to S/ 950.6 million, an increase of 7.0% compared to S/ 888.4 million in the previous year, mainly due to higher sales, while maintaining a solid gross margin.

Appendix 2: Business

2.1 General data

2.1.1 Name, address, telephone, fax and contact details

Company name	Ferreycorp S.A.A.
Type of company	Sociedad Anonima Abierta
RUC	20100027292
Address	Jr. Cristobal de Peralta Norte 820 Monterrico, Santiago de Surco, Lima, Peru
Telephone number	511-626-4000
Fax	511-626-4504
Website	www.ferreycorp.com.pe
Dedicated customer hotline	511-626-5000
Shareholders hotline	0800-13372

2.1.2 Incorporation and registration in the Public Registry

Ferreycorp S.A.A. (formerly Ferreyros S.A.A.) was incorporated under the original name of Enrique Ferreyros and Compania Sociedad in Comandita, by public deed dated September 14, 1922 before the Notary Public of Lima, Dr. Agustin Rivero y Hurtado. It was registered in entry 1, page 299, volume 15 of Companies of the Mercantile Registry of Lima.

Enrique Ferreyros y Compania S.A. absorbed the assets and liabilities of the previous company, by means of a public deed dated September 21, 1931 before the Notary Public of Lima, Dr. Agustin Rivero y Hurtado, recorded in entry 1 of page 457 of volume 31 of the Lima Mercantile Registry. The change of name to Enrique Ferreyros S.A. was made by public deed dated November 23, 1981 before the Notary Public of Lima, Dr. Jorge Orihuela Iberico.

The change of name to Ferreyros S.A. was made by public deed dated May 6, 1996 before the Notary Public of Lima, Dr. Jorge Orihuela Iberico, registered in the Companies Book of the Registry of Legal Entities (Ficha 117502). On March 24, 1998, the General Shareholders' Meeting agreed to modify the company's corporate name to Ferreyros S.A.A., registered in Electronic File No. 11007355 of the Companies' Registry of Legal Entities.

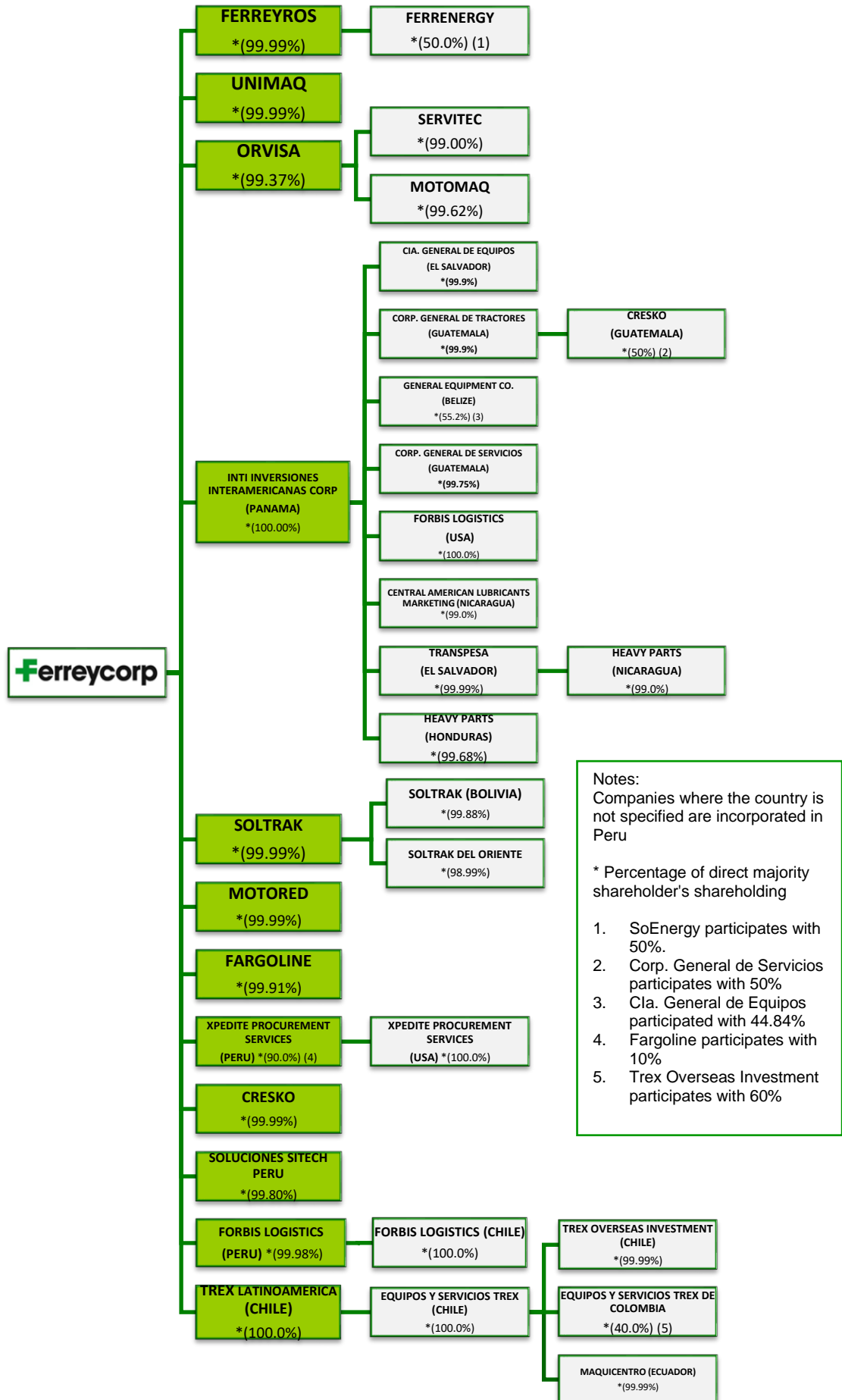
As agreed at the Shareholders' Meeting held in March 2012, the company underwent a simple reorganization process, whereby two patrimonial blocks were segregated to two subsidiary companies. The first equity block, derived from the automotive division business, was transferred to the subsidiary Motored S.A.; and the other, derived from

the machinery, equipment and after-sales services business of the Caterpillar line and its allies, was transferred to the new subsidiary Ferreyros S.A.

After the segregation of these equity blocks, the company changed its corporate name from Ferreyros S.A.A. to Ferreycorp S.A.A., and this reorganization process was registered in the entry B00020 of the Electronic Record No. 11007355 of the Lima Registry of Legal Entities.

The new organizational structure of the parent company has allowed it to concentrate on its role as an investor, so that each of its operating subsidiaries can focus on improving the service provided to its customers, expanding its coverage, addressing its own business opportunities and improving its operational capabilities.

2.1.3 Economic group



Notes:
 Companies where the country is not specified are incorporated in Peru

* Percentage of direct majority shareholder's shareholding

1. SoEnergy participates with 50%.
2. Corp. General de Servicios participates with 50%
3. Cla. General de Equipos participated with 44.84%
4. Fargoline participates with 10%
5. Trex Overseas Investment participates with 60%

2.2 Description of operations and development

2.2.1 Corporate purpose and ISIC

According to the second article of its bylaws, the corporate purpose of Ferreycorp S.A.A. The corporate purpose of Ferreycorp S.A.A. is “to carry out investment, financing, and business services activities, including: (i) the incorporation of companies, the acquisition, holding and administration of shares, investment in marketable securities and participation in companies and capital increases, in the domestic or international market; (ii) the performance of financial operations under any modality or nature, the issuance of shares, bonds, securities or any other type representative of debt or credit, in the financial and capital markets, in Peru and/or abroad; and iii) the rendering of business services in general, including management services, the purchase and sale, lease, assignment of use and enjoyment of real estate or personal property, including merchandise and domestic and foreign products, the import and export thereof and the transfer of goods in general. Without prejudice to the main object indicated above, the corporation may enter into any type of nominee or unnamed contract related to the acquisition or transfer of any kind of real or personal property that leads to the realization of its purposes, or in any way serves the best realization thereof or is convenient to the corporate interests”.

The amendment of the Company's by-laws was agreed at the Annual Compulsory General Shareholders' Meeting held on March 30, 2016. This agreement was formalized through Public Deed of May 27, 2016, duly registered in entry B00025 and D0079 of the Electronic Entry No. 11007355 of the Registry of Legal Entities of Lima.

The ISIC of Ferreycorp S.A.A. is 5150.

2.2.2 Term of duration

The duration of the company is indefinite.

2.2.3 Evolution of operations

2.2.3.1 Historical Review

Ferreycorp S.A.A. began operations in 1922 on the initiative of Enrique Ferreyros Ayulo and three partners, to engage in the marketing of consumer products. During its history, it adopted several corporate names: the first was Enrique Ferreyros and Cia. Sociedad en Comandita. In 1942, it ventured into the capital goods business by assuming the representation of Caterpillar Tractor, which meant a total change in its activity. From then on, it consolidated its operations into two large business units: consumer goods and capital goods. In the same decade, in order to achieve greater coverage to sell its products, it begins its decentralization and establishes offices in the provinces, as well as several subsidiaries.

In 1962, in order to sustain its growth, the shareholders decided to open its shareholding and register it in the Lima Stock Exchange, laying the foundations to turn it into a widely held company that today has more than 3,900 shareholders, with the highest standards of corporate governance in Peru.

At the end of the 1980s, it disengaged from the consumer goods business and decided to concentrate its efforts on what today is its main line of business, capital goods, for which it took on new representations that complemented the Caterpillar line. In this way, it can better serve its customers, who are in various productive sectors of the economy.

In the 1990s, the company decided to expand its offer to customers, in addition to the sale of new units, incorporating the provision of equipment for rental and the sale of used machinery. In that same decade, it began to attend open-pit mining projects, recently granted or privatized, bringing the first Caterpillar off-highway mining trucks.

In 1994, it expanded its participation in the capital markets through placements of corporate bonds and commercial paper. It becomes an important participant in the capital markets, where it operates with great success and demand from investors.

Starting in 1995, it makes important investments to improve the infrastructure of its offices and workshops, as well as to train its service personnel, thus creating capacities to attend the maintenance and repair contracts of the large fleets of mining trucks that begin to enter the country to operate in large open-pit mining -which is developed thanks to the concessions granted after the privatization of the mining companies in the 90's-. Also, after a few years, it decided to venture into the sale of machinery for subway mining, a line of business with which Caterpillar expanded its product portfolio.

In order to increase the sources of capital to maintain the sustained growth experienced in those years, in 1997 the company successfully placed shares in the domestic and international markets, which made it possible to increase its capital by US\$ 22 million.

In the period 1998 - 2001, it faced a sharp slowdown in the growth of the Peruvian economy, which had a negative impact on its sales. In this time of crisis for the country, it had to adapt its organization and at the same time support its clients by providing resources and financial facilities, overcoming the difficult times to return to the path of growth in the following years.

In subsequent years, the corporation adopted a strategy of organic growth, to increase its sales in the Peruvian market where it was already operating, and another of inorganic growth, through acquisitions of companies, including Mega Caucho y Representaciones (now Soltrak) in 2005, in the consumables sector. It is important to highlight that in 2010, as part of this strategy and in response to an invitation from Caterpillar, the corporation began its internationalization with the acquisition of Gentrac Corporation of Panama, owner of Caterpillar distributors in Guatemala, El Salvador and Belize.

In order to clearly differentiate the roles of, on the one hand, parent company and investor, and on the other hand, operating company in charge of the distribution of capital goods, in 2012 a simple reorganization was carried out to create the Ferreycorp corporation, in order to support greater future growth of all the businesses of its companies and, at the same time, maintain the specialization of certain activities. Ferreyros was also created, which took over the Caterpillar business. From that moment on, the current Ferreyros S.A., the company with the largest operating volumes, incorporates new product and service lines; strengthens its client coverage by focusing on large investment projects in the country, including mining, energy, oil and the creation of new infrastructure; and expands its client base, all backed by significant investments in infrastructure, systems and personnel training.

On the other hand, Ferreycorp's other subsidiaries experience a gradual growth, complementing the offer that Ferreyros S.A. provides to its clients -in fact, at the end of the current fiscal year, they represent 32% of the corporation's business-. Likewise, new businesses are entering this period, either through the acquisition of companies or the creation of new firms.

In order to ensure the healthy growth of the corporation and to continue making new investments with a solid capital structure, in 2012 a capital increase of US\$ 62 million was carried out. The majority of the new shares issued were subscribed by Ferreycorp's shareholders, demonstrating their confidence in the business model and their commitment to the defined growth strategy.

In the same year, Ferreyros S.A., the main company, incorporates a new line of mining machinery (Bucyrus business line acquired by Caterpillar), electric and hydraulic shovels, as well as drills. In this way, the company completes its portfolio of Caterpillar products, both for open-pit and subway mining, making it the most complete option of machinery and equipment for this economic sector, which strengthens the value proposition to its customers.

In 2013, the expansion of subsidiaries other than Ferreyros S.A. continued, with the acquisition of a personal protection equipment business with important distributions in Peru. In addition, Soluciones Sitech Peru, a technology solutions company, was created.

The expansion of the organization and the opportunities offered by the international capital market lead the corporation to refinance its debt and continue to have the financial resources for its investments in the best possible conditions. Thus, in 2013 it successfully placed US\$ 300 million in corporate bonds, with good interest rate conditions and a seven-year term.

In 2014, Ferreycorp entered Chile through the acquisition of Trex, a distributor of cranes and lifting platforms and a complete range of port equipment in that country, with smaller businesses in Ecuador and Colombia.

In 2015, the corporation acquired Transportes Pesados S.A. (now Motored), a leader in the commercialization of spare parts for heavy transport in El Salvador, with more than 35 years in the market. Ferreycorp thus complements its activity in El Salvador, where it has been located since 2010 with its company representing Caterpillar and allied brands.

In 2016, a lower dynamism of economic activity in the countries where Ferreycorp operates reduced the need for working capital. In this context, the decision was made to repurchase bonds through a *Tender Offer*, which allowed for the repurchase of US\$ 120 million. The repurchased bonds were part of the US\$ 300 million issue made in 2013, maturing in 2020.

In 2017, in order to continue improving the corporation's financial results and provide greater flexibility to the debt structure, a partial redemption of the international bond for US\$ 62,333,000 was carried out. Likewise, in November of the same year, 38,643,295 Treasury shares were cancelled, generating the reduction of the capital stock from S/ 1,014,326,324 to S/ 975,683,029.

An important milestone in 2018 is the sale of Ferreycorp's stake in La Positiva Seguros y Reaseguros, taking advantage of the Public Offering of Shares (OPA) aimed at the holders of common shares representing the capital stock of La Positiva. Thus, 56,962,727 shares owned by Ferreycorp were sold. In 2019, the sale of this investment was completed after Ferreycorp took part in the Public Offering of Shares (OPA) of La

Positiva Vida Seguros y Reaseguros carried out in May. Through this operation, Ferreycorp sold all the shares it owned.

The year 2020 was marked by a pandemic and a quarantine with almost total closure of business in Peru, which caused the company's sales to have a significant setback in the second quarter of the year. Between March 15 and May 11 of that year, operations were practically nil; however, within a few weeks, the company was able to mobilize all of its employees back to operations.

Faced with the uncertainty caused by the global economic situation, Ferreycorp decided to increase its debt funding in order to access all possible lines of credit, from banks, Caterpillar and the capital markets. Thus, in 2020 it achieved a successful private placement of US\$ 90 million to finance its companies at a rate of 4.45% for a seven-year term with amortizations starting in 2023.

In 2022, the corporation and its flagship company Ferreyros celebrated 100 years of institutional life. During the year, 100% of the first fleet of autonomous trucks in Peruvian mining was commissioned by Ferreyros and its subsidiary Caterpillar. In 2023, the corporation begins its second century of life, contributing to the development of the countries where it operates.

2.2.3.2 Product lines

Ferreycorp Corporation is the sole representative of Caterpillar in Peru, since 1942, as well as in Guatemala, El Salvador and Belize. The vast portfolio of machinery and equipment distributed by Ferreycorp's subsidiaries includes mining trucks, front loaders, tractors, motor graders, excavators, electric and hydraulic shovels, drilling equipment, low-profile loaders for subway mining, marine engines and generator sets, among other families.

In addition to Caterpillar machines and engines, Ferreyros, the corporation's largest volume company, markets a wide range of products from other quality brands, including Metso aggregate production equipment for construction, as well as utility equipment, Paus brand trucks and low-profile loaders, and Elphinstone brand motor graders. Also, for agriculture, Massey Ferguson, Valtra and Antonio Carraro tractors, as well as Kuhn and Tatu implements, Valley pivot irrigation systems, Kepler Weber drying and storage projects, Zaccaria rice milling and grain processing equipment, as well as IGSP color grain sorters, among other products.

In turn, other Ferreycorp subsidiaries in Peru supply in their respective fields other first class equipment, such as Carmix self-loading concrete mixers, Wacker compaction equipment, Lincoln Electric welding equipment, CIFA concrete mixers and pumps, Blends mobile concrete plants, Luxtower lighting towers, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Enerpac hydraulic tools, Sullair and Gardner Denver compressors, Lincoln Industrial lubrication systems, Genie aerial platforms, among others, as well as -in the Asian machinery segment- lines such as loaders, crawler tractors, SEM motor graders and rollers, Shacman trucks, Shaorui crushers and crushers, among others.

They also distribute Goodyear and Xtirpa tires; Chevron lubricants; 3M, MSA, Bullard, Alphatec (Ansell), Kleenguard (Kimberly Clark), Showa industrial safety products, and their own brand Tecseg, among others.

Soluciones Sitech Peru, which specializes in providing technological solutions, represents brands such as Trimble, Torsa, Loadrite, Provix, Brigade, Fatigue Science (ReadiBand), CAT DSS and MTS Systems, as well as technologies developed internally by the company, among others.

Abroad, in Central America, Gentrac represents Caterpillar machinery and equipment in Guatemala and Belize, while General de Equipos is a Caterpillar distributor in El Salvador. Both complete their complete portfolio with allied lines. Also in El Salvador, as well as in Honduras, Motored supplies various brands of spare parts for both the engine and body of trucks and buses. In El Salvador, Motored also distributes Kenworth trucks and Higer minibuses. In Chile, Colombia, Ecuador and Peru, Trex represents the brands Tadano, in off-highway cranes (RT) and all-terrain cranes (AC); Genie, in lifting platforms and telescopic handlers; Konecranes, in port equipment and high-tonnage forklifts; Magni, with a range of high-tonnage telehandlers; Donati and Demag, in bridge cranes; Sullair, in compressors; TII, in modular and special transport equipment; and PM, in other lifting and loading solutions. In Ecuador, Maquicentro's light equipment portfolio includes agricultural tractors, construction equipment, self-loading concrete mixers, and welding equipment, among others, from brands such as Valtra, Wacker Neuson, Carmix, Husqvarna, and Lincoln Electric.

To serve customers looking to rent machinery instead of buying it, Ferreyros, Unimaq-The Cat Rental Store and Ferreycorp companies in Central America have a large fleet of Caterpillar machines to meet these demands, especially for infrastructure and general construction projects. In Chile, with a nationwide presence, a rental fleet is maintained with brands from its portfolio, which includes mainly manlifts, forklifts in all tonnages, self-loading concrete mixers, lighting towers and telescopic cranes.

2.2.3.3 Competition

The breadth of the product lines distributed by Ferreycorp's subsidiaries means that they compete on a segmented basis with a large number of suppliers that import and distribute various brands. However, and thanks to the preference of its customers, the corporation's main representative, Caterpillar, has a leading market share; likewise, the range of allied brands occupies a prominent position in its field.

Regarding the competition of the main brands represented by Ferreycorp, it can be mentioned that, in auxiliary machinery and off-highway trucks for large mining, the Caterpillar brand has Komatsu as its main competitor. In low-profile loaders for subway mining, the competitors are Sandvik and Komatsu. In electric and hydraulic shovels, P&H is the main competitor.

In earthmoving machinery, Caterpillar equipment for the construction market has Komatsu, Volvo, John Deere, Hyundai, among others, as competing brands. In addition, since 2008, Chinese earthmoving machinery for the heavy construction segment has entered the country, with brands such as XCMG, Sany and Liugong, SDLG, among others.

Unimaq, which incorporated Cresko's business into its portfolio, distributes machinery of Asian origin to compete in the same segment. It supplies Shacman heavy and light commercial trucks that compete with Foton, CAMC, FAW, DongFeng and Sinotruck, among others. In the SEM line of loaders, graders, rollers and tractors, it has among its competitors brands such as Sany, Liugong, XCMG and SDLG, among other brands.

In the line of engines and generator sets, Ferreyros distributes Caterpillar, competing in the heavy fuel segment with Cummins, Weichai, Modasa, AKSA, Baifa, among others; and in the gas combustion segment, with the Jenbacher brand.

In surface mining drills, it distributes Caterpillar (line formerly known as Bucyrus) and competes with Atlas Copco (Epiroc). In the agricultural line, it distributes Massey Ferguson, competing with brands such as John Deere, Kubota and New Holland, among others.

In Central America, the main competitors in machinery are Hyundai, John Deere, Case, New Holland and Komatsu; in engines, brands such as Cummins, FG Wilson and Perkins; and in lubricants, Mobil, Castrol, Valvoline and Shell, among others.

In Chile, Ecuador and Colombia, Manitowoc (Grove) and Liebherr cranes, Kalmar port equipment, JLG lifting equipment and Manitou manipulators are among the main competitors of Trex, a company incorporated into Ferreyrcorp in 2014.

In the spare parts lines of the various brands it markets, the corporation faces competition from entities that distribute non-genuine spare parts in small market segments.

In the case of Soltrak in Peru, the Goodyear tires it markets compete with brands such as Michelin, Bridgestone, Continental and Chinese brands. In lubricants, where Soltrak is Chevron's master representative, it competes with Shell, Mobil, Total, Castrol and Vistony, among others. In the case of personal protective equipment, it competes with the Honeywell brand and with distributors of various brands.

Fargoline develops its operations competing with other firms from various domestic and foreign business groups that develop as bonded warehouses and offshore terminals, such as Ransa (HIG Capital), Imupesa (Agunsa Group of Chile), APM Terminals (Danish group A.P. Moller Maersk), DPW Logistics (formerly Neptunia) and Dubai Ports World (*holding* company owned by the State of Dubai in the United Arab Emirates), Contrans (Transmeridian Group), TPP of Woll Group; among others.

In the provision of services as freight forwarder, Forbis Logistics Corp. competes with Kuehne + Nagel, Delfin Group, DHL, DSV, Craft Multimodal, Tiba Cargo, La Hanseatica, Geodis, Grupo Cargo Business and Samsung SDS Global.

Soluciones Sitech Peru, Trimble's representative in the market for positioning and machine guidance solutions, has among its main competitors Topcon, owned by Komatsu, and Leica, owned by Hexagon. In solving the challenges of fatigue and collisions, weighing and safety in operations, it competes with a large part of the solutions portfolio of Hexagon Mining and Stracon Tech, among other players linked to OT/IT solutions for mining.

2.2.3.4 Evolution of the number of employees

The following table shows the number of people employed in Ferreyrcorp and its companies, classifying them into officers, employees and technicians, both permanent and temporary. Additionally, the variation in the period 2023- 2022 is indicated.

	2022			2023			VAR 2023 - 2022		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Executives	146		146	147		146	1%		1%
Sales force	608	89	697	598	92	690	-2%	3%	-1%
Technicians	1,597	1,245	2,842	1,573	1,548	3,121	-2%	24%	10%
Employees	2,250	1,087	3,337	2,211	1,295	3,506	-2%	19%	5%
Total	4,601	2,421	7,022	4,529	2,935	7,464	-2%	21%	6%

2.2.4 Investment plans and policies

2.2.4.1 Investments in current assets

As of December 31, 2023, total assets amounted to S/. 6,525 million, slightly above the S/. 6,249 million in assets as of December 31, 2022. When comparing both periods, it is observed that the main increase is the fixed assets in S/ 178 million; the rest of current assets do not register major variations.

2.2.4.2 Investment in fixed and intangible assets

As of December 31, 2023, investments in fixed assets and intangible assets amounted to S/ 371.7 million, mainly corresponding to: i) S/ 104.7 million for investment in infrastructure, which includes S/ 54.9 million for the acquisition of new premises in the company Ferreyros that it previously rented for its rental business, ii) S/ 193.4 million for the purchase of machinery and equipment for the rental fleet and iii) S/ 49.1 million for the purchase of machinery and equipment for workshops.

At the end of December 2023, differences are shown in the fixed assets item with respect to Capex, corresponding to the recognition of fixed assets for right of use (rented premises, rental fleet, fleet of vans, among the most important), as indicated in IFRS 16 on Leases.

2.2.5 Guarantees, sureties, surety bonds, contingencies and commitments

2.2.5.1 Commitments

As of December 31, 2023, the corporation has the following commitments:

a) Ferreycorp S.A.A.

- At December 31, 2023, the Company has commitments for guarantees that guarantee credit operations of subsidiaries for US\$120,641,469 (US\$110,079,689 at December 31, 2022) and guarantees that guarantee purchase operations with third parties for US\$5,929,524 (US\$13,289,307 at December 31, 2022). It also maintains a cross-guarantee signed on July 23, 2020 signed by the Company and some of its subsidiaries as Co-Issuers.

As of December 31, 2023, the Company maintained letters of guarantee that guarantee the faithful fulfillment of contracts and payment advances for S/7,280,870 in favor of its subsidiaries (S/7,280,870 as of December 31, 2022).

b) Subsidiaries

Ferreyros S.A.:

- At December 31, 2023, this subsidiary has guarantees for US\$ 14,291,154 (US\$17,322,487 in 2022) that guarantee third-party purchase operations.
- At December 31, 2023, the subsidiary has bank guarantees in favor of financial institutions for US\$17,156,611 (US\$8,503,760 in 2022), which mainly guarantee the seriousness of the Group's offer and faithful compliance with the delivery of products sold through public bids and the payment of customs obligations related to the importation of merchandise.

Fargoline S.A.:

- As of December 31, 2023 and 2022, the subsidiary has contracted a surety policy in favor of the National Customs Superintendency for merchandise under customs regime for US\$200,000.

Soltrak S.A.:

- As of December 31, 2023, the subsidiary has guarantees for US\$18,800,000 and S/ 14,300,000 (US\$7,000,000 and S/18,200,000 in 2022), which guarantee third-party purchase operations and financial leases, respectively, with various expirations.
- As of December 31, 2023, the subsidiary has bank guarantees in favor of financial institutions for US\$ 12,390,197 and S/ 300,000 (US\$ 11,639,373 and S/300,000 in 2022), which mainly guarantee the reliability of the Group's offer and the faithful compliance with the delivery of products sold through public bids, as well as the payment of customs obligations related to the importation of merchandise, respectively.

Motored S.A.:

- As of December 31, 2023, the subsidiary has guarantees for US\$499,523 (US\$942,302 in 2022) that guarantee credit operations for purchases from third parties.
- At December 31, 2023, the subsidiary has bank guarantees in favor of third parties for S/16,142 (US\$646,313 and S/16,142 in 2022) that mainly guarantee the seriousness of the offer and the faithful compliance with the delivery of the products sold through public bids.

Orvisa S.A.:

- As of December 31, 2023, the subsidiary has bank guarantees in favor of third parties for US\$ 4,401,130 and S/ 4,513,781 (US\$5,060,732 and S/2,511,149 in 2022), which mainly guarantee credit operations of subsidiaries and purchase operations of third parties.

2.2.5.2 Tax situation

(a) The Group is subject to the tax regime of each country in which it operates and is taxed on the basis of its unconsolidated results. As of December 31, 2023 and 2022, the income tax rate on taxable income in the main countries in which the Group and its subsidiaries operate is:

	Tax Rates	
	2023	2022
	%	%
Peru	29.5	29.5
Ecuador	22	22
Colombia	24	24
Chile (*)	25	25
Guatemala	25	25
El Salvador	30	30
Belize	25	25
Nicaragua	30	30
United States of America	15 and 28	15 and 28

(*) As a result of the tax reforms issued in Chile, the income tax rate for the following years will be:

Year	Regime	
	Art. 14 Letter A Tax Rate %	Art. 14 Letter B Tax Rate %
2018 and the following	25.0	27.0

As long as the subsidiaries in Chile do not express their intention to be taxed under Art. 14 Letter "A" by means of an extraordinary shareholders' meeting, the Law establishes that by default they must be considered under Art. 14 Letter "B".

According to the legal provisions in force in some countries as of December 31, 2023 and 2022, cash dividends in favor of non-domiciled shareholders are subject to income tax at the following rates:

	Tax Rate	
	2023	2022
	%	%
Peru	5	5
Ecuador	10	10
Colombia	35	35
Chile (*)	5	5

(b) In July 2018, Law 30823 was published, in which Congress delegated to the Executive Branch the power to legislate on various issues, including tax and financial matters. In this regard, the main tax regulations issued were the following:

(i) The Tax Code was amended in order to provide greater guarantees to taxpayers in the application of the general anti-avoidance rule (Rule XVI of the Preliminary Title of the Tax Code); as well as to provide the Tax Administration with tools for its effective implementation. It has also been established that the application of Rule XVI, with regard to the recharacterization of the tax avoidance assumptions, will occur in the definitive audit procedures in which acts, facts or situations produced since July 19, 2012 are reviewed.

(ii) Rules were established for the accrual of income and expenses for tax purposes as from January 1, 2019. Until 2018, there was no normative definition of this concept, so in many cases the accounting standards were used for its interpretation.

(iii) Legislative Decree No. 1424 published on September 13, 2018 introduced amendments to the Income Tax Law regarding the limit on interest deductions. Thus, as of fiscal year 2021, net interest will not be deductible in the part that exceeds 30% of the EBITDA of the previous fiscal year. It has been established that the amount of interest expense that exceeds the amount of interest income, computable to determine net income, is considered as net interest. Likewise, EBITDA is considered to be net income after offsetting losses plus net interest, depreciation and amortization. The net interest that cannot be deducted due to the application of this limit may be added to the net interest corresponding to the following four fiscal years. On December 30, 2021, the regulations were published by Supreme Decree No.402-2021 establishing, among other points, that in cases where in the taxable year the taxpayer does not obtain net income or, having obtained such income, the amount of losses from previous years that can be offset against such income is equal to or greater, the EBITDA will be equal to the sum of net interest, depreciation and amortization deducted in such year.

By means of Legislative Decree No. 1488, published on May 10, 2020, a special depreciation regime has been established, on an exceptional and temporary basis, for taxpayers of the General Income Tax Regime, the main aspects of which are as follows:

- As from fiscal year 2021, buildings and constructions acquired in fiscal years 2020 to 2022, may be depreciated by applying an annual percentage of 20% until their total depreciation, provided that the following conditions are met:
 - (i) They are totally affected to the production of third category taxable income.
 - (ii) The construction has been started as from January 1, 2020. For these purposes, the beginning of the construction is understood as the moment in which the building license is obtained and in the case of mills and other constructions of milling concessions the moment in which the construction authorization is obtained.
 - (iii) Until December 31, 2022, the construction is at least 80% complete. In the case of constructions that have not been completed by December 31, 2022, it is presumed that the progress of the construction work as of said date is less than 80%, unless the taxpayer proves otherwise. It is understood that the construction has been completed when the conformity of the work has been obtained from the municipality and for mills when the administrative act approving the inspection of verification of the construction of works has been obtained.

- As from fiscal year 2021, assets acquired in fiscal years 2020 to 2021, used for the production of taxable income, will be depreciated by applying the following annual percentages until they are fully depreciated:

- Data processing equipment: 50%
- Machinery and equipment: 20%
- Land transportation vehicles (except railroads) with EURO IV, Tier II and EPA 2007 technology, used by authorized companies: 33.3%
- Land transport vehicle (except railroads) hybrid or electric: 50%.

On December 27, 2021, Law 31380 was published in which the Congress delegates to the Executive Branch the power to legislate for a period of 90 days in tax, financial and economic reactivation matters for a period of 90 calendar days, that is, until March 28, 2022.

In tax matters, such powers refer to the Income Tax regulations on deductibility of certain types of expenses, income of non-domiciled persons, market value in the transfer of securities, among other matters, as well as the regulations of the Tax Code, Customs and Municipal Taxation.

On March 31, 2020, Superintendence Resolution 066-2020/SUNAT was published, which established new moratorium interest rates effective as of April 1, 2020. Thus, the default interest rate in local currency went from 1.2% to 1% and in the case of foreign currency it went from 0.6% to 0.5%. Likewise, interest rates for repayment of loans in local currency were lowered from 0.6% to 0.5%. Likewise, the interest rates for refund of undue or excess payments in local currency went from 0.50% to 0.42%, while in foreign currency it went from 0.30% to 0.25%. In the case of interest on refunds for withholdings and/or perceptions of IGV not applied, it went from 1.2% to 1%

Subsequently, on March 31, 2021, Resolution of Superintendence 044-2021/SUNAT was published establishing that the interest rate for late payment in local currency went from 1.0% to 0.9% per month, effective as of April 1, 2021. The other rates have not changed.

(c) For purposes of determining income tax and general sales tax, the pricing and transfer rules must be applied and are in force in Peru, Nicaragua, Guatemala, El Salvador, Belize, Chile, Colombia, Ecuador and the United States of America and regulate that transactions with local or foreign related companies and with companies resident in territories of low or no taxation, must be made at market values and supported with documentation and information on the valuation methods used and the criteria considered for their determination.

(d) The Peruvian Tax Authorities have the authority to review and, if applicable, correct the income tax calculated by the Group in the four years following the year in which the corresponding tax return was filed (years open for examination). The Peruvian Tax Authorities have the authority to review and, if applicable, correct the income tax calculated by the Group in the four years following the year in which the corresponding tax return was filed (years open for examination).

In addition, the income tax and general sales tax returns of the Group's main subsidiaries are subject to audit by the tax authorities of each country for the periods detailed below:

	Period subject to audit
Foreign subsidiaries (country)	
Guatemala	2019 to 2023
El Salvador	2019 to 2023
Belize	2019 to 2023
Nicaragua	2019 to 2023
United States of America, Chile, Colombia and Ecuador	2019 to 2023
Local subsidiaries	
Ferreyros S.A.	2019 to 2023
Unimaq S.A.	2019 to 2023
Cresko S.A.	2019 to 2023
Soltrak S.A.	2019 to 2023
Fargoline S.A.	2019 to 2023
Orvisa S.A. and subsidiaries	2019 to 2023
Motored S.A.	2019 to 2023
Forbis Logistics S.A.	2019 to 2023
Soluciones Sitech Peru S.A.	2019 to 2023

Due to the possible interpretations that the corresponding tax authority may give to the legal norms in force, it is not possible to determine, at this date, whether or not the reviews carried out will result in liabilities for the group; therefore, any higher tax or surcharge that may result from eventual tax reviews would be applied to the results of the year in which the difference in criteria with the Tax Authority is resolved. In the opinion of management and its legal advisors, any additional tax assessment by the corresponding tax authorities in each country would not be material to the consolidated financial statements as of December 31, 2022 and 2021.

In Peru, the Temporary Net Assets Tax is levied on third category income earners subject to the general income tax regime. The tax rate is 0.4% applicable to the amount of net assets exceeding S/. 1 million.

The amount effectively paid may be used as a credit against the payments on account of the General Income Tax Regime or against the Income Tax regularization payment of the taxable year to which it corresponds.

2.2.5.3 Contingencies

As of December 31, 2023, the Company has no tax proceedings on appeal or in administrative litigation.

As of December 31, 2022, the Company had tax proceedings on appeal or in administrative litigation for the 2010 taxable year for S/82,000 (income tax S/19,000 and non-domiciled income tax S/63,000) resolved to date.

In all cases, as of December 31, 2023, the Company has requested the advice of specialists, who have determined, together with Management, that there are some assessments for S/7,988,000 (S/17,000,000, as of December 31, 2022), whose degree of loss has been determined as probable. The Company has recorded a provision for these amounts, which is presented in "Other current liabilities" in the separate statement of financial position, see note 12(b).

Management, together with its legal and tax advisors, believe that the Company has technical and legal grounds that lead them to conclude that the Tax Court will resolve the cases in this instance in favor of the Company. Therefore, they believe that future resolutions of these proceedings will not result in significant liabilities for the Company, and therefore it has not been necessary to record additional provisions as of December 31, 2023 and 2022.

2.3 Judicial, administrative or arbitration proceedings

Ferreycorp S.A.A. and its subsidiaries are parties to certain lawsuits that arose in the normal course of their activities, most of which, neither individually nor collectively, can be considered materially important. It should be noted, however, that at year-end the companies of the corporation maintain as a whole and in process of claim, eight lawsuits for indemnification for damages and other concepts amounting to US\$ 7,082,971.59, one of them for US\$ 6,599,571.43. This last process obtained a first favorable pronouncement, in which its conclusion was ordered. The plaintiff appealed and in an unsupported ruling, the superior court revoked the ruling that concluded the proceeding and requested that the first instance be ruled again. Considering that this situation is not in accordance with the law, a writ of amparo has been filed against the court's decision, which is being appealed before the competent court.

The General Management, based on the opinion of its legal advisors, considers that these claims are unfounded and that the final result will be favorable for the group companies.

2.4 Management of the corporation

2.4.1 Management

In Chapter 2, section 2.3.2, Management, the composition of the management of the corporation and its subsidiaries was described. This section presents the professional trajectory of the main officers.

Professional trajectory of the main employees of Ferreycorp S.A.A.

Mariela Garcia Figari de Fabbri **Chief Executive Officer**

G General Manager of Ferreycorp S.A.A. since 2008 and director since 2020. She joined Ferreyros in 1988 and held several positions in the Finance Division, being Finance Manager from 2001 to 2005. Subsequently, she served as assistant general manager of the company. She is a director of all the companies of the corporation in Peru and abroad. She is a member of some of Caterpillar's advisory boards in which its dealers participate. She is a director of the Foreign Trade Society of Peru (ComexPeru), Sustainable Peru (formerly Peru 2021), the Peruvian Institute of Economics (IPE), Entrepreneurs for Integrity, and InRetail. She is a member of the Advisory Board of some faculties of University of Pacifico and University of Engineering and Technology (UTEC), as well as a member of the Board of Trustees of University of Pacifico. She was a professor in the Master's Degree in Finance at the University of Pacifico. She has been a member of the Board of Directors of the National Society of Mining, Petroleum and

Energy, of Es Hoy, of the American Chamber of Commerce (Amcham Peru) and its president in the years 2018 - 2020; of Procapitales and president of its Corporate Governance Committee, as well as director of IPAE. She was president, during the period 2010- 2013, of the Companies Circle of the Latin American Corporate Governance Roundtable (Companies Circle). Previously, she was a researcher and member of the Editorial Committee of publications published by Consorcio La Moneda. She holds a degree in Economics from University of Pacifico and an MBA from University Adolfo Ibanez in Chile and Incae in Costa Rica. She received a distinction from the latter as the 2016 Distinguished Graduate.

Ronald Orrego Carrillo
Corporate Business Manager

Corporate Business Manager responsible for Unimaq, Orvisa and Trex (Chile, Ecuador, Colombia and Peru) since 2022. He joined Ferreyros in 1994 as assistant to the Service Management at national level. Subsequently, he led the commissioning of medium-speed engine projects for the marine and power generation sectors, as well as product support plans. In 2002 he assumed the position of Head of the Energy Department, in the commercial area, and subsequently held other positions in the Energy area; between 2010 and 2015 he served as manager of Energy, Hydrocarbons, Marine, Trade and Services. From 2016 to 2021 he served as manager of the Regional Accounts Division, which includes the Ferreyros branch network and the government and agricultural areas nationwide. He has more than 29 years of experience in commercial and managerial management, currently leading from the corporation the development of Unimaq and Orvisa in Peru, as well as Trex in Chile, Colombia and Ecuador. He has served as director of Ferrenergy, a Ferreyros company dedicated to the sale of energy. He is currently a director of Unimaq, Orvisa and Trex. A mechanical engineer graduated from the Pontificia Universidad Catolica del Peru, he holds an MBA with outstanding mention from the University of Pacifico, as well as an EMBA from the University Adolfo Ibanez in Chile and the Incae Business School in Costa Rica. He has participated in several Caterpillar specialization courses and forums on commercial and product support, as well as on risk management.

Luis Bracamonte Loayza
Corporate Business Manager

Corporate Business and Corporate Marketing Manager. He became Corporate Business Manager in 2016, and Marketing Manager in 2019. Between 2014 and 2015 he served as Investment Manager of Ferreycorp. He joined the company in 1979 and held several important positions, such as Deputy Manager of Credit and Collections. In 1996, he assumed the management of the Branch Division, and later became the Agricultural and Automotive Division Manager, as well as the Director and General Manager of Orvisa, among other positions. From 2012 to 2013, he served as central manager of Subsidiaries. He is vice president of the Ferreycorp companies he oversees: Soltrak, Fargoline, Forbis Logistics and Soluciones Sitech Peru. He was director and vice-president of the Lima Chamber of Commerce in different periods, as well as of the Peruvian Automotive Association. He studied at the University of Lima; obtained specialization diplomas from ESAN and the Senior Management Program (PAG) of Incae in Costa Rica; and participated in the Corporate Governance Program for Company Directors (PDE) of EY. He holds a Master's Degree in Marketing and Commercial Management from the EOI business school in Spain. He participated in the Kellogg on Marketing program at the Kellogg School of Management at Northwestern University.

Patricia Gastelumendi Lukis
Corporate Finance Manager

Corporate Finance Manager of Ferreycorp since 2005. He joined the corporation in 1987 and has 36 years of experience, occupying various positions within the Financial Management. He currently leads activities related to sustainability in the corporation, as well as aspects of management control and corporate risks, in addition to financial management. Regarding management activities, she is a member of the Board of Directors of all Ferreycorp companies, except Ferreyros. She is vice-president of the Ferreycorp Association and member of the Board of Directors of IPAE and president of the National Management Committee, director of Vidawasi Organizacion Social, of the Alliance for Works for Taxes (ALOXI) and of Entrepreneurs for Education. She is a member of the Advisory Board of the Association of Corporate Secretaries (Ascla). She was president of the Organizing Committee of the University CADE in 2010. She is a member of the Advisory Board of the School of Management of University San Ignacio de Loyola (USIL); member of the Social Responsibility and Sustainability Committee of the Canada-Peru Chamber of Commerce and of the Corporate Governance Committee of Procapitales. She holds a degree in Business Administration from University of Lima and an MBA from University Adolfo Ibanez and Incae. In 2007, she participated in the Caterpillar Leading for Growth and Profitability program at the Kenan-Flagler Business School of the University of North Carolina. In 2009, he was part of the Management of Global Economies program taught by Harvard Extension School Faculty and, in 2012, of the Corporate Governance program at Yale School of Management. In 2017, he participated in the "Merger Week: Creating Value through Acquisitions and Strategic Alliances" program at the Kellogg School of Management and, in 2023, in the "Leading for a Sustainable Future Programme" at the University of Cambridge. In 2018, he was a lecturer for the Master's Degree in Finance at the University of Pacifico.

Eduardo Tirado Hinojosa
Corporate Manager of Technology, Processes and Information

Manager of Technology, Processes and Information since May 2022. He leads the management of Core Systems, Back Office Systems and Consumable and Logistics Systems, as well as the areas of Information Security, Project Office, Enterprise Architecture, Data and Analytics, Software Factory, Processes and Continuity, Central Platform and Telecommunications. Before joining Ferreycorp, he worked in the Falabella group as General Manager of Falabella Tecnologia Peru, Corporate Technology Manager for the Falabella group in Peru and Regional Operations Manager for Falabella Tecnologia Chile. He has also worked as Technology and Information Operations Manager at Interbank, Technology Services Manager at Vodafone and Banco Santander Central Hispano in Spain. He has held different positions in technology areas throughout his professional career in companies in the telecommunications sector such as Telecom Italia Mobile and Bellsouth. He holds a degree in Computer Science from the Universidad Nacional Mayor de San Marcos, a Corporate MBA from ESADE of the University Ramon Llull in Barcelona and a master's degree in business administration from the University of Pacifico.

Maria Teresa Merino Caballero
Corporate Human Resources Manager

Corporate Human Resources Manager of Ferreycorp since 2014. He has more than 30 years of professional experience in talent management, compensation, benefits and labor relations; in organization and development of companies; and mergers and acquisitions processes. His professional development has taken place mainly in the banking, finance, insurance and pension fund management (AFP) sectors. She has worked in the Credicorp group, in Banco de Credito del Peru (BCP), in Human

Resources management positions; as Human Resources Manager in AFP Union; participated in the creation of AFP Prima and Financiera Solucion; in Banco Santander and Banco Boston (Peru) as part of the team responsible for the acquisition and merger processes; and in Grupo Sura, an insurance and real estate company, as Human Resources Manager. She is a member of the Human Resources Committee of the American Chamber of Commerce (Amcham Peru), of the Committee of the International Organization of Human Capital Managers (DCH), and of the Gender Equity Committee of the Spanish Chamber of Commerce. She holds a degree in Administrative Sciences and Human Resources from the University San Martin de Porres, and a Master's Degree in Business Administration (MBA) from the Centrum Catolica Business School of the Pontificia Universidad Catolica del Peru. He has specializations in talent management and compensation, negotiations, organizational development, culture and work environment in Peru and abroad, from University Adolfo Ibanez, ESAN, Incae, University of Piura, University of Pacifico, as well as Boston Consulting and McKinsey. He teaches at the PAD of the University of Piura and, previously, he was a professor at the Centrum Catolica business school of the Pontificia Universidad Catolica del Peru, between 2007 and 2013.

Eduardo Ramirez del Villar Lopez de Romana
Corporate Manager of Corporate Affairs

Corporate Manager of Corporate Affairs of Ferreycorp since 2014, in charge of legal and compliance issues. Previously, he was Manager of the Corporate Affairs Division of Ferreycorp since 2010. He joined the corporation in 1999, serving as legal manager. He was in charge of the Legal area of the Vice-Presidency of Finance of the Andean Development Corporation (CAF) at its headquarters in Caracas, Venezuela, as legal responsible for the passive operations of such international organization and before that as a lawyer of the Legal Consultancy, supporting the financing operations for the public and private sector in Peru and in the structuring of large projects at regional level. Previously, he served as legal manager of Cosapi Organizacion Empresarial, linked to legal advice on issues related to the construction business. He is a member of the Legal Affairs Committee, the Compliance Committee and the Ethics Tribunal of the American Chamber of Commerce of Peru (Amcham Peru). He has followed several specialization courses both in Peru and abroad. In 2007, he attended the Caterpillar Leading for Growth and Profitability program at the Kenan-Flagler Business School of the University of North Carolina. He holds a law degree from the Pontificia Universidad Catolica del Peru, and a Master in Law degree from George Washington University (Fulbright intern).

Andrea Sandoval Saberbein
Corporate Audit Manager

Corporate Audit Manager of Ferreycorp since 2022. He was Deputy Audit Manager in 2021; manager of the SAP Business Excellence Project from 2016 to 2020, in charge of the implementation and deployment of the operating model supported by SAP S4/HANA in five companies of the corporation; and Logistics Manager at Ferreyros from 2006 to 2015. In this last position, he led the transformation of the supply chain of the companies representing Caterpillar in Peru, while contributing with the logistics business capabilities, both in the expansion of Fargoline's business, in the management of temporary, simple and customs warehousing, and in the creation of the company Forbis Logistics in 2010, to provide freight forwarding services at an international level. Likewise, since 1996, he was manager of Spare Parts at Ferreyros in charge of sales and logistics, developing capacities for sustained growth in the large mining and other markets, such as the construction of the Spare Parts Distribution Center. Since joining

Ferreyros in 1986, he has held several positions related to logistics and process improvement in spare parts. In 1998, she led the implementation and deployment of the DBS System developed by Caterpillar. She has a degree in Industrial Engineering from the Pontificia Universidad Catolica del Peru, an MBA from the Incae and Adolfo Ibanez Business Schools, and a Master's Degree in Supply Chain Management from ESAN. She has participated in various courses and seminars specializing in auditing, logistics, continuous improvement and human development, including programs deployed by Caterpillar.

Professional trajectory of Ferreyros S.A.'s main officers.

Gonzalo Diaz Pro
Chief Executive Officer

General Manager of Ferreyros S.A. since January 2016. Previously, he was Deputy General Manager; Central Business Manager; and Manager of the Large Mining Division. He joined the company in August 2004. He has more than 25 years of experience in management and development of construction, open pit mining and energy projects, both in Peru and Chile. He held various positions in the Cosapi group, including Commercial Manager of the subsidiary in Chile and Project Manager of the *joint* venture with Bechtel Corporation for the execution of the EPCM contract of the then *greenfield* Antamina 70ktpd. He is a member, since 2014, of the Board of Directors of the Canada-Peru Chamber of Commerce. He has been part of the Board of Directors of the National Society of Mining, Petroleum and Energy since 2016 and for six years was chairman of its Suppliers Committee. He is also a member of the Board of Directors of the Association of Alumni and Graduates of the Pontificia Universidad Catolica del Peru (PUCP). He is a member of the Board of Directors of several of the corporation's companies and is vice-president of Unimaq. He has been a member of the Board of Directors of the Suppliers Committee of the Peruvian Chamber of Construction (Capeco) and of the Infrastructure, Energy and Mining Committee of the American Chamber of Commerce of Peru (Amcham Peru). He holds a degree in civil engineering from the Pontificia Universidad Catolica del Peru and an MBA from the University Adolfo Ibanez in Chile and the Incae Business School in Costa Rica. He is a graduate of the CEO Management Program of the Kellogg School of Management (Northwestern University) and has participated in several specialization courses in Peru and abroad. Among them are the CEO Training Program of the University of Pacifico, the University of Piura and the EY consulting firm, as well as the Caterpillar Senior Management Program of the Kenan-Flagler Business School of the University of North Carolina (United States).

Luis Fernando Armas Tamayo
Large Mining Division Manager

Manager of Large Mining Division since 2012, with more than 37 years of experience in management, implementation, marketing and market development of heavy equipment for open pit mining operations. He served as Caterpillar regional manager for northern Latin America, based in Miami (USA), during 2011; as general manager of Bucyrus South Africa, based in Johannesburg, from 2009 to 2011; and as general manager of Bucyrus Peru, from 2000 to 2009, participating in the implementation and creation of the company in the national mining market. Previously, he held the position of senior mine maintenance manager at Minera Alumbrera (Argentina) from 1997 to 2000. He also held engineering, planning and maintenance positions at Southern Peru's Cuajone operations from 1986 to 1997. He is currently a director of Soltrak, a Ferreycorp company. He is a mechanical and electrical engineer graduated from Universidad Nacional de Ingenieria, with postgraduate studies in the Senior Management Program at University of Piura; graduated from Caterpillar's Senior Management Programs at the Kenan-Flagler

Business School, University of North Carolina (USA); Senior Executive Leadership Program at Yale School of Management, Connecticut (USA); and recently in the CEO Innovation Management Program at IESE Business School, University of Navarra (Barcelona, Spain), in addition to numerous specialization courses and mining equipment congresses in Peru, Chile, South Africa, Canada and the United States.

Alvaro Vizcardo Wiese

National Accounts Division Manager

National Accounts Division Manager of Ferreyros since January 2022, with 25 years of commercial, operations and business development experience in the mining and construction heavy equipment industry. Previously, he led the National Accounts Commercial Management, between 2020 and 2021, and the Parts and Services Line Management, between 2016 and 2019, as part of a 12-year career in the company, which began as Parts and Services Representative assigned to the after-sales support of mining operations in southern Peru between 1998 and 2003. He has also worked as a sales and marketing representative for Caterpillar at its headquarters in Peoria, as well as in Decatur and Miami between 2005 and 2007; and regional sales manager for Caterpillar in Santiago de Chile between 2007 and 2011. He also served as Business Manager at General Electric, from 2011 to 2016 based in Lima, Peru. He holds an MBA from Purdue University and is an industrial engineer from University of Lima.

Enrique Salas Rizo-Patron

Regional Accounts Division Manager

Regional Accounts Division Manager since January 2022. Previously, he led the National Accounts Management, between 2016 and 2021, and the Construction and Mining Division Management, between 2010 and 2015. He also served as general manager of Mega Representaciones S.A. (currently Soltrak) from 2007 to 2010. He is a director of several companies of the Ferreyrcorp corporation. He was founder and general manager, from 1999 to the end of 2006, of Mega Caucho S.A., a leading company in the commercialization of tires for subway and off-highway mining, as well as lubricants for the industry in the country. He served as Sales Director at Andean Trading S.A., exclusive representative of Goodyear International for Peru, where he worked since 1986. He has 36 years of experience in the sale and value-added service of industrial products for the mining, construction, transportation and industrial markets. He studied at the University of Lima and followed a specialization in Sales, Marketing and Services at ESAN, as well as other studies dedicated to commercial, administrative and financial management for entrepreneurs. He has participated in courses and forums at Caterpillar and institutions related to the aforementioned markets. In 2018 he participated in the Senior Executive Leadership Program at Yale School of Management, Connecticut (United States). He has a certification for Board Members from Centrum Catolica business school, Pontificia Universidad Catolica del Peru and an International certification for Board Members from EADA Business School Barcelona.

Paul Ruiz Lecaros

Energy Division Manager

Manager of the Energy Division since 2020, he has more than 25 years of experience in Ferreyros. He is the director of Ferrenergy S.A.C. Previously, he served as manager of the Energy and Retail business unit, since 2016. As part of his experience in the company, he led the Spare Parts and Services management and the Mining Commercial management. Likewise, he was in charge of Quality Control in Warehouses, Spare Parts Inventory and Spare Parts Marketing. He also worked in the area of Customer Relationship Management (CRM). He is certified as a Black Belt in the Six Sigma

continuous improvement program. Industrial Engineer from University of Lima, he has an EMBA from University Adolfo Ibanez in Chile and Incae Business School in Costa Rica, as well as a postgraduate degree in Marketing from Pontificia Universidad Catolica del Peru. She is also a member of the board of directors of Orvisa and Ferrenergy.

Angelica Maria Paiva Zegarra

Administration and Finance Division Manager

Administration and Finance Division Manager since 2017. From January of that year until June 2018, he led the management of the areas of Treasury and Administration, Customer Financial Services, Prime Billing and Illegal Mining Control Unit of Ferreyros. In June 2018, he assumed supervision of those areas, as well as those of Accounting, Taxes, Management Control and Budgets of Ferreyros. With 33 years of experience in the corporation, he led the Financial Services Management, from 2005 to 2016, and the Treasury and Administration, responsibility incorporated in the last two years of that period. During her career at Ferreyros, she served as assistant manager of Prime Logistics, assistant manager of the Rentals business and head of the Marketing department, among others. She joined the corporation in 1990, starting her career in the Credit and Collections area. She holds a Bachelor's degree in Business Administration from the University of Lima, with a PADE in Marketing from ESAN, as well as an MBA from the University Adolfo Ibanez in Chile and Incae in Costa Rica. He has taken specialization courses in Peru in accounting, tax and financial areas at ESAN and abroad, including the Caterpillar Leading for Growth and Profitability program at the Kenan-Flagler Business School of the University of North Carolina, and the CFO Executive Program at the Chicago Booth School of Business. He was a member of the Investment Committee of the Compass Operating Lease Fund from 2013 to 2016. She has been a member of Amcham's Financial Affairs Committee since 2015. Professor during 2019 of the Master's Degree in Finance of the School of Business of the University of Pacifico.

Jorge Duran Cheneaux

Human Resources Division Manager

Human Resources Division Manager since 2020. Previously, he was in charge of Product Support Division Management, since 2016, as well as Branch and Agriculture Division Management from 2012 to 2015. He joined the corporation in 1994 as a field service engineer in charge of the Cerro Verde mining operation. Subsequently, he assumed the responsibility of head of Service of the Southern Region, in the Arequipa branch. In 1999, he was in charge of the Service Management at national level; in 2001, of the Component Repair Center (CRC) and Lima Workshops; in 2005, of the Large Mining Operations Management; and in 2007, of the Large Mining Division Management. Graduated with a Bachelor of Science degree in Mechanical Engineering from the Pontificia Universidad Catolica del Peru (PUCP), in 2009 he obtained an MBA from the University Adolfo Ibanez in Chile and the Incae in Costa Rica. He has participated in several Caterpillar specialization courses and forums, is certified as a Black Belt in the Six Sigma continuous improvement program and in 2007 he graduated from the Caterpillar Leading for Growth and Profitability program, taught by the Kenan-Flagler Business School of the University of North Carolina.

Alan Sablich Nairn

Marketing and Digital Business Division Manager

Marketing and Digital Business Division Manager since 2017. He leads the areas of Marketing, Business Intelligence, Customer Experience, Commercial Support, as well as Ferreyros' businesses that are managed through digital media, such as e-commerce,

equipment connectivity, digital transformation projects and condition monitoring. Previously, he held the position of Marketing Manager since 2015, after holding the position of Commercial Support Manager since 2013. Before joining Ferreyros, he developed in different leadership positions in marketing, digital and consulting in national and international companies, such as Belcorp, Ripley, General Electric Australia, Portland Group Australia, and Soluziona Peru & Spain. He is an industrial engineer from the University of Lima, with an MBA from Melbourne Business School Australia, certified in Marketing Management from Rutgers University. He has numerous courses in leadership, marketing and digital strategy.

Jose Gutierrez Jave

Product Support Division Manager

Product Support Division Manager since February 2020, with 25 years within the Ferreycorp corporation. He served as Supply Chain Division Manager, from 2018 to January 2020; as Machinery Commercial Manager, from 2014 to 2017; as Loading and Drilling Product Manager, from 2012 to 2013; as Construction Machinery Manager, from 2010 to 2012; and as Assistant Manager of Construction Machinery, from 2007 to 2010. He has also held different roles within Ferreyros, such as head of Administration and Logistics, account manager, sales representative, maintenance inspector, consignment analyst, among others, which give him field experience in service and maintenance of Caterpillar machinery, logistics and administration of mining operations, as well as in marketing and sales of spare parts and Caterpillar machinery. He is a mechanical engineer graduated from the Pontificia Universidad Catolica del Peru, with a Master's degree in Business Administration from the Centrum Catolica business school of the Pontificia Universidad Catolica del Peru.

Professional trajectory of the main officers of the other subsidiaries and businesses

Alberto Parodi de la Cuadra

General Manager of Unimaq

General Manager of Unimaq since January 2016 and, previously, Deputy General Manager of the company. Previously, he was Deputy General Manager of Corporacion General de Tractores, S.A. (Gentrac), in Guatemala, from July 2012 to July 2015, and Central Business and Operations Manager from 2010 to June 2012. He joined Ferreyros in 1995, where he served as manager of the Construction, Medium Mining and Energy Division, between 2007 and 2010; as Commercial Manager of Construction and Medium Mining, between January 2006 and January 2007; and as After Sales Commercial Manager, between July 2002 and December 2005, among other positions. He is a director of Orvisa, a Ferreycorp company. He is an industrial engineer graduated from University Ricardo Palma and has a Master's degree in Strategic Business Administration from Centrum Catolica, a business school of the Pontificia Universidad Catolica del Peru. He has also taken the FSE (Finance for Senior Executives) course at Harvard University in Boston and the Incae Leadership course in Costa Rica. She participated in the Caterpillar Leading for Growth and Profitability program, taught at the Kenan-Flagler Business School at the University of North Carolina, and has taken several specialization programs in Peru and abroad. Since August 2019, he has been teaching part-time at the School of International Business Administration of the Universidad Peruana de Ciencias Aplicadas (UPC).

Cesar Vasquez Velasquez
General manager of Orvisa

General manager of Orvisa S.A. since 2006. He has held the positions of general manager, chief administrative officer and general accountant in the same company, which he joined in 2000. He was a member of the Board of Directors of Caja Municipal de Ahorro y Credito de Maynas (CMAC Maynas), between 2005 and 2007, as well as member of the Zonal Council of Senati Loreto, in the periods 2009- 2011 and 2016-2017. He holds a Master's Degree in Financial Management from the Escuela de Organizacion Industrial (EOI) of Spain, a Master's Degree in Higher Education from the Universidad Nacional Mayor de San Marcos and is a Certified Public Accountant from the Universidad Nacional de la Amazonia.

Ricardo Ruiz Munguia
General Manager of Gentrac (Guatemala and Belize) and Cogesa (El Salvador)

General Manager of Gentrac Corporation and its companies in Central America. Joined General de Equipos in 1978. He has held positions in different areas of the company, becoming General Manager in 1991. In 1998, when General de Equipos acquired 100% of Gentrac in Guatemala and Gentrac in Belize, he was appointed Vice Chairman of the Board and Chief Executive Officer of the three companies. In 2001, he was appointed Chairman of the Board and CEO of Gentrac Corporation, the holding company of the aforementioned companies. In other activities in El Salvador, he has served as a member of the Board of Directors of Aseguradora Agricola Comercial; member of the Board of Directors of Banco de Comercio; chairman of the Board of Directors of Banco Atlacatl; member of the Board of Directors of Banco Central de Reserva; member of the Board of Directors of the Banking Association; director of Financiera Atlacatl; as well as director of Association of Ahorro y Prestamo Aprisa. He holds a degree in Agricultural Economics from the University of Louisiana and a Master's Degree in Business Administration from Incae.

Gonzalo Romero Pastor
Deputy General Manager of Gentrac Guatemala

Deputy General Manager of Gentrac Guatemala as of 2019. Previously, he led the Central Business and Operations Management between 2015 and 2019. He served as manager of Caterpillar Machinery and Allied Brands in Ferreyros, between 2011 and 2015; as Commercial Manager of Mining, between 2008 and 2011; he assumed the head of Parts Marketing in 2003; and previously developed in various functions in Ferreyros, after joining the company in 1996 as Parts Analyst of the Parts Management. He has more than 25 years of experience in commercial and managerial management. Professional technician in Plant Machinery Maintenance graduated from Tecsup (Peru) and engineer in Economics graduated from the Universidad Cientifica del Sur (Peru), he has a Medex Executive MBA granted by the PAD School of the University of Piura (Peru). He has participated in several Caterpillar specialization courses and forums on commercial and product support, as well as risk management.

Rodolfo Paredes Leon
General manager of Soltrak

General manager of Soltrak S.A. since May 2018. Previously, at Ferreycorp he was corporate manager of Strategy and Business Development, since 2012, and prior to that, he was manager of Development and Investments at Ferreyros since 2007. He led key initiatives such as the corporation's strategic planning and other development projects,

including internationalization and the incorporation of new businesses during his tenure. He has more than 25 years of professional experience, which includes project management in multiple industries, including aerospace, technology, logistics, pharmaceutical, industrial, construction and mining equipment, among others. Prior to joining Ferreycorp, he has worked in several organizations such as Social Security Normalization Office (ONP), Farindustria and IBM in Peru, and Honeywell International Inc. in the United States. He was director of National Factory of Etna Accumulators and Factory of National Agricultural Implements (Fiansa). He is currently a director of corporate companies such as Fargoline and Forbis Logistics. He holds a degree in industrial engineering from University of Lima and a master's degree in business (MBA) from the University of Notre Dame (United States), where he graduated with honors (cum laude). He has participated in multiple specialization courses in Peru and abroad, such as the program for value creation through strategic alliances and acquisitions at the Kellogg School of Management of Northwestern University (United States).

Victor Otero Pizarro

General Manager of Equipos y Servicios Trex S.p.A.

General Manager of Equipos y Servicios Trex S.p.A. since its incorporation in 2014. Previously, he served as general manager of Equipos y Servicios Trex S.A., which he founded in 2000 together with his partners. He has 30 years of experience in management and business development of capital goods, in the mining and port areas, holding various positions in the company Minepro Chile, today Joy Global, including the management of the Material Handling division that grouped P&H cranes, PPM port equipment and Morris bridge cranes. Architect from the Pontificia Universidad Catolica de Chile, he holds an MBA from the University Adolfo Ibanez.

Gonzalo Salazar Arenas

General manager of Trex Colombia and Trex Ecuador

General Manager of Trex Colombia and Trex Ecuador since 2022, and Central Business Manager Latam of Equipos Servicios Trex S.p.A. since September 2022. Previously, he led Trex Commercial Management in Peru, Ecuador and Colombia, and Sales Management for the same countries. He began his professional career at Ferreyros, including the positions of sales representative and account manager in the commercial, service and industrial markets. He has more than 13 years of experience in the marketing of capital goods, leading the implementation of different brands with which Trex operates today, and the management of different optimization initiatives. An industrial engineer, he holds an executive MBA from IE Business School in Spain. In addition, he has participated in different specialization courses in Peru and abroad, such as the Global Immersion Week in San Francisco at IE Business School and the Digital Disruption Week at IE Business School.

Jorge Devoto Nunez del Arco

General manager of Forbis Logistics

General Manager of Forbis Logistics Corp. and Forbis Logistics S.A. since 2013. He has experience in the management of logistics projects since 2001. With more than 15 years of experience in the corporation, he has held positions in three representative areas: Commercial, Projects and Logistics. Within his experience, his participation in the exchange program with Caterpillar, in the city of Miami, where he worked for a year, stands out. He is certified as a Black Belt in the Six Sigma continuous improvement program, as well as in Caterpillar Production System (CPS), a continuous improvement methodology adapted to the Caterpillar world. He holds a bachelor's degree in Food Industries from the Universidad Nacional Agraria La Molina and graduated with honors in Strategic Business Administration (MBA) from the Centrum Catolica business school

of the Pontificia Universidad Catolica del Peru. He completed the CEO's Management Program at Kellogg University's Senior Management Center, Chicago.

Raul Neyra Ugarte

General manager of Fargoline

General Manager of Fargoline S.A. since 2009. He began his professional career in the Peruvian Navy and then moved to the private sector, working at Molinos Takagaki, in the poultry sector, and at Nestle, in the mass consumption sector. He joined Ferreyros in 1995, where he held management positions since 2005, after working in different areas of the corporation. He has been a member of the Board of Directors of the Peruvian Port Operators Association since 2010. He holds an MBA from Incae in Costa Rica and University Adolfo Ibanez in Chile, as well as a specialization in Logistics from Pontificia Universidad Catolica del Peru and the CEO's Management program from the School of Management at Northwestern University, Chicago. He is certified as a Black Belt in the Six Sigma continuous improvement program by Caterpillar University, and is a graduate of the Peruvian Naval School as a Marine Officer with a Bachelor's Degree in Administration.

Carlos Calderon Torres

General manager of Sitech

General Manager of Sitech since March 2021. Previously, he was a consultant to Ferreyrcorp through the "For the next 100 years" initiative facilitated by Leading Digital by UTEC, where he is a partner and director. He is a recognized *practitioner* of corporate transformation, with more than 20 years of outstanding professional experience in technology and service industries. He has participated and led six corporate ventures in four different countries in the region. He is an economist from the University of Lima, with a master's degree in Marketing and Business Management from the MBA Business School and with several specialization studies in Artificial Intelligence, Big Data and Internet of Things, in renowned business schools globally. He is an influential leader in the world of technology and business, from where he actively participates in various advisory boards and charitable causes that seek to mitigate the impact of disruptions in our society.

Ernesto Velit Suarez Torres

General manager of Ferrenergy

General Manager of Ferrenergy since October 2016. He has more than 30 years of experience in the management of companies related to manufacturing, construction and consulting in mining, energy, industry, gas, oil and hydrocarbons. He was general manager of the metal-mechanic company FIMA and of the Swedish construction company Skanska; project manager of Cosapi and Parsons; and of consulting companies such as Cesel and S&Z. Former vice-president of the Association of Private Metalworking Companies of Peru and of the Suppliers Committee of the National Society of Mining, Petroleum and Energy; member of the Metalworking Committee of the National Society of Industry and of the Board of Directors of the Peruvian Chamber of Construction. He is a mechanical and electrical engineer with specialization in Energetics, graduated from the Polytechnic Institute of Bucharest. He holds a Master of Sciences degree from the Polytechnic Institute of Bucharest and the Polytechnic Institute of Paris. He is currently a member of the Board of Directors of the Engineering and Construction Guild of the Lima Chamber of Commerce (CCL).

Appendix 3: Capital stock and shareholder structure

3.1 Capital stock and share price behavior

As of December 31, 2023, Ferreycorp's capital stock is represented by 946,063,288 common shares with a par value of S/ 1.00 each, fully subscribed and paid, of which 82.94% belong to Peruvian investors and 17.06% to foreign investors. The outstanding shares as of December 31, 2023 are 933,752,471.

During the year, dividends totaling S/ 231,327,666.14 were paid to shareholders, equivalent to S/ 0.245767484395 per share, which represented a *dividend yield* of 9.9%. In the General Shareholders' Meeting of March 2023, it was approved to deliver dividends for a total of S/ 251,327,666.14 corresponding to the 2022 fiscal year. As in September 2022, S/ 120,000,000.00 had already been distributed on account of the 2022 profits, the remaining amount to be distributed was S/ 131,327,666.14. This amount was delivered to the shareholders on May 5, 2023. Additionally, on October 26, an advance dividend on account of the 2023 fiscal year profits was paid for S/ 100 million, approved by the Board of Directors.

Regarding Ferreycorp's share value, despite the challenging global environment and the difficult political situation in Peru, Ferreycorp's shares had a positive performance in 2023, as the share price went from S/ 2.26 at the opening to S/ 2.48 at the closing, showing some volatility during the year. This increase in the share price during the year, added to the dividend per share of S/ 0.259784656987, translates into a shareholder return of 20%.

The average share price in 2023 was S/ 2.28, considering the closing prices of the Lima Stock Exchange.

3.2 Share repurchase program

At its meeting on October 30, 2019, the Board of Directors approved a share repurchase program of up to 50 million shares (5% of capital). At the May 31, 2023 meeting, it increased this amount to 94 million shares (10% of capital) in a context in which the share price was below its fundamental and even book value, making it an attractive investment opportunity.

The share repurchase program has been underway since then, giving it renewed impetus in 2023. The maximum holding period for this investment in treasury stock is two years, in accordance with the provisions of the General Companies Law.

As of December 31, 2023, Ferreycorp holds 12,310,817 shares in its portfolio, for a value of S/ 28,356,625, at an average price of S/ 2.30.

3.3 Shareholding Composition

Shareholders holding 4% or more of the company's equity as of December 31, 2023 are:

Names and last names	Number of shares	Participation (%)	Provenance
Profuturo AFP– Fund 3	71,535,531	7.56%	Peru
AFP Integra – Fund 3	67,972,620	7.18%	Peru
Prima AFP – Fund 3	54,697,686	5.78%	Peru
AFP Habitat – Fund 2	51,442,324	5.44%	Peru
Prima AFP – Fund 2	49,348,483	5.22%	Peru
Letko Brosseau Emerging Markets Equity Fund	45,314,000	4.79%	Canada
Profuturo AFP - Fund 2	45,245,710	4.78%	Peru
AFP Integra – Fund 2	43,309,191	4.58%	Peru
Corporacion Cervesur S.A.A.	43,137,164	4.56%	Peru
Interseguro Compania de Seguros de Vida S.A.	42,405,262	4.48%	Peru
AFP Habitat – Fund 3	40,286,705	4.26%	Peru

The distribution of voting shares is as follows:

Holding	No. of shareholders	No. of shares	% of participation
More than 10% of capital	0	0	0.00%
Between 5% and 10% of capital	5	294,996,644	31.18%
Between 1% and 5 % of capital	15	407,606,946	43.08%
Less than 1 % of capital	3,967	243,459,698	25.74%
Total	3,987	946,063,288	100.00%

3.4 Shareholding structure by type of investor

Share: FERREYC1		
Holdings by type of shareholder of the share or equity security comprising the S&P Peru Select Index (at year-end)	Number of holders	% of participation ⁽³⁾
1. Members of the Board of Directors and senior management of the corporation, including relatives ⁽¹⁾ .	22	2.68%
2. Employees of the corporation, not included in numeral 1.	48	0.01%
3. Natural persons, not included in numeral 1 and 2.	3,753	13.04%

4. Pension funds administered by the Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance and AFP.	12	48.17%
5. Pension funds administered by the Pension Normalization Office (ONP).		
6. Peruvian State entities, with the exception of the case included in numeral 5.	1	0.14%
7. Banks, finance companies, municipal savings banks, edpymes, rural savings banks and savings and credit cooperatives under the supervision of the Superintendence of Banking, Insurance and AFP.		
8. Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFP.	3	6.64%
9. Brokerage agents under the supervision of the SMV.	5	0.04%
10. Investment funds, mutual funds and trust funds under the scope of the Securities Market Law and the Investment Funds Law and bank trusts under the scope of the General Law of the Financial System.	17	1.86%
11. Autonomous patrimonies and banking trusts abroad, to the extent that they can be identified.	75	11.27%
12. Foreign depositaries listed as holders of the share under ADR or ADS programs.		
13. Foreign depositaries and custodians appearing as holders of shares not included in numeral 12.	1	0.05%
14. Foreign custodians appearing as holders of shares.		
15. Entities not included in previous numerals ⁽²⁾ .	49	14.80%
16. Shares belonging to the S&P/BVL Peru Select Index or a security representative of these shares, in the company's portfolio.	1	1.30%
Total	3,987	100.00%

Holding by holders of the shares or securities comprising the S&P/BVL Peru Select Index, according to their residence (at year-end)	Number of holders	% of ownership ⁽³⁾
Domiciled	3,799	82.94%
Non-domiciled	188	17.06%
Total	3,987	100.00%

(1) Term "Relatives" according to the indirect ownership, linkage and economic groups regulations.

(2) Term "Entities" according to the regulations for indirect ownership, affiliation and economic groups.

(3) Two decimals.

Appendix 4: Information relating to the market for securities registered in the Public Registry of the Stock Exchange

4.1 Common shares

FERREYCORP S.A.A.

Variable income

ISIN Code	Mnemonic	Year - Month	QUOTES 2023				Average Price
			Opening S/	Closing S/	Maximum S/	Minimum S/	
PEP736001004	FERREYC1	2023-01	2.26	2.19	2.28	2.18	2.23
PEP736001004	FERREYC1	2023-02	2.20	2.16	2.27	2.15	2.20
PEP736001004	FERREYC1	2023-03	2.19	2.15	2.22	2.12	2.16
PEP736001004	FERREYC1	2023-04	2.15	2.16	2.26	2.11	2.17
PEP736001004	FERREYC1	2023-05	2.17	2.05	2.17	2.01	2.10
PEP736001004	FERREYC1	2023-06	2.10	2.20	2.27	2.10	2.17
PEP736001004	FERREYC1	2023-07	2.22	2.40	2.40	2.20	2.30
PEP736001004	FERREYC1	2023-08	2.40	2.50	2.54	2.35	2.48
PEP736001004	FERREYC1	2023-09	2.50	2.43	2.50	2.38	2.46
PEP736001004	FERREYC1	2023-10	2.42	2.37	2.45	2.22	2.32
PEP736001004	FERREYC1	2023-11	2.35	2.37	2.45	2.28	2.40
PEP736001004	FERREYC1	2023-12	2.40	2.48	2.48	2.36	2.40

4.2 Outstanding debt instruments

4.2.1 Local bonds

In 2018, Ferreycorp registered with the Superintendency of the Securities Market its Third Debt Instruments Program for US\$ 100 million or its equivalent in soles, in order to have an additional source of financing.

The issues will depend on local market conditions. No placements were made during 2023.

4.2.2 Internacional bonds

In July 2020, the corporation and its subsidiaries completed a successful private placement of international bonds with the U.S. insurer Prudential for US\$90 million for a seven-year term, with a three-year grace period. The principal balance at December 31, 2023 is US\$72 million and interest payments are being made quarterly according to schedule.

In March 2021 it was approved that Ferreycorp S.A.A. or its subsidiaries may place in the local or international market one or more issues of debt instruments (bonds, commercial papers and/or any other debt securities), through public and/or private offering, up to an amount of US\$ 400 million or its equivalent in soles. No placements were made during 2023.