Translation of consolidated financial statements originally issued in Spanish – See note 33 to the consolidated financial statements

Ferreycorp S.A.A. and Subsidiaries

Consolidated financial statements as of December 31, 2025 and 2024 together with the Independent auditors' report

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Translation of consolidated financial statements originally issued in Spanish – See note 33 to the consolidated financial statements

Ferreycorp S.A.A. and Subsidiaries

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Content

Tanaka, Valdivia, Arribas & Asociados
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Independent auditors' report

To the Shareholders of Ferreycorp S.A.A. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Ferreycorp S.A.A. and Subsidiaries (hereinafter "the Group"), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, as well as the accompanying notes to the consolidated financial statements, which include information on material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, as well as its consolidated financial performance and its cash flows for the year then ended, in accordance with IFRS accounting standards.

Basis of our opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) approved for their application in Peru by the Board of Deans of Peruvian Public Accounting Associations. Our responsibilities under those standards are further described in the *Auditor's responsibilities in relation to the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (the IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements relevant to our audit of the financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; therefore, we do not provide a separate opinion on these matters. The manner in which each key audit matter was addressed during our audit is described below.

Independent auditors' report (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities in relation to the audit of the consolidated financial statements* section of our report, including those related to these matters. Accordingly, our audit included performing procedures designed to respond to the assessed risks of material misstatement in the consolidated financial statements. The results of our audit procedures, including those performed to address the matters described below, form the basis for our opinion on the accompanying consolidated financial statements.

Key audit matter	Audit response
Revenue recognition The Group maintains a long-term, multiple-element agreement (MARC) under which it is committed to provide full-cost maintenance services for its customer's machinery and equipment. Revenue is recognized over time based on the percentage-of-completion method. This method is measured with reference to the costs incurred to date as a percentage of the total estimated costs. The accounting policy on revenue recognition, along with the significant estimates and assumptions applied, is described in notes 3.3(n) and 3.4 of the consolidated financial statements During 2025, the Group recognized S/488.90 million of revenue related to this contract. We considered this to be a key audit matter because the determination of estimated costs over the contract term involves significant judgment that could have a material impact on the recognition of margin and revenue. These significant judgments relate to the estimation of labor, materials, and overhead costs for the future execution of the contract, for which the subjectivity depends on the complexity and stage of completion of the service as of the financial statement reporting date.	Our audit procedures on revenue recognition on this contract were aimed at obtaining an understanding of the process, for which we reviewed the revenue policies, evaluated the design and the accuracy of the underlying data used by management to determine the estimate. Our detailed substantive audit procedures included, among others: (i) Evaluation of the initial estimated costs, as determined by Management, and review of key components of the total estimated cost of the contract, including labor and replacement parts. (ii) Review of significant variances in estimated costs compared to costs incurred in the current period to assess management's ability in estimating costs to complete contract agreements as of the closing date of the financial statements. We also evaluate the disclosure of the Group's accounting policy for revenue recognition for service contracts as well as significant accounting estimates and assumptions related to such estimate in the consolidated financial statements.

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Independent auditors' report (continued)

Key audit matter	Audit response
Impairment of goodwill The goodwill registered by the Group comes from the difference between the estimated market value of the net assets acquired from the subsidiaries of Ferreycorp S.A.A. and the price paid for the assets, as described in note 3.3(a) and 11(b) to the financial statements. As of December 31, 2025, goodwill amounted to S/152,235, which represents 2.3 percent of total assets. Annually, Group Management must perform tests to identify any indication of permanent impairment and, if necessary, recognize a decrease in assets. Determining its recoverable amount is complex and usually requires a high level of judgement. The most significant judgments arise on the projected or future cash flow, the discount rate and the growth rate applied in the estimation of the value in use. Due to the factors mentioned above, the evaluation of goodwill for impairment is considered a key audit matter.	Our goodwill impairment assessment audit efforts focused on gaining an understanding of the value-in-use estimation process and we engaged valuation specialists to help us: (i) Evaluate the methodology and reasonableness of the assumptions used by the Group's Management, such as; the discount rate and growth rates used in the analysis of the impairment valuation model carried out by the Company. (ii) Raise awareness of the assumptions and verification of the financial projections used. (iii) Consider the historical performance and analysis of comparable as procedures to verify the existence of evidence contrary to what is used by the Company. In addition, we have made inquiries with key management about possible modifications or changes in the estimation model.

Other Information included in the Group's 2025 Annual Report

Other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Independent auditors' report (continued)

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or with our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Group's management and those charged with corporate governance in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS accounting standards, and for the internal control that management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Group are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISAs approved for their application in Peru will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of the consolidated financial statements.

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Independent auditors' report (continued)

As part of an audit in accordance with the ISAs approved for their application in Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the Group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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Independent auditors' report (continued)

We communicate with those charged with governance of the Group regarding, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control identified during our audit.

We also provide those charged with governance of the Group with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

From the matters communicated with those charged with governance of the Group, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

February 25, 2026, except for note 1(d) to the consolidated financial statements dated March 23, 2026

Countersigned by:

TANAKA, VALDIVIA, ARRIBAS & ASOCIADOS

Carlos Valdivia
Partner in charge
C.P.C.C. Registration No. 27255

Ferreycorp S.A.A. and Subsidiaries

Consolidated statement of financial position

As of December 31, 2025 and 2024

	Notes	2025 S/(000)	2024 S/(000)
Current asset			
Cash and cash equivalents	5	280,218	248,259
Trade receivables, net	6	1,013,592	1,159,227
Other current assets	7	213,686	214,019
Inventories	8	2,500,329	2,519,944
Expenses paid in advance		28,209	32,057
		4,036,034	4,173,506
Non-current assets held for sale		7,805	792
Total current assets		4,043,839	4,174,298
Non-current assets			
Long-term trade receivables	6	46,398	27,077
Other non-current assets	7	2,428	23,241
Invenstments in joint ventures and associates	9	41,222	34,341
Property, machinery and equipment	10	2,196,056	2,079,268
Intangible assets, net	11(a)	155,961	181,280
Goodwill	11(b)	152,235	155,843
Deferred income tax asset, net	16	188,358	192,513
Total non-current assets		2,782,658	2,693,563
Total assets		6,826,497	6,867,861

	Notes	2025 S/(000)	2024 S/(000)
Current liabilities			
Financial obligations	12	1,153,980	1,326,943
Lease liabilities	13	18,808	20,694
Trade payables	14	685,225	670,519
Other liabilities	15	781,433	710,365
Income tax liability		1,575	15,714
Total current liabilities		2,641,021	2,744,235
Non-current liabilities			
Financial obligations	12	992,290	1,006,621
Lease liabilities	13	43,158	44,492
Other long-term liabilities	15	24,408	2,177
Deferred income tax liability, net	16	136,569	136,482
Deferred income		463	727
Total non-current liability		1,196,888	1,190,499
Total liabilities		3,837,909	3,934,734
Equity	17		
Issued capital		946,063	946,063
Treasury shares		-	-
Additional capital		52,405	52,405
Legal reserve		211,631	211,631
Other reserves		312,331	344,091
Retained earnings		1,466,158	1,378,937
Equity attributable to equity holders of the parent		2,988,588	2,933,127
Non-controlling interest		-	-
Total equity		2,988,588	2,933,127
Total liabilities and equity		6,826,497	6,867,861

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Translation of consolidated financial statements originally issued in Spanish – See note 33 to the consolidated financial statements

Ferreycorp S.A.A. and Subsidiaries

Consolidated statement of income

For the years ended as of December 31, 2025 and 2024

	Note	2025 S/(000)	2024 S/(000)
Revenue from sales	18	7,791,560	7,582,216
Other operating income		866	764
Total operating income		7,792,426	7,582,980
Cost of sales	18	(5,999,267)	(5,586,671)
Gross profit		1,793,159	1,996,309
Selling expenses	19	(805,766)	(776,862)
Administrative expenses	20	(376,054)	(381,361)
Other income and expenses, net		15,824	17,241
Operating profit		627,163	855,327
Participation in the net results of joint ventures and associates	9(b)	6,968	2,689
Financial income	22	35,799	39,066
Financial expenses	23	(122,075)	(126,844)
Exchange difference, net	29(c)	161,656	(43,040)
Profit before income tax		709,511	727,198
Income tax expense	16	(232,311)	(239,871)
Profit for the year from continuing operations		477,200	487,327
Discontinued operations	27		
Profit for the year from discontinued operations		3,303	1,476
Net income for the year		480,503	488,803
Earnings per share			
Basic and diluted net earnings per share (in soles)	24	0.508	0.520
Earnings per share from continuing operations			
Basic and diluted net earnings per share (in soles)		0.504	0.518

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Translation of consolidated financial statements originally issued in Spanish – See note 33 to the consolidated financial statements

Ferreycorp S.A.A. and Subsidiaries

Consolidated statement of comprehensive income

For the years ended as of December 31, 2025 and 2024

	2025 S/(000)	2024 S/(000)
Net income for the year	480,503	488,803
Exchange differences on translation of foreign subsidiaries	(31,760)	6,036
Other comprehensive expense	-	(3,095)
Other comprehensive results for the year	(31,760)	2,941
Net comprehensive income for the year	448,743	491,744

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Ferreycorp S.A.A. and Subsidiaries

Consolidated statement of changes in equity

For the years ended as of December 31, 2025 and 2024

			Equity attributable to equity holders of the parent											
							Other reserves							
	Note	Number of shares outstanding	Issued capital S/(000)	Treasury shares S/(000)	Additional capital S/(000)	Legal reserve S/(000)	Revaluation surplus S/(000)	Unrealized results S/(000)	Cumulative translation reserve S/(000)	Other reserves S/(000)	Total other reserves S/(000)	Retained earnings S/(000)	Equity attributable to equity holders of the parent S/(000)	Total equity S/(000)
Balances as of January 1, 2024		933,752	946,063	(12,311)	27,743	211,631	252,557	(2,634)	60,812	30,415	341,150	1,150,445	2,664,721	2,664,721
Net income for the year		-	-	-	-	-	-	-	-	-	-	488,803	488,803	488,803
Other comprehensive results for the year:														
- Exchange differences on translation of foreign subsidiaries	17(e)	-	-	-	-	-	-	-	6,036	-	6,036	-	6,036	6,036
- Other comprehensive expense		-	-	-	-	-	(3,095)	-	-	-	(3,095)	-	(3,095)	(3,095)
Other comprehensive results for the year		-	-	-	-	-	(3,095)	-	6,036	-	2,941	488,803	491,744	491,744
Transactions with shareholders:														
- Distribution of dividends	17(f)	-	-	-	-	-	-	-	-	-	-	(260,311)	(260,311)	(260,311)
- Sale of treasury shares	17(b)	12,311	-	12,311	24,662	-	-	-	-	-	-	-	36,973	36,973
Balances as of December 31, 2024		946,063	946,063	-	52,405	211,631	249,462	(2,634)	66,848	30,415	344,091	1,378,937	2,933,127	2,933,127
Net income for the year		-	-	-	-	-	-	-	-	-	-	480,503	480,503	480,503
Other comprehensive results for the year:														
- Exchange differences on translation of foreign subsidiaries	17(e)	-	-	-	-	-	-	-	(31,760)	-	(31,760)	-	(31,760)	(31,760)
Other comprehensive results for the year		-	-	-	-	-	-	-	(31,760)	-	(31,760)	480,503	448,743	448,743
Transactions with shareholders:														
- Distribution of dividends	17(f)	-	-	-	-	-	-	-	-	-	-	(393,282)	(393,282)	(393,282)
Balances as of December 31, 2025		946,063	946,063	-	52,405	211,631	249,462	(2,634)	35,088	30,415	312,331	1,466,158	2,988,588	2,988,588

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Translation of consolidated financial statements originally issued in Spanish – See note 33 to the consolidated financial statements

Ferreycorp S.A.A. and Subsidiaries

Consolidated statement of cash flows

For the years ended as of December 31, 2025 and 2024

	Note	2025 S/(000)	2024 S/(000)
Operating activities			
Collections from customers and third parties		7,737,151	7,983,056
Payments to suppliers		(5,562,870)	(5,737,012)
Payments to workers and others		(996,789)	(895,754)
Income tax payments		(239,121)	(302,555)
Net cash from operating activities		938,371	1,047,735
Investment activities			
Acquisition of property, machinery and equipment	10(a)	(577,233)	(589,483)
Acquisition of investments in associates	2(c) and 9	-	(8,334)
Acquisition of intangible assets	11(a)	(6,157)	(5,545)
Sale of property, machinery and equipment		2,787	4,727
Net cash used in investing activities		(580,603)	(598,635)
Financing activities			
Proceeds from borrowings	28	4,661,065	4,667,991
Repayment of borrowings	28	(4,595,855)	(4,684,967)
Lease liability payments	28	(29,311)	(38,823)
Interest paid	28	(93,010)	(114,487)
Dividends paid	17(f)	(295,024)	(260,311)
Sale of treasury shares	17(b)	-	36,973
Net cash used in financing activities		(352,135)	(393,624)
Net increase in cash and cash equivalents		5,633	55,476
Exchange difference in cash and cash equivalents		26,326	(26,314)
Balance of cash and cash equivalents at the beginning of the year		248,259	219,097
Balance of cash and cash equivalents at the end of the year		280,218	248,259
Transactions that did not generate cash flows			
Right-of-use assets – IFRS 16	10 and 13(b)	39,309	57,302
Transfer from fixed assets to inventory	10	264,058	232,760

The accompanying notes to the consolidated financial statements are an integral part of this statement.

1. Identification and economic activity

(a) General information -

Ferreycorp S.A.A. (hereinafter, "the Parent Company" or "the Company") was incorporated in the city of Lima in September 1922 and is the holding entity of a group of companies operating in Peru and abroad, called "Ferreycorp Group", coordinating its policies and administration. The Ferreycorp Group ("the Group"), through its subsidiaries, is mainly engaged in the import and sale of machinery, engines, components and spare parts, the rental of machinery and equipment, and the provision of workshop and field services, as well as the provision of related services. To this end, the Group is an authorized representative to distribute Caterpillar brand products in Peru and other international brands.

The legal domicile of the Group, where its administrative offices are located, is Avenida Cristóbal de Peralta Norte No.820, Surco, Lima, Peru.

(b) Distribution contracts -

On April 13, 2012, the Ferreycorp Group, through its subsidiary Ferreyros S.A., signed the update of two non-exclusive distribution agreements for Caterpillar products in Peru with Caterpillar S.A.R.L. (Dutch Limited Partnership), represented by Caterpillar Americas C.V. (hereinafter "CAT"). The "Sales & Services Agreement" and "Distribution Agreement for Engine, Parts and Services" contracts, referring to the sale of machinery called "Prime" and the sale of engines, spare parts and services, respectively, are of indefinite term. For more than 75 years, the Ferreycorp Group has been marketing the entire line of machinery and spare parts, providing the factory warranty and providing after-sales services (preventive maintenance and repair). The Group's management expects that the business relationship will continue to be maintained in the long term.

(c) Approval of the consolidated financial statements -

The consolidated financial statements as of December 31, 2025 have been issued with the authorization for the Company's Management and the Audit Committee on February 25, 2026 and approved by the Borad of Director son the same date, and will then be presented for consideration by the General Shareholders' Meeting to be held in the first quarter of 2026 for final approval.

The consolidated financial statements as of December 31, 2024 were approved by the Group's Management and Board of Directors on February 24, 2025 and by the General Shareholders' Meeting held on March 24, 2025.

(d) Changes to the Audit report –

On March 23, 2026, Group Management amended the consolidated statement of cash flows and a note to the consolidated statement of financial position related to an error in the presentation of dividends payable and its corresponding cash flow:

- Other liabilities: For 2025, a decrease in dividends payable of S/3,307,000 and an increase in liabilities for miscellaneous expenses for the same amount, both within the same caption. For 2024, an increase in dividends payable of S/115,000 and a decrease in liabilities for miscellaneous expenses for the same amount (see note 15).

- Consolidated statement of cash flows: A decrease in collections from customers and third parties within operating activities of S/277,000; and a decrease in dividends paid within the financing activities of S/277,000.

2. Identification of the Group structure

As of December 31, 2025 and 2024, the consolidated financial statements comprise the financial statements of Ferreycorp S.A.A., the subsidiaries over which it has control, and an investment in a joint venture. The Group holds 100 percent of the interest in its subsidiaries, either directly through the Parent Company or through other subsidiaries. The main figures of the companies included in the consolidated financial statements as of December 31, 2025 and 2024, before the eliminations made for consolidation purposes, are presented below:

		Percentage of participation		Total assets		Total liabilities		Total net equity		Net profit (loss)	
		2025 %	2024 %	2025 S/000	2024 S/000	2025 S/000	2024 S/000	2025 S/000	2024 S/000	2025 S/000	2024 S/000
Ferreyros S.A.	Purchase and sale of machinery and spare parts and delivery of workshop services	99.99	99.99	4,204,691	4,307,173	2,865,361	2,937,876	1,339,330	1,369,297	460,181	490,148
Inti Inversiones Interamericanas Corp. and subsidiaries (a)	Holding company that groups the business in Central America	100.00	100.00	714,392	683,388	391,917	334,454	322,475	348,934	24,387	24,706
Unimaq S.A.	Purchase and sale of machinery and spare parts and delivery of workshop services	99.99	99.99	569,076	555,003	398,787	410,580	170,289	144,423	25,866	18,328
Trex Latinoamerica SpA and subsidiaries (b)	Holding company that groups the business in South America	100.00	100.00	369,750	341,373	344,373	300,951	25,377	40,422	(19,157)	(41,455)
Fargoline S.A.	Storage Services	99.91	99.91	150,988	149,897	111,569	108,726	39,419	41,171	2,219	3,971
Motored S.A. (in liquidation) (d)	Purchase and sale of automotive line, spare parts and delivery of automotive services	99.99	99.99	10,305	7,827	43	868	10,262	6,959	3,303	1,476
Orvisa S.A. and subsidiaries	Purchase and sale of machinery and spare parts and delivery of workshop services	99.37	99.37	130,697	153,947	85,651	113,992	45,046	39,955	5,092	1,114
Soltrak S.A.	Representative and distributor of tires, lubricants and safety equipment	99.99	99.99	184,899	217,137	118,876	151,605	66,024	65,532	490	158
Cresko S.A.	Purchase and sale of machinery, equipment and chemical supplies	99.99	99.99	993	1,002	-	-	993	1,002	(9)	(4)
Vixora S.A.(c)	Commercialization of software and technology-related equipment	99.98	99.98	29,969	36,984	14,725	19,869	15,254	17,115	(1,939)	535
Forbis Logistics S.A.	Freight Forwarder	99.98	99.98	22,790	24,787	20,339	19,792	2,451	4,995	2,870	5,674
Xpedite Procurement Services S.A.C.	Wholesale and non-specialist retail	90.00	90.00	13,431	28,214	10,106	25,035	3,325	3,179	492	896

(a) This holding entity controls the subsidiaries in Central America and North America, which are: Compañía General de Equipos S.A. (El Salvador), Corporación General de Tractores S.A. (Guatemala), General Equipment Company (Belize), Mercado Centroamericano de Lubricantes S.A. in liquidation (Nicaragua), Forbis Logistics Corp. (United States of America) and Transportes Pesados S.A. de C.V. (El Salvador). These subsidiaries are dedicated to the purchase and sale of machinery, automobiles, spare parts and the delivery of workshop services.

(b) This holding entity controls the subsidiaries in South America, which are: Trex Latinoamérica SpA and its subsidiary Equipos y Servicios Trex SpA (both domiciled in Chile) and Trex Overseas Investments S.A. (domiciled in Chile) and its subsidiary domiciled in Colombia.

(c) As of December 31, 2024, the Group entered into the share purchase agreement through its subsidiary Vixora S.A., where it acquired 20 percent of the shares of the company Torsa Sistemas SL domiciled in Spain for EUR 2,000,000 (equivalent to S/8,334,000).

(d) During 2021, the Company capitalized debts of the subsidiary Motored, to absorb its operating losses of S/25,099,000. On September 29, 2021, the Group's Management made the decision to discontinue the operation of Motored, see note 27.

(e) The Group has a joint venture for the 50 percent investment in Ferrenergy S.A., an entity jointly controlled through the subsidiary Ferreyros S.A., through an agreement signed with SoEnergy International Corporation, which is engaged in the generation and provision of electric power supply services. The Group's investment in its joint venture is measured using the equity method. Under this method, the investment in your joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's interest in the net assets of the joint venture since the acquisition date. As of December 31, 2025, the carrying amount of the investment measured under the equity method and its effect (gain) on the consolidated results for the year amounted to S/31,539,000 and S/6,353,000 respectively (S/25,185,000 and S/2,008,000, respectively, as of December 31, 2024).

3. Basis of preparation and summary of main accounting policies

The main accounting policies applied in the preparation of the consolidated financial statements are described below. These policies have been applied consistently in all the years presented, unless otherwise indicated.

3.1 Basis for the preparation and presentation of the consolidated financial statements -

The Company's consolidated financial statements have been prepared in accordance with IFRS accounting standards issued by the International Accounting Standards Board (IASB).

The information contained in these consolidated financial statements is the responsibility of the Group's Management, which expressly confirms that all the principles and criteria contemplated in the IFRS issued by the IASB have been applied in their preparation.

The consolidated financial statements have been prepared on the basis of historical cost, based on the accounting records maintained by the Group, except for land, on which the fair value policy applies, see note 3.3(g). Consolidated financial statements are presented in thousands of soles (under the heading of S/000), except when a different monetary expression is indicated.

The Group has prepared its consolidated financial statements on a going concern basis.

The accounting policies adopted by the Group are consistent with those applied in previous years.

3.2 Basis of consolidation -

The consolidated financial statements include the financial statements of the Group and those of the subsidiaries over which it exercises control, for all periods presented. Control is achieved when the Group is exposed, or entitled to, variable returns from its involvement with the investee and has the ability to influence those returns through its power over that entity. The Group controls an entity if, and only if, it has:

- Power over the entity; that is, he has rights that grant him the present capacity to direct the relevant activities of the same,
- Exposure or rights to variable returns from their participation in the entity, and,
- Ability to use their power over the entity to significantly influence their returns.

The Group assesses whether or not it has control over an entity when the facts and circumstances indicate that there are changes in any of the elements of control. The consolidation of a subsidiary begins when the Group gains control of it and ceases to be consolidated from the date on which such control ceases. The consolidated financial statements include the assets, liabilities, income and expenses of the Group and its subsidiaries.

The result of the period and each component of other comprehensive income are attributed to the owners of the Parent and to shareholders who do not control (minority interest), even if this results in a minority interest with a negative balance. Where necessary, adjustments are made to the financial statements of the subsidiaries to align their accounting policies with the policies adopted by the Group. All assets and liabilities, equity, income, expenses and cash flows related to transactions between members of the Group are eliminated in consolidation.

A change in the participation of a subsidiary, without loss of control, is accounted for as an equity transaction.

3.3 Summary of material accounting policies -

(a) Business combinations and goodwill -

Business combinations are accounted for using the purchase method. Combinations can occur through the purchase of a separate entity or a group of assets and liabilities that qualify as a business. In the latter case, the cost of the purchase corresponds to the consideration transferred, measured at its fair value at the date of purchase. Acquisition costs incurred are expensed as incurred and presented as administrative expenses in the consolidated statement of income.

Goodwill is initially measured at cost, which is the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For purposes of performing the impairment test, goodwill acquired in a business combination is, as of the acquisition date, attributed to each of the Group's cash-generating units (CGU) that are expected to benefit from the business combination, regardless of whether other assets or liabilities of the acquiree have been distributed to these units.

If the goodwill has been distributed to a CGU and part of the assets with which said unit operates are sold or written off, the goodwill and the assets disposed of are included in the book value of the transaction when determining the result. of said transaction. Under these circumstances, the goodwill to be decreased is measured based on the relative value of the assets disposed of and the portion of the cash-generating unit retained. Goodwill is presented in these financial statements as a result of a business purchase made in previous years, resulting from the acquisition of various assets that qualified as a business.

Goodwill impairment is determined by evaluating the recoverable amount for each CGU (or group of CGUs) to which it is related. When the recoverable amount of the CGU is less than the book value, an impairment loss is recognized. Impairment losses related to goodwill cannot be reversed in future periods.

(b) Investment in joint venture -

Joint agreements are contracts in which two or more participants share control of the activity undertaken, which is called joint control. A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement are entitled to the net assets of the arrangement. Joint control is the distribution of control contractually decided for a joint arrangement and that exists only when decisions about the relevant activities thereof require the unanimous consent of the parties that share control. As a result of the assessment of their joint arrangement, the Group has determined that it has a joint venture.

The Group's investments in its joint venture are accounted for using the equity method. Under this method, the investment in your joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of the net assets of its joint venture since the acquisition date.

The consolidated statement of income reflects the Group's participation in the results of the operations of its joint venture, after the effects of the adjustments made at the time of its purchase. Any change in 'other comprehensive income' of its joint venture is presented as 'other comprehensive income' of the Group. In addition, if there were changes recognized directly in the equity of the joint venture, the Group would recognize its participation in any of these changes, as appropriate, in the consolidated statement of changes in the equity of the Group.

When the Group's share of losses from these investments exceeds the carrying amount of the investment, the Group discontinues recognizing such losses unless it has incurred legal or constructive obligations to assume them.

The Group's participation in the results of its joint venture is presented in the caption "Participation in the net results of joint ventures and associates" of the consolidated income statement.

The financial statements of the joint venture are prepared for the same information period as that of the Group. If necessary, appropriate adjustments are made to align its accounting policies with those of the Group.

(c) Financial instruments: Recognition and measurement -

(c.1) Financial Assets - Classification and initial measurement -

The Group classifies its financial assets in the following measurement categories:

- Measured at fair value (either through other comprehensive income or through profit or loss), and
- Measured at amortized cost.

The classification depends on the Group's business model for the management of its financial assets and whether the contractual terms represent only principal and interest payments.

At initial recognition, financial assets are measured at their fair value plus, in the case of a financial asset that is not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognized in profit or loss.

Subsequent measurement of debt instruments -
The subsequent measurement of debt instruments depends on the business model that the Group has established for the management of the asset and the characteristics of the cash flows derived from the asset. There are three measurement categories with which the Company classifies its debt instruments:

(i) Assets at amortized cost -
Assets held for the collection of contractual cash flows, provided that these cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income generated by these financial assets is recognized as financial income using the effective interest rate method. Any gain or loss arising from the derecognition of this type of financial asset is recognized directly in results. Impairment losses are presented as a separate line item in the consolidated statement of income.

(ii) Assets at fair value through other comprehensive income -
Financial assets whose business model is mixed, that is, financial assets that are held both to collect their contractual cash flows and for sale and if their cash flows correspond solely to payments of principal and interest, are measured at fair value at through other comprehensive income (FVOCI). Changes in the book value are recognized in other comprehensive income (through OCI), except for the recognition of losses (or reversal of losses) due to impairment, interest income and gains and losses due to exchange differences that are recognized in results. When the financial asset is derecognized, the accumulated gain or loss recognized in other comprehensive income is reclassified from equity to results and presented in the caption “Other income and expenses, net”. Interests generated by these financial assets are recognized as financial income using the effective interest method. Gains or losses from exchange differences are recognized in income under the caption "Other income and expenses, net” and impairment losses are also recognized in income and presented in a separate line item in the consolidated statement of income.

(iii) Assets at fair value through profit or loss -
Assets that do not meet the criteria to use amortized cost or FV-ORI are measured at fair value through profit or loss. Changes in the fair value of debt instruments in this category are recognized in income as “Other income and expenses, net”.

The Group reclassifies debt instruments when its business model for managing these assets changes.

Impairment of value of financial assets -
The Group evaluates, with a future perspective, the expected credit losses associated with debt instruments measured at amortized cost and at FV-OCI. The methodology applied to determine impairment depends on whether the credit risk of an asset has experienced a significant increase.

For trade receivables, the main account measured at amortized cost, the Group applies the simplified approach allowed by IFRS 9, which requires estimating the credit loss of the account for the total duration of the instrument and recognizing it from its initial recording, based on in a provision matrix, directly in the results of the period (see note 29(c.1) on financial risk management for further details); additionally, to measure expected credit losses, accounts receivable are grouped based on shared credit risk characteristics and days past due.

(c.2) Financial liabilities - Initial recognition and measurement -
The Group classifies its financial liabilities, for measurement purposes, at amortized cost. As an exception, in appropriate cases, they are classified to be measured at fair value through results. Management determines the classification of its financial liabilities at the time of initial recognition.

Financial liabilities are recognized when the Group is a party to the contractual agreements of the instrument. All financial liabilities are initially recognized at fair value, deducting, in the case of financial liabilities carried at amortized cost, the incremental costs that are directly attributed to the purchase or issue of the liability.

As of December 31, 2025 and 2024, the Group only presents liabilities measured at amortized cost, which include financial obligations, lease liabilities, trade payables, accounts payable to related parties and other liabilities.

Subsequent measurement -
After initial recognition, when the effect of the time value of money is significant, financial liabilities are measured at amortized cost using the effective interest rate method. The amortized cost is calculated considering any discount or premium in the issuance and the costs that are an integral part of the effective interest rate.

Financial liabilities are classified as short-term obligations unless the Group has the irrevocable right to defer the agreement of the obligations for more than twelve months after the date of the consolidated financial statements.

Derecognition -

A financial liability, or when applicable, a part of a financial liability or a part of a group of similar financial liabilities, is written off when the obligation specified in the corresponding contract has been paid or canceled or has expired. When an existing financial liability is replaced by another from the same creditor under substantially different conditions, or if the conditions of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized directly in income.

(c.3) Compensation of financial instruments -

The financial assets and liabilities that are subject to compensation are presented net in the consolidated statement of financial position, only if there is a legally enforceable right to offset the recognized amounts, and there is the intention to settle them for the net amount, or to carry out the assets and pay off liabilities simultaneously.

(d) Foreign currency transactions -

Functional currency and presentation currency -

The items included in the Group's consolidated financial statements are expressed in soles, which in turn is the currency of the primary economic environment where the Company operates (functional currency).

The consolidated financial statements are presented in soles, which is the Group's functional and presentation currency.

Each subsidiary determines its functional currency and prepares its financial statements using that functional currency. The Group concluded that, for all its subsidiaries, the economic characteristics indicate that the local currency of their respective countries of operation is their functional currency. Therefore, the financial statements of subsidiaries whose functional currency differs from that of the Parent Company are translated applying the criteria described below.

Balances or transactions in foreign currency -

Balances or transactions in foreign currency are considered to be those carried out in a currency other than the functional currency. Foreign currency transactions are initially recorded in the functional currency using the exchange rates prevailing on the dates of the transactions in which they initially qualified for recognition.

Subsequently, the monetary assets and liabilities denominated in foreign currency are translated at the exchange rate on their settlement date or, if still outstanding, at the reporting date. The exchange differences generated by the translation of items in foreign currency are recognized in profit or loss under the caption "Exchange difference, net". Non-monetary assets and liabilities acquired in foreign currency are translated at the exchange rate on the date of the initial transactions and are not remeasured.

Translation to presentation currency -
The consolidated financial statements have been prepared to present, on a combined basis, the activities of the Parent Company and its subsidiaries, with the sol (the functional currency of the Parent Company) defined as the Group’s presentation currency. The balances of the financial statements of subsidiaries that operate in countries whose functional currency differs from the sol were translated using the methodology established in IAS 21, *The Effects of Changes in Foreign Exchange Rates*, which is summarized below:

(i) The balances of assets and liabilities have been translated using the closing exchange rates at the date of each consolidated statement of financial position presented.

(ii) Income and expenses have been converted using the average monthly exchange rate that approximates the exchange rates on the date of recording of said transactions.

(ii) The differences resulting from the translation have been recognized as part of other comprehensive income and presented as equity in the consolidated statement of financial position under the caption “Other reserves”.

(e) Cash and cash equivalents -
For purposes of preparing and presenting the statement of cash flows under the direct method, cash and cash equivalents include cash available in fixed funds, checking accounts, and deposits in banks with an original maturity of less than 90 days. Such accounts are not subject to significant risk of changes in value.

(f) Inventories -
Inventories are measured at cost or net realizable value, whichever is lower. The cost is determined by following the specific identification method, except spare parts that are recorded by the weighted average cost method. The cost of workshop services in process includes the costs of mechanical and repair workshop services. The net realizable value is the estimated sale price of an asset in the normal course of business, net of discounts and other costs and expenses incurred to put the inventories in a condition for sale and to market them.

The estimate of the net realizable value considers any depreciation that is observed on the inventories. To this end, the Group analyses, at each closing date, the conditions and rotation of inventories. In the case of spare parts and components that do not move, a provision is recognized based on an analysis by the Supply Chain Management, who determines the impaired value. This loss is recorded directly in results under the headings "Cost of sales" and "Selling expenses".

(g) Property, machinery, and equipment -

Property, machinery, and equipment, except land, are presented at cost, net of accumulated depreciation and, if applicable, of accumulated impairment losses. This cost includes the cost of replacing components of property, machinery and equipment. For significant components of property, plant and equipment that must be replaced periodically, the replaced component is written off and the new component is recognized with its corresponding useful life and depreciation.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that they will generate future economic benefits for the Group, and the cost of these assets can be measured reliably. Disbursements for ordinary maintenance and repairs are recognized in income as they are incurred.

Land is measured at its revalued amount (fair value), using appraisals carried out every two to three years by an independent professional appraiser to ensure that the fair value does not differ significantly from its carrying amount. When changes in fair value are not significant, revaluations are performed every three to five years. As of December 31, 2025 and 2024, changes in the fair value of land were not significant; therefore, no adjustment to its carrying amount was required.

Any increase due to revaluation is recognized in the consolidated statement of comprehensive income and is accumulated in consolidated equity under "Other reserves" for revaluation of assets in equity and in the consolidated statement of comprehensive income, unless such increase reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case that increase is recognized in income. A revaluation decrease is recognized in the consolidated statement of income, except to the extent that such decrease offsets a revaluation increase of the same asset previously recognized in the asset revaluation reserve. At the time of the sale of the revalued asset, any revaluation reserves related to that asset are transferred to retained earnings.

The land does not depreciate. The depreciation of other assets is calculated on a straight-line basis over the estimated useful lives in years of the assets or based on machine-hours (m/h) used, in the terms shown below:

	Useful life
Buildings and other constructions:	
Structural work	Between 30 and 80
Finishes and complementary works	Between 15 and 20
Installations	Between 5 and 10
Machinery and equipment	Between 3 and 5
Rental machinery and equipment	m/h used
Transport units	5
Furniture and fixtures	Between 3 and 10

Residual values, useful lives, and depreciation methods and rates of assets are reviewed at each annual closing date and adjusted prospectively .

A component of property, machinery and equipment or any significant part thereof initially recognized, is derecognized at the time of its sale or when no future economic benefits are expected to be obtained from its use or sale. Any gain or loss resulting from the time of derecognition of the asset (calculated as the difference between the net proceeds from the sale and the carrying amount of the asset) are included in profit or loss under "Other income and expenses, net".

(h) Leases -

The determination of whether an agreement constitutes or includes a lease is based on the substance of the agreement at the date of its execution, if the fulfillment of the agreement depends on the use of one or more specific assets; or if the agreement grants the right to use the asset, even if such right is not explicitly specified in the agreement.

The Group as a lessee -

Leases are recognized as a right-of-use asset and a lease liability, from the date on which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured based on present values. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including payments that, regardless of their form, are considered “in substance” fixed payments), less any balance receivable for incentives received to start the lease;

- Variable lease payments that are index or rate-based, which are initially measured using the index or rate in effect on the lease commencement date;
- The amounts of any residual value guarantee that the Group has been obliged to pay;
- The price of exercising call options, if the Group considers that it is reasonably certain that it will exercise them; and
- Compensation payments for terminating the lease, if the term of the lease has considered the assumption that the Group will exercise this option.

If it would be reasonably certain to extend the term of a lease, lease payments for the extended term are also included in the liability measurement.

Lease payments are discounted using the implicit interest rate in the lease. If that rate cannot be determined in a simple way, the lessee's incremental borrowing rate is used, which represents the rate that would be charged to the lessee to raise the necessary funds to acquire an asset of similar value to the asset underlying the right of use, in a similar economic context and under similar terms, regarding the term, guarantees and conditions.

To determine the incremental borrowing rate, the Group takes into account the following criteria:

- To the extent possible, it uses, as a reference point, the rates of recently obtained financing and adjusts them to reflect changes in conditions since the date such financing was obtained;
- If it does not have recent financing, it applies an accumulation approach based on a risk-free rate, which is adjusted for the Group's credit risk; and
- Apply specific adjustments to the calculated rate that reflect the specific terms of the lease; for example, regarding the term, country, currency and type of guarantees.

The lease payments are distributed between the portion that reduces the capital and the portion that corresponds to the financial cost. The financial cost is recognized in results during the lease term, in an amount that reflects a periodic and constant interest rate applied to the balance of the liability at the closing date.

Right-of-use assets are measured at cost, which includes:

- The value of the initial measurement of the lease liability;
- Any lease payment made on or before the lease commencement date; minus any rental incentives received;

- Initial direct costs; and
- The restoration or rehabilitation costs that the Group is obliged to incur.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the useful life of the leased asset and the term of the lease. If the Group considers that it is reasonably safe to exercise its purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

Payments associated with short-term leases of real estate and vehicles and all leases of low-value assets are recognized in income on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include technology equipment and miscellaneous equipment.

The Group as lessor -
When the Group acts as lessor determines, at the beginning of the lease, whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an assessment of whether it has transferred to the lessee substantially all the risks and rewards inherent to ownership of the underlying asset. If this is the case, then the lease is a finance lease; Otherwise, it is an operating lease. As part of this evaluation, the Group considers certain indicators, such as whether the lease contract covers most of the economic life of the asset.

Income from operating leases is recognized on a straight-line basis over the term of the lease.

When the Group sublease an asset, it reflects its role in the main lease and in the sub-lease separately. The lease classification of a sublease is assessed with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease, for the Group to apply the exemption described above, then the sublease is classified as an operating lease.

If a contract contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract among the different components.

(i) Intangible assets -
Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is measured at their fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and, if applicable, any accumulated impairment loss.

Direct costs that are capitalized as part of the cost of computer programs include consulting costs, costs of employees who develop the software, complementary assistance, infrastructure and centralized licenses, user licenses and a portion of the corresponding indirect costs.

Other costs that do not meet these criteria are recognized as profit or loss as incurred.

Acquired computer program licenses are capitalized based on the costs incurred to acquire and put the specific program into use.

The useful lives of intangible assets may be finite or indefinite. Intangible assets with finite useful lives are amortized using the straight-line method over their useful lives, which fluctuate between two and thirty-nine years, and are reviewed to determine if they had any impairment in value to the extent that it exists. any indication that the intangible asset may have suffered such impairment.

The period and method of amortization for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of the asset are accounted for when the amortization period or method is modified, as appropriate, and are treated as changes in accounting estimates. The expense for amortization of intangible assets with finite useful lives is recognized in the consolidated statement of income under the heading of the category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized but are subject to annual tests to determine whether they have suffered any impairment in value, either individually or at the level of the cash-generating unit to which they belong. An indefinite useful life is reviewed annually to determine if it is still appropriate. If not, the change in useful life from indefinite to finite is accounted for prospectively.

Amortization is calculated on a straight-line basis over the estimated useful lives in years of the assets, as shown below:

	Useful life
Customer relationship	2 to 28
Rights Of Use	2
Distribution contract	10
Relationship with suppliers	39
Non-compete agreement	4 a 5
Software licenses	2 a 10

The costs incurred in the development of software recognized as assets will be amortized over their estimated useful lives. Amortization will begin when the asset is available for use, that is, when it is in the location and condition necessary for it to operate as planned by Management.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net income from the sale and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized. respective, in the caption "Other income and expenses, net".

(j) Impairment of value of non-financial assets -

The net carrying amount of property, plant and equipment and finite-lived intangible assets are reviewed to determine if there are signs of impairment at the end of each fiscal year. If such indications exist, the Group estimates the recoverable value of the asset, this being the higher between the fair value, less the expenses necessary to carry out the sale, and the value in use.

When the recoverable amount of an asset is below its book value, it is considered that there is value impairment.

The fair value corresponds to the amount that can be obtained in the sale of an asset in a free market, while the value in use is the present value of the estimated future net cash flows of the continuous use of an asset and its disposal to the end of its useful life. In determining value in use, future cash flows are discounted to their present value using a pre-tax discount rate that reflects an assessment of current market conditions, the time value of money, and the risks specific to the asset.

When new events occur, or changes in circumstances that already exist, that show that an impairment loss recorded in a previous period may no longer exist or may have been reduced, the Group makes a new estimate of the recoverable value of the corresponding asset. Previously recognized impairment losses are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the date the impairment loss was last recognized. If this is the case, the asset's carrying amount is increased to its recoverable amount. Said increase may not exceed the book value that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. This reversal is recognized in results. After the reversal is made, the depreciation charge is adjusted in future periods by distributing the carrying amount of the asset over its remaining useful life.

Goodwill and indefinite life brands -
Goodwill arises from the purchase of a group of assets that qualifies as a business. This goodwill represents the excess of the cost of acquisition with respect to the fair value of the net assets acquired at the date of acquisition of control. The book value of goodwill is tested annually to determine if there is an impairment in value (as of December 31), and when circumstances indicate that its book value could be impaired. The book value of goodwill is shown at cost less, if any, accumulated impairment losses. If the total or partial sale of the business that gave rise to the goodwill occurs, the gain or loss on said sale includes the book value of the goodwill.

Goodwill impairment is determined by evaluating the recoverable amount of each cash-generating unit (or a group of cash-generating units) to which it is related. When the recoverable amount of the cash-generating unit is less than its carrying amount, including the carrying amount of goodwill, an impairment loss is recognized.

Impairment losses related to goodwill cannot be reversed in future periods.

(k) Financing costs -
Financing costs directly attributable to the acquisition, construction or production of an asset that necessarily requires a considerable preparation period to be available for use or sale are capitalized as part of the cost of the respective asset. All other financing costs are recognized as an expense in results. Financing costs are made up of interest and other costs that the Group incurs in relation to the funds obtained.

In 2025 and 2024, the Group did not incur costs in the construction of assets that qualify for the capitalization of financing costs.

(l) Employee benefits -
Profit sharing -
The Group recognizes a liability and an expense for the participation of workers in the profits of the companies based on the legal provisions in force in each country where they operate, if applicable. In the case of entities in Peru, the participation of workers in profits is equivalent to between 5% and 8% of the taxable material determined in accordance with current income tax legislation. Under Peruvian law, there is a limit on the workers participation that an employee can receive, equivalent to eighteen monthly salaries.

The Group recognizes the participation of workers in accordance with the provisions of IAS 19, "Employee benefits", that is, as a short-term benefit that the entity provides to workers in exchange for their services. This benefit is recognized as a cost or expense depending on the function of each of them.

Guaranteed bonuses -
The Group recognizes a liability and an expense for employee bonuses based on the legal provisions in force in each country where it operates. In the case of entities in Peru, the bonuses correspond to two annual remunerations that are paid in July and December of each year.

Compensation for length of service -
The Group recognizes the compensation for length of service of the personnel that corresponds to their compensation rights calculated in accordance with the legislation in force in each country where it operates, if applicable. In the case of entities in Peru, that compensation must be deposited in the bank accounts designated by the workers in the months of May and November of each year. Compensation for staff service time is equivalent to the average monthly remuneration in effect on the date of deposit. The Group has no additional payment obligations once it makes the annual deposits of the funds to which the worker is entitled.

Vacations -
Annual vacations and other paid absences are recognized on an accrual basis and in accordance with the legislation in force in each country where the Group operates, if applicable. In the case of entities in Peru, the provision for the estimated obligation for annual employee vacations, which is calculated on the basis of remuneration for every twelve months of services provided by employees, is recognized at each closing date of the financial statements.

The Group does not provide post-employment benefits and does not operate a share-based equity compensation plan.

(m) Income tax -
Income tax for the period includes current and deferred income tax, and is recognized in the consolidated statement of income, except to the extent that it is related to items recognized as other comprehensive income or directly in equity.

Current income tax -
Income tax for the current period is calculated in accordance with the legal regulations in force in each country, based on the non-consolidated financial statements and for the amount expected to be paid to the tax authorities. The legal standards and rates used to calculate the amounts payable are those in force at the date of the consolidated financial statements.

Management periodically evaluates the tax regulations in which they are subject to interpretations and recognizes provisions on the amounts that it expects to be paid to the tax authorities.

When the Group makes payments in excess of what it considers to be its income tax payment obligations, for example, when it pays the Tax Administration under claim to avoid accumulating interest and penalties but considers that it is likely that it will obtain a refund, recognizes these amounts in the "Other assets" caption. The Company analyzes the estimated recovery period in order to identify the amounts to be presented as part of current assets and non-current assets.

Deferred income tax -
Income tax for future periods is recognized using the liability method, considering temporary differences between the tax base of assets and liabilities and their respective accounting balances at the date of the consolidated statement of financial position. Deferred assets and liabilities are measured using the tax rates (and legislation) that are expected to apply to taxable income in the years in which these differences are recovered or eliminated.

Deferred assets are recognized for all deductible differences and carryover tax losses, to the extent that it is probable that there is taxable income against which the deductible temporary differences can be offset, and carryover tax losses can be used. The book value of the deferred asset is reviewed at each closing date of the financial statements and is reduced to the extent that it is unlikely that there will be sufficient taxable income against which all or part of the deferred asset can be offset. Unrecognized deferred assets are reviewed at each financial statement date.

Deferred tax assets and liabilities are offset if there is a legal right to offset them and they are related to the same tax authority.
The Company recognizes a liability to make distributions of cash dividends to its shareholders when the distribution is duly authorized and is not at the Company's discretion. In accordance with the Company's policies, the distribution of dividends is authorized when approved by the General Shareholders' Meeting. The corresponding authorized amount is recorded directly with a charge to equity.

Uncertain tax positions -
An uncertain tax position is any tax treatment applied by an entity for which there is uncertainty as to whether it will be accepted by the tax authority. The recognition and measurement of current and deferred tax assets and liabilities may be affected in cases where an entity has uncertain tax positions associated with income tax, in which it is considered probable that the tax authority will not accept group treatment. The existence of uncertain tax positions may affect the determination of tax profit or loss, the tax base of assets and liabilities, tax credits or the tax rates used.

(n) Recognition of revenues, costs and expenses -

Revenue -

At the beginning of the contract, Management determines if the Group undertakes to deliver multiple goods or services and identifies which of them qualify as separable performance obligations, which will require recognizing income independently. This may cause the contract price to be distributed among various promises to deliver goods or services to the customer, which could be recognized as revenue at different times.

In the event that different separable performance obligations are identified, the Group distributes the contract price proportionally to each performance obligation based on their individual sales prices. If the Group does not have the individual sale price, it estimates it using a cost plus a reasonable market margin approach.

Unsatisfied performance obligations at the date of the financial statements, for which the Group has already received full or partial consideration from the client, are presented in the caption "Other current liabilities", in the consolidated statement of financial position, under the concept of "Customer advances" (note 15).

Revenue from the sale of machines, engines, equipment and spare parts is recognized when control of the goods is transferred, a situation that occurs when the product is delivered to the customer, the customer has total discretion over it and the Group does not assume any obligation that is pending to be satisfied and that could affect the acceptance of the product by the client. The product is considered delivered when the products are shipped to the location specified by the customer, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the terms of sale.

Rendering of services –

The Group provides machinery and component repair services; as well as equipment rental services.

The degree to which a transaction is completed can be determined by several methods. The Group uses the method that most reliably measures the services performed. Among the methods to be used are, depending on the nature of the operation:

- Inspection of the performed work;
- The proportion of services performed to date as a percentage of the total services to be provided that are entered into work orders;
- The proportion of the costs incurred to date in the total estimated cost of the operation, calculated so that only costs reflecting services already performed are included in the costs incurred to date and only costs reflecting services performed or to be performed are included in the estimate of the total costs of the operation.

Neither the payments on account nor the advances received from customers necessarily reflect the percentage of the service provided to date.

Services may be provided over a single period or over multiple accounting periods.

In the event that the services are provided through an indeterminate number of acts, over a specified period of time, the revenues are recognized based on the degree of performance at each time that the services are provided and that they can be reliably measured.

Multi-Element Agreements – The Company offers certain agreements where a customer can purchase a product in conjunction with a service agreement. Where multiple elements apply, the amount of revenue allocated to each performance obligation is based on the fair values of the identified performance obligations. The fair values of each obligation are determined based on the current market price of each of the items when sold separately. Revenue in connection with the sale of the product is recognized at a point in time when the inherent risks and benefits are passed on to the customer. Income in relation to service performance obligations is recognized over time according to the degree of performance of the same during the period of service, depending on whether or not the service-related activities are determinable.

MARC contract service provision –
Revenue is progressively recognized based on the percentage completion method over the term of the contract and any modifications to the contracted work. This method is measured by reference to costs incurred to date as a percentage of total estimated costs.

Contract costs include costs that are directly related to the specific contract and costs that are attributable to the contracting activity in general and can be imputed to the contract, among which we have: routine maintenance activities, repair activities, welding activities, inventory management, among others.

Costs and expenses -
The cost of sale, which corresponds to the cost of the products marketed by the Group, is recognized when the goods are delivered, simultaneously with the recognition of the proceeds from the corresponding sale.

The cost of services is capitalized as it is incurred and recognized in profit or loss simultaneously with the recognition of associated revenues. For presentation purposes, the Group incorporates capitalized costs as part of the "Inventories".

Other costs and expenses are recognized as they are accrued, regardless of when they are paid, and are recorded in the periods to which they relate.

(o) Provisions -

General -

A provision is recognized only when the Group has a present obligation (legal or implicit) as a result of a past event, it is probable that resources will be required to settle the obligation, and its value can be reliably estimated. Provisions are reviewed each period and adjusted to reflect the best estimate available at the annual closing date. When the effect of the value of money over time is important, the amount of the provision is determined by the present value of the disbursements that are expected to be incurred to cancel it.

Warranties -

Provisions for costs related to warranties granted to customers in sales of products or services are recognized when the product is sold, or the service is provided. Initial recognition is based on historical experience of the frequency and value of these events in the past. The initial estimate of costs related to warranties is reviewed annually.

(p) Contingent liabilities and assets -

Contingent liabilities are not recognized in the financial statements. These are disclosed in notes to the financial statements, except when the possibility that an economic flow will be disbursed is remote. Contingent assets are not recognized in the financial statements and are only disclosed when it is probable that income will occur for the Group.

(q) Equity -

Issued capital -

Common shares are classified in equity.

When the issued capital recognized as equity is repurchased, either by the Parent Company or by a subsidiary, the amount paid, including the direct costs attributable to the transaction (net of taxes), is recognized as a deduction from the consolidated equity. Own shares repurchased are classified as treasury shares and are presented as a deduction from equity. Any excess paid in the repurchase with respect to its nominal value, is presented affecting the Additional Capital item. When such shares are subsequently reissued or sold, any payment received, net of incremental costs directly attributable to the transaction and the corresponding effects of income tax expense, is included in equity attributable to holders of the Group's equity.

Treasury shares –

Repurchased own equity instruments (treasury shares or treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement derived from the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration received, if reissued, is recognized as an issue premium. The votes corresponding to the shares in treasury are canceled for the Company and no dividends are assigned to them. Stock options exercised during the period are settled with treasury shares.

(r) Earning per share -

Basic and diluted earnings per share are calculated by dividing the earnings for the year by the weighted average number of common shares outstanding during the period, see note 24.

The shares that come from the capitalization of profits, or similar transactions, constitute a division of shares and, therefore, for the calculation of the weighted average of shares, it is considered that these shares were always in circulation, and the calculation of the profit by basic and diluted share is adjusted retrospectively.

(s) Fair value measurement -

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market must be accessible by the Group. Also, the fair value of a liability reflects its risk of default.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is considered active if transactions for the asset or liability take place with sufficient frequency and volume to provide price information on a continuous basis.

All assets and liabilities for which fair values are determined or disclosed in the consolidated financial statements are classified within the fair value hierarchy described below, based on the lowest level of data used that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques whereby the lowest level of information that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level of information that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value in the consolidated financial statements on a recurring basis, the Group determines whether there have been transfers between the different levels within the hierarchy by reviewing the categorization at the end of each reporting period.

Management determines the policies and procedures for recurring and non-recurring fair value measurements. At each reporting date, Management analyzes the movements in the values of assets and liabilities that must be valued in accordance with the Group's accounting policies.

For fair value disclosure purposes, the Group has determined the asset and liability classes based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(t) Segment reporting -

Information by operating segments is presented in a manner consistent with internal reports provided to the operating decision maker. The person in charge of making operational decisions, who is responsible for allocating resources and evaluating the performance of the operating segments, has been identified as the General Management, in charge of making strategic decisions.

An operating segment is a component of an entity that: (i) carries on business activities from which it may earn income and incur expenses (including income and expenses related to transactions with other components of the same entity), (ii) whose result is regularly reviewed by Management to make decisions about the resources that should be allocated to the segment and evaluate its performance, and (iii) for which the financial and operating information is available, see note 31.

(u) Subsequent events -

Events after the end of the period that provide additional information about the Group at the date of the consolidated statement of financial position (adjusting events) are included in the consolidated financial statements. Significant subsequent events that are not adjusting events are disclosed in the notes to the consolidated financial statements.

3.4 Significant accounting judgments, estimates and assumptions -

The preparation of the Company's consolidated financial statements requires Management to make judgments, estimates and accounting assumptions that affect the amounts of income and expenses, assets and liabilities, and related disclosures, the disclosure of contingent liabilities at the date of the financial statements as well as the reported figures of income and expenses.

Management considers that the estimates included in the consolidated financial statements were made based on its best knowledge of the relevant facts and circumstances at the date of their preparation; however, the final results may differ materially from the estimates included in the consolidated financial statements.

The significant judgments and estimates considered by Management in the preparation of the consolidated financial statements are:

(a) Judgements -
The transactions for the years ended December 31, 2025 and 2024 have not required the special application of critical professional judgment when applying the accounting policies adopted by the Company.

(b) Estimates and assumptions -
The main estimates of Management to prepare the consolidated financial statements are as follows:

Revaluation of real estate, machinery and equipment (land) -
The Group measures its land at its fair value, for this purpose, it hired independent specialists who are experts in valuations to determine the fair values of these assets. For land, the appraiser relies on objective market evidence, using comparable prices adjusted for specific factors, such as nature, location, and condition. Management considers that performing sensitivity calculations on this estimate would be of little relevance since it is based on objective information and provided by independent sources.

Impairment of the value of non-financial assets -
The Group determines the recoverable amount of the CGUs, for the purpose of assessing impairment, based on the value in use. The value in use calculation is based on a discounted cash flow model. The cash flows arise from the estimated projections for the next ten years, excluding restructuring activities to which the Group has not yet committed, and significant future investments that will increase the operating performance of the asset or of the cash-generating unit subjected to impairment testing.

The calculation of the recoverable amount is very sensitive to any changes in the rate used to discount the cash flows, to changes in the expected future income from funds, and to the long-term growth rate used in the extrapolation. Management considers that performing sensitivity calculations on this estimate would be of little relevance due to the width of the gap when comparing the recoverable amount and the book value of its non-financial assets, see note 11.

Provision for impairment of trade receivables -
To measure expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and days past due. Expected loss rates are based on sales payment profiles over a 48-month period, corresponding historical credit losses experienced within this period (recovery trend), and the age of trade receivables. Historical loss rates are adjusted to reflect current and prospective macroeconomic factors that affect customers' ability to settle trade receivables. Management considers that performing sensitivity calculations on this estimate would be of little relevance since it is based mainly on historical and objective information.

Provision for estimation for impairment of inventories -
The cost of inventories may not be recoverable if the estimated costs to bring them into commercial condition and to carry out their marketing increase. The practice of writing down the balance of inventories, until their book value is equal to their net realizable value, is consistent with the criteria that assets should not be valued above the amounts that are expected to be recovered on their sale. The determination of the recoverable value of the inventories is made by Management based on the sales prices and the estimated sales expenses that will be incurred at the time they are made. Based on this evaluation, Management concluded that it is not necessary to increase the provision for inventory impairment.

Likewise, Management performs a rotation analysis to determine if inventories (machines, engines and spare parts) require a provision for obsolescence and/or slow movement, which lowers the balance of the inventories item in the statement of financial position. The estimate for obsolescence of warehouse stock is determined based on a specific evaluation carried out by Management on a quarterly basis in the case of machinery and motors, and on the basis of items that are more than 24 months without rotation in the case of spare parts. Management considers that performing sensitivity calculations on this estimate would be of little relevance since it is based mainly on historical and objective information, which is reviewed at each closing date of the consolidated financial statements.

Current and deferred income taxes -
There are uncertainties regarding the interpretation of complex tax regulations, changes in tax rules and the amount and timing of future tax income.

The Group calculates provisions based on reasonable estimates of the possible consequences of the reviews carried out by the tax authority. The amount of such provisions is based on several factors, such as the experience in previous tax reviews, and the different interpretations of the tax regulations made by the entity subject to tax and by the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues, depending on the circumstances and conditions in the jurisdiction of the Company and its subsidiaries.

Multi-element agreement service revenues -
A multi-element arrangement involves performing routine maintenance activities, repair activities, welding activities, inventory management, among others, which are estimated based on the estimated number of hours of use of the machinery and equipment by the customer.

Accrued revenue is recognized progressively using the percentage-of-completion method over the term of the contract. This method is measured by reference to costs incurred to date as a percentage of total estimated costs.

Management monitors financial indicators monthly to identify areas that may be directly or indirectly affecting the profitability of the contract and thus be able to make timely corrections to the progress of the service.

Estimation of total costs related to the MARC agreement -
The Company prepares estimates of the total costs related to the long-term maintenance agreement (MARC), which include estimated labor effort, supplies, third-party services, among others, in order to fulfill the performance obligation of keeping a group of the customer's machinery and equipment operational.

The Company calculates the estimated wear-and-tear hours of the machinery and equipment and, based on this, estimates the costs to be incurred in accordance with the current operating hours and operating capacity of the machinery and equipment.

3.5 New accounting standards, interpretations and modifications –
The Group applied for the first time some rules and interpretations that apply to periods beginning on or after 1 January 2025 (unless otherwise indicated). The Group did not early adopt any other standards, interpretations or amendments that have been issued but were not in effect.

- *Amendments to IAS 21 – Lack of exchangeability:* For annual periods beginning on or after January 1, 2025, the Amendments to IAS 21, Lack of Exchangeability – Effects of Changes in Foreign Exchange Rates, set out how entities must assess whether a currency is exchangeable into another currency and how to determine the exchange rate to be applied when a currency is not exchangeable. The amendments also require entities to disclose information that enables users of the financial statements to evaluate how the lack of exchangeability of a currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

These amendments had no impact on the Group's financial statements.

3.6 International Financial Reporting Standards (IFRS) issued, but not yet effective -
The standards and interpretations issued that are relevant to the Group, but not yet effective, as of the date of issuance of the consolidated financial statements are detailed below. The Company intends to adopt these standards, as applicable, when they become effective:

- *IFRS 18 Presentation and Disclosure in Financial Statements*
  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of information within the statement of profit or loss, including specific totals and subtotals. In addition, entities must classify all income and expenses within the statement of profit or loss into one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations, of which the first three are new.

  IFRS 18 also requires entities to disclose newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregating and disaggregating financial information based on the "functions" identified from the primary financial statements and the notes.

  Limited-scope amendments to IAS 7 Statement of Cash Flows were issued, including changing the starting point for determining cash flows from operating activities under the indirect method from "net profit or loss" to "operating profit or loss," and removing the optionality relating to the classification of cash flows from dividends and interest. Consequently, further amendments to many other standards were issued.

  IFRS 18 and the related amendments to other standards are effective for periods beginning on or after January 1, 2027; however, early application is permitted if this fact is disclosed. IFRS 18 must be applied retrospectively.

  The Company is currently working to identify all effects that the amendments will have on the primary financial statements and the notes to the financial statements.

- *IFRS 19 Subsidiaries Without Public Accountability: Disclosures*
  In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements of other IFRS Accounting Standards. To be eligible, at the reporting date, the entity:

  (i) must be a subsidiary as defined in IFRS 10,
  (ii) must not have public accountability, and
  (iii) must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use and complying with IFRS Accounting Standards.

IFRS 19 is effective for periods beginning on or after January 1, 2027, with early application permitted. It is expected that this standard will not have a material impact on the Group's consolidated financial statements.

4. Financial instruments

4.1 Financial instruments by category -

The classification of financial instruments by category is as follows:

	2025 S/(000)	2024 S/(000)
Financial assets according to the consolidated statement of financial position-		
Financial assets at amortized cost:		
Cash and cash equivalents	280,218	248,259
Trade receivables and other assets (*)	1,196,584	1,354,099
	1,476,802	1,602,358
Financial liabilities according to the consolidated statement of financial position -		
Other liabilities:		
Financial obligations	2,146,270	2,333,564
Trade and other accounts payable and provisions (*)	1,152,837	1,009,747
	3,299,107	3,343,311

(*) It does not include advances, taxes or provisions .

4.2 Credit quality of financial assets -

The credit quality of financial assets that are neither past due nor impaired may be assessed with reference to external risk ratings (if any) or on the basis of historical information on the default rates of their counterparties.

he credit quality of financial assets is presented below:

	2025 S/(000)	2024 S/(000)
Cash and cash equivalents (*)		
Banco Internacional del Perú S.A.A. (A+)	6,046	71,612
Banco de Crédito del Perú S.A. (A+)	167,468	54,717
Banistmo – Panamá (BB+)	34,824	15,875
Banco Santander Perú S.A. (A+)	2,872	3,561
Banco de la Nación (A)	17,617	13,772
BBVA Banco Continental S.A. (A+)	8,144	10,288
Banco Davivienda Salvadoreño, S.A. (AAA)	4,328	1,850
Citibank N.A. (A+)	6,347	16,338
Banco Agrícola S.A. (AAA)	1,827	2,077
Banco de América Central S.A. (AAA)	1,906	1,347
Scotiabank Perú S.A.A. (A+)	2,090	17,349
Banco Inter Banco, S.A. (AA-)	2,223	2,924
Heritage Bank Plc. - Belize (BBB+)	378	1,096
Davivienda - Centroamérica (AAA)	36	61
Banco Industrial, S.A. (AAA)	3,353	569
Citibank del Perú S.A. (A+)	-	9,525
Citibank - El Salvador (AAA+)	33	198
Banco Interamericano de Finanzas S.A. (A)	1,038	344
Belize Bank (AA)	4,394	5,198
Other minor items	14,997	19,257
	279,921	247,958

The risk ratings in the chart above of "A", "A+" and "AAA" represent high-quality ratings. For banks in Peru, these risk ratings are obtained mainly from the risk rating agencies authorized by the Superintendencia de Banca, Seguros y AFP (SBS), the regulatory authority for financial institutions in Peru.

(*) The rest of the cash equivalents in the consolidated statement of financial position correspond to cash held in "cash" and "cash in transit".

	2025 S/(000)	2024 S/(000)
Trade receivables -		
Counterparties with internal risk ratings:		
A	652,157	787,122
B	316,748	207,009
C	91,085	192,173
Total trade receivables	1,059,990	1,186,304
Other assets -		
Counterparties with internal risk ratings:		
A	8,109	5,543
B	128,485	162,252
Total other assets	136,594	167,795

The credit quality of customers is assessed in three categories (internal rating):

(a): New clients/related parties (less than 6 months),
(b): Existing customers / related parties (with more than 6 months of business relationship) with no breaches in the past, and
(c): Existing customers / related parties (with more than 6 months of business relationship) with breaches in the past.

As of December 31, 2025 and 2024, most of the portfolio has been assessed as "B" risk category. Likewise, of the accounts that are in compliance with their contractual terms, there are some that have not been renegotiated.

5. Cash and cash equivalents

(a) This item includes:

	2025 S/(000)	2024 S/(000)
Cash	262	298
Current accounts (b)	122,628	231,053
Savings accounts (b)	3,307	4,802
Term deposit (c)	153,986	12,103
Cash in transit	35	3
	280,218	248,259

(b) The current and savings accounts are held in local and foreign banks, are denominated in national and foreign currency, are freely available and do not generate interest, except for savings accounts that earn market interest rates.

(c) Term deposits are held in local and foreign banks of the first order, are denominated in national and foreign currency, have a maturity of less than 30 days and accrue market interest rates.

6. Trade receivables, net

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Invoices (b)	1,026,746	1,185,433
Notes receivable (b)	293,382	259,824
Unearned interest	(13,546)	(9,531)
	1,306,582	1,435,726
Less - Estimate for expected credit loss (d)	(246,592)	(249,422)
Total trade receivables	1,059,990	1,186,304
(-) Non-current balance	(46,398)	(27,077)
Current balance	1,013,592	1,159,227

(b) Trade receivables are denominated in domestic and foreign currencies and do not accrue interest, with the exception of notes receivable that accrue an annual interest rate in U.S. dollars between 10% and 20% and between 13% and 25% in soles.

The invoices and notes receivable correspond mainly to accounts receivable arising from the sale of goods and services to various local and foreign companies. In general, invoices have current maturities (condition of due and payable), and notes receivable have original maturities ranging from 30 to 360 days, with certain exceptions that are classified as non-current.

(c) The aging analysis of trade accounts receivable, without offsetting unearned interest, is as follows:

	Without impairment S/000	**Impaired** S/000	**Total** S/000
As of December 31, 2025 -			
Not past due:	947,597	83,112	1,030,709
Past due:			
- Up to 1 month	78,743	4,101	82,844
- From 1 to 3 months	40,628	5,500	46,128
- From 3 to 6 months	4,960	9,000	13,960
- More than 6 months	1,608	144,879	146,487
Total	1,073,536	246,592	1,320,128
As of December 31, 2024			
Not past due:	1,053,251	85,800	1,139,051
Past due:			
- Up to 1 month	78,202	3,658	81,860
- From 1 to 3 months	51,942	3,298	55,240
- From 3 to 6 months	7,377	3,404	10,781
- More than 6 months	5,063	153,262	158,325
Total	1,195,835	249,422	1,445,257

(d) The annual movement of the expected credit loss provision is as follows:

	2025 S/(000)	**2024** S/(000)
Beginning balance	249,422	220,986
Allowance charge to profit or loss, note 19(a)	16,589	44,392
Recoveries	(4,911)	(7,027)
Write-offs	(3,559)	(5,398)
Translation effect	(10,949)	(3,582)
Translation adjustment	-	51
Ending balance	246,592	249,422

In Management's opinion, the provision for expected credit loss of trade receivables adequately covers the credit risk as of December 31, 2025 and 2024.

7. Other current assets

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Accounts receivable from Caterpillar (b)	50,107	52,304
Taxes to be recovered from the tax administration (d)	29,813	38,946
Credit for general sales tax (e)	14,556	26,490
Income tax credit (c)	33,757	23,112
Loan receivable from Ferrenergy S.A.	9,748	11,676
Accounts receivable from personnel	12,868	9,782
Supplier claims	4,350	3,528
Advances to suppliers	11,960	15,456
Receivable from the works for taxes program (f)	17,931	8,003
Claims to insurance companies and third parties ros	6,764	6,303
Guarantee deposit	2,920	1,137
Refunds of customs and tax duties	2,612	4,665
Other minor items	20,024	36,060
	217,410	237,462
Less – Estimate for expected credit loss (h)	(1,296)	(202)
	216,114	237,260
Less: Non-current portion	(2,428)	(23,241)
Current portion	213,686	214,019

(b) As of December 31, 2025 and 2024, accounts receivable from Caterpillar include balances related to discounts earned on the purchase of Prime machinery and parts. It also includes balances related to reimbursements of guarantees agreed with the factory (Caterpillar) for the sale of machinery. These accounts do not earn interest and do not contain significant financing components.

(c) Corresponds to the credit balance for payments on account of income tax, which, in Management's opinion, will be recovered through the development of the Group's current commercial operations.

(d) As of December 31, 2025 and 2024, this item mainly includes payments under protest made by the company to the Tax Administration derived from a compliance intendancy resolution, which includes challenges and limitations to the income tax for the year 2001 for S/6,528,000 (S/15,805,000 as of December 31, 2024). In the opinion of the Management and its tax advisors, these amounts will be reimbursed to the Company, together with the corresponding interest, once the administrative and/or judicial proceedings have been fully exhausted.

(e) The general sales tax credit results primarily from disbursements for the purchase of inventory, fixed assets and other disbursements related to the Group's operations. In Management's opinion, the general sales tax credit will be recovered through the development of the Group's current business operations.

(f) As of December 31, 2025 and 2024, this caption includes the tax credits generated in favor of the Group from disbursements made to finance the following projects under Law No. 29240, *"Ley que impulsa la Inversión Pública Regional y Local con participación del sector privado"*

- In January 2021, an agreement was signed with the Provincial Municipality of Coronel Portillo – Pucallpa to provide financing through cash contributions and execution activities for the development of various projects in its region. As of December 31, 2024, this caption includes the contributions made by the Company to finance the project entitled *"Improvement and expansion of the services of the Initial Educational Institution No. 283 Juana Alarco de Dammert, Gallería District – Province of Coronel Portillo – Department of Ucayali"* for approximately S/469,000. The project was completed in June 2025.

  In April 2017, the Company signed an agreement with the Regional Government of Cusco to grant financing through contributions of money and execution activities for the development of various projects in its region. As of December 31, 2025, the item includes the contributions made through the consortium formed by the Group and Unión de Cervecerías Peruanas Backus y Johnston S.A. with participation percentages of 50 percent each, to finance the project called "Improvement, Expansion of the Potable Water and Sewerage Services of the Piura and Corimanca Micro-basin - District of Chinchero - Urubamba - Cusco" for approximately S/1,791,000 (S/1,087,000 in 2024).

- In November 2023, an agreement was signed with the Regional Government of Arequipa - Arequipa, to grant financing through contributions of money and execution activities for the development of various projects in its region. As of December 31, 2024, the item includes the contributions made by the company to finance the project called "Improvement of the educational service of the initial, primary and secondary level of the I.E.40220 Héroes del Cenepa in the district of Paucarpata, Province of Arequipa – Department of Arequipa" for the amount of S/5,579,000 (S/1,996,000 in 2024).

- In July 2024, an agreement was signed with the District Municipality of Castilla – Piura, to grant financing through contributions of money and execution activities for the development of various projects in its region. As of December 31, 2025, the item includes the contributions made by the Group to finance the project called "Improvement of the road service in the A.H. Campo Polo, District of Castilla - Piura - Piura" for the amount of S/3,679,000 (S/2,275,000 in 2024).

- In June 2024, an agreement was signed with the Regional Government of La Libertad, to grant financing through contributions of money and execution activities for the development of various projects in its region. As of December 31, 2025, the item includes the contributions made by the Group to finance the project called "Improvement of the basic health care service in Elio Jacobo Caffo, Moche district of the province of Trujillo of the department of La Libertad" for S/3,440,000 (S/252,000 in 2024).

- In January 2025, an agreement was signed with the Regional Government of La Libertad to provide financing through cash contributions and execution of activities for the development of various projects in the region. As of December 31, 2025, this caption includes the contributions made by the Group to finance the project called *"Mejoramiento del servicio de movilidad urbana en la Av. Miguel Grau y Av. José Gabriel Condorcanqui cruce con carretera Evitamiento hasta arco del sector cuatro suyos distrito de Huanchaco de la Provincia de Trujillo-La Libertad"* for S/1,446,000.

- In January 2025, an agreement was signed with the District Municipality of La Joya to provide financing through cash contributions and execution of activities for the development of various projects in the region. As of September 30, 2025, this caption includes the contributions made by the Company to finance the project entitled *"Creación del servicio del Mercado Municipal del distrito de La Joya – Provincia y departamento de Arequipa"* for S/1,081,000.

- In June 2025, an agreement was signed with the Regional Government of Puno to provide financing through cash contributions and execution activities for the development of various projects in the region. As of September 30, 2025, this caption includes the contributions made by the Company to finance the project entitled *"Mejoramiento y ampliación de los servicios de salud del Hospital Carlos Cornejo Rosello Vizcardo de la ciudad de Azángaro, Distrito y Provincia de Azángaro, Departamento de Puno"* for S/490,000.

- In January 2025, an agreement was signed with the District Municipality of Tiabaya to provide financing through cash contributions and execution activities for the development of various projects in the region. As of September 30, 2025, this caption includes the contributions made by the Company to finance the project entitled *"Mejoramiento y ampliación de los servicios educativos de la I.E. N° 40083 Franklin Roosevelt del distrito de Tiabaya, Provincia y Departamento de Arequipa"* for S/365,000

(g) The aging analysis of the balance of other assets is as follows:

	2025 S/(000)	2024 S/(000)
Not past due	213,566	231,929
Past due up to 180 days	415	684
Past due higher than 180 days	3,429	4,849
	217,410	237,462

(h) In Management's opinion, the expected credit loss allowance adequately covers the credit risk as of December 31, 2025 and 2024, respectively.

8. Inventaries

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Machines, motors and automobiles (b)	857,856	895,177
Spare parts for sale (b)	944,637	954,738
Cost of workshop services in process (c)	165,707	189,839
Merchandise	70,596	89,145
Advances to suppliers	97,475	245,406
Miscellaneous supplies	14,794	10,946
Goods in transit (d)	428,901	210,821
	2,579,966	2,596,072
Less - Estimate for impairment of inventories (e)	(79,637)	(76,128)
	2,500,329	2,519,944

(b) It corresponds mainly to the items that the Group intends for sale. Caterpillar branded and non-Caterpillar branded machines, engines and equipment, and parts associated with those machines. It is estimated that the sale of these products will take place during the first quarter of the following year.

(c) It corresponds mainly to the costs incurred in mechanical workshop and repair services that the Group provides to customers (inventory in process), and that were pending completion at the date of the financial statements.

(d) It corresponds mainly to spare parts for Caterpillar machines, engines and equipment, as well as other brands, which the Group imports and then sells mainly to its mining, construction and agricultural customers, which are estimated to be received mainly during the first quarter of 2026 and 2025, respectively.

(e) The annual movement of the estimate for inventory impairment is shown below:

	2025 S/(000)	2024 S/(000)
Beginning balance as of January 1	76,128	66,653
Allowance charged to cost of sales, note 18	51,510	60,311
Transfer from fixed assets	792	1,043
Recovery of provision, note 18	(31,291)	(33,289)
Destruction of spare parts and others	(14,110)	(14,733)
Allowance charged to selling expenses, note 19	710	989
Transfer to fixed assets	(58)	(339)
Translation effect	(4,044)	(4,507)
Ending balance as of December 31	79,637	76,128

The estimate for inventory impairment is determined based on inventory turnover levels and other characteristics, according to periodic evaluations by Management and the technical and financial areas. In Management's opinion, the balance of this estimate adequately covers the risk of impairment in inventories as of December 31, 2025 and 2024.

9. **Investments in joint ventures and associates**

(a) The composition of the caption is presented below:

	Business activity	Percentage of ownership interest		Carrying amount	
		2025	2024	2025	2024
		%	%	S/(000)	S/(000)
Joint Venture (b):					
Ferrenergy S.A.	Power generation and supply	50.00	50.00	31,538	25,185
Asociadas (c):					
Torsa Sistemas SL, note 2(c)	Electronic component manufacturing	20.00	20.00	9,537	9,009
Other investments:					
Other minor investments	Other			147	147
				41,222	34,341

(b) In 2025, the Group recognized a total gain of S/6,968,000 (S/2,689,000 in 2024) in the caption "Participation in the net results of joint ventures and associates" of the consolidated statement of income.

(c) The following are the figures in the financial statements of Ferrenergy S.A. and Torsa Sistemas SL as of December 31, 2025 and 2024:

Ferrenergy S.A.:

	2025	2024
	S/(000)	S/(000)
Statement of financial position:		
Total assets	168,745	135,064
Total liabilities	121,167	84,694
Equity	47,578	50,370
Statement of income:		
Total revenues	29,107	29,971
Operating profit	19,524	5,488
Net profit	14,566	4,099

Torsa Sistemas SL:

	2025	2024
	S/(000)	S/(000)
Statement of financial position:		
Total assets	32,749	31,874
Total liabilities	8,711	6,252
Equity	24,038	25,622
Statement of income:		
Total revenues	16,566	14,246
Operating profit	2,993	1,142
Net profit	3,025	988

10. Property, machinery and equipment

(a) The composition and movement of the item for the years 2025 and 2024 is presented below:

	2025							
Description	**Land** S/(000)	**Buildings and other constructions** S/(000)	**Machinery and Equipment** S/(000)	**Rental Fleet Machinery and Equipment** S/(000)	**Transport units** S/(000)	**Furniture and fixtures** S/(000)	**Work in progress/units to be received** S/(000)	**Total** S/(000)
Cost								
Balance as of January 1	682,294	612,250	562,511	892,575	66,720	59,894	124,566	3,000,810
Right-of-use asset additions – IFRS 16	-	34,574	-	-	4,735	-	-	39,309
Additions (c)	17,291	4,782	23,442	(25,376)	5,781	8,221	44,456	78,597
Derecognition and/or sales (b)	(808)	(1,103)	(7,571)	(7,774)	(2,807)	(4,228)	(16)	(24,307)
IFRS 16 Derecognition	-	(9,754)	-	-	(6,693)	-	-	(16,447)
Transfer from inventories	-	-	25,623	453,921	-	-	19,092	498,636
Transfer to inventories	-	-	(7,630)	(253,583)	-	-	(2,845)	(264,058)
Transfer to non-current assets held for sale	(7,805)	-	-	-	-	-	-	(7,805)
Other transfers	-	23,486	21,470	101,573	1,243	(52)	(148,543)	(823)
Translation effect	(8,807)	(8,585)	(3,450)	(16,118)	(1,322)	(3,314)	(5,175)	(46,771)
Balance as of December 31	682,165	655,650	614,395	1,145,218	67,657	60,521	31,535	3,257,141
Accumulated depreciation -								
Balance January 1	-	232,203	263,301	347,577	32,230	36,727	-	912,038
Right-of-use assets – IFRS 16(h)	-	18,268	98	1,720	8,835	-	-	28,921
Additions	-	20,875	58,364	120,481	3,592	10,425	-	213,737
Derecognition and/or sales (b)	-	(546)	(6,057)	(2,044)	(2,525)	(4,043)	-	(15,215)
IFRS 16 derecognition (h)	-	(8,168)	-	-	(6,616)	-	-	(14,784)
Transfer to inventories	-	-	(3,530)	(63,756)	57	-	-	(67,229)
Other transfers	-	655	162	(672)	2,244	116	-	2,505
Translation effect	-	(5,389)	(2,949)	(8,084)	(1,572)	(3,146)	-	(21,140)
Balance as of December 31	-	257,898	309,389	395,222	36,245	40,079	-	1,038,833
Impairment allowance -								
Balance as of January 1	-	194	578	8,732	-	-	-	9,504
Additions	-	-	-	14,891	-	-	-	14,891
Transfers from Inventories	-	13	-	45	-	-	-	58
Derecognition and/or sales	-	-	-	(1,198)	-	-	-	(1,198)
Transfer to inventories	-	-	-	(792)	-	-	-	(792)
Translation effect	-	-	-	(211)	-	-	-	(211)
Balance as of December 31	-	207	578	21,467	-	-	-	22,252
Net carrying amount	682,165	397,545	304,428	728,529	31,412	20,442	31,535	2,196,056

	2024							
Description	Land S/(000)	Buildings and other constructions S/(000)	Machinery and Equipment S/(000)	Rental Fleet Machinery and Equipment S/(000)	Transport units S/(000)	Furniture and fixtures S/(000)	Work in progress/units to be received S/(000)	Total S/(000)
Cost								
Balance as of January 1	678,377	580,722	558,230	809,809	59,899	75,311	11,783	2,774,131
Right-of-use asset additions – IFRS 16	-	34,307	-	-	22,995	-	-	57,302
Additions (c)	9,434	11,588	42,542	(20,790)	7,167	13,201	73,047	136,189
Derecognition and/or sales (b)	(6,519)	(13,292)	(70,166)	(2,001)	(4,082)	(27,779)	(229)	(124,068)
IFRS 16 derecognition	-	(32,009)	-	-	(18,173)	-	-	(50,182)
Fair value	-	-	92	-	-	-	-	92
Transfer from inventories	-	-	46,346	307,201	-	-	99,747	453,294
Transfer to inventories	-	-	(13,464)	(219,296)	-	-	-	(232,760)
Other transfers	-	35,922	(1,292)	15,211	(604)	(1,127)	(59,855)	(11,745)
Translation effect	1,002	(4,988)	223	2,441	(482)	288	73	(1,443)
Balance as of December 31	682,294	612,250	562,511	892,575	66,720	59,894	124,566	3,000,810
Accumulated depreciation -								
Balance January 1	-	240,816	295,489	310,260	38,755	55,947	-	941,267
Right-of-use assets – IFRS 16(h)	-	12,582	138	6,858	11,106	-	-	30,684
Additions	-	21,365	44,682	96,865	2,981	8,823	-	174,716
Derecognition and/or sales (b)	-	(10,611)	(69,767)	(1,501)	(3,514)	(27,177)	-	(112,570)
IFRS 16 derecognition (h)	-	(32,709)	-	-	(17,400)	-	-	(50,109)
Transfer to inventories	-	-	(3,497)	(73,931)	(315)	1	-	(77,742)
Other transfers	-	533	(3,860)	3,057	1,572	(1,146)	-	156
Translation effect	-	(66)	116	5,969	(662)	279	-	5,636
Balance as of December 31	-	231,910	263,301	347,577	32,523	36,727	-	912,038
Impairment allowance -								
Balance as of January 1	-	193	578	6,470	-	-	-	7,241
Additions	-	-	-	3,342	-	-	-	3,342
Transfers from Inventories	-	1	-	338	-	-	-	339
Derecognition and/or sales	-	-	-	(411)	-	-	-	(411)
Transfer to inventories	-	-	-	(1,043)	-	-	-	(1,043)
Translation effect	-	-	-	36	-	-	-	36
Balance as of December 31	-	194	578	8,732	-	-	-	9,504
Net carrying amount	682,294	380,146	298,632	536,266	34,197	23,167	124,566	2,079,268

(b) During 2025, the Group sold and derecognized property, plant and equipment with a net carrying amount of S/7,894,000 (S/11,087,000 during 2024). From these sales, the Group generated a gain on the sale of its property, plant and equipment amounting to S/2,362,000 (S/4,006,000 during 2024), which is presented in the caption "Other income and expenses, net" in the consolidated statement of income. During 2025, the main sales related to buildings and installations, transportation units, machinery and workshop equipment; and the main derecognitions (write-offs) correspond to computer equipment and buildings and installations. In 2024, the main sales related to transportation units, machinery and equipment, while the main derecognitions included furniture and fixtures, computer equipment, machinery and equipment, and buildings and installations.

(c) As of December 31, 2025, the balances of work in progress mainly comprise disbursements made for the construction of the new WIP 2 Welding workshop located in La Joya – Arequipa for S/894,000, and various improvements in the Lima workshops for S/2,361,000, and in various mining operations for S/1,121,000.

As of December 31, 2024, the balances of work in progress mainly comprised disbursements made for the Office Project at the Quellaveco Mining Operation for S/3,036,000, the Fluids Laboratory Project and La Joya workshops for S/866,000, work in various mining operations for S/4,315,000, as well as other project-related work in the offices located in Lima and Central America for S/11,855,000.

(d) As of December 31, 2025 and 2024, the Group has obtained insurance coverage for all of its assets. In Management's opinion, its insurance policies are consistent with international industry practice, and the risk of potential losses from insured events covered under the insurance policy is reasonable considering the type of assets owned by the Group.

(e) In 2025, rental income amounted to S/268,462,000 (S/261,496,000 in 2024), which relates to the rental of machinery and fleet equipment and is included in the caption "Revenue from sales" in the consolidated statement of income.

(f) Depreciation expense for the years ended December 31, 2025 and 2024 has been recorded under the following items in the consolidated income statement:

	2025 S/(000)	2024 S/(000)
Cost of sales, note 18	120,856	99,061
Selling expenses, note 19	80,566	63,862
Administrative expenses, note 20	12,315	11,793
	213,737	174,716

(g) As of December 31, 2024 and 2023, Management performed an assessment of the condition and state of use of its property, machinery and equipment and did not identify any indications of impairment in these assets.

(h) The movement of the right-of-use asset and its corresponding accumulated depreciation is described below:

	Buildings and other constructions S/000	Machinery & Equipment S/000	Transport Units S/000	Total S/000
Year 2025:				
Cost -				
Initial balance as of January 1, 2025	68,408	107,463	30,196	206,067
Additions	34,574	-	4,735	39,309
Adjustments	(4,677)	(4,385)	(417)	(9,479)
Disposals	(9,754)	-	(6,693)	(16,447)
Balance as of December 31, 2025	88,551	103,078	27,821	219,450
Accumulated depreciation -				
Opening balance as of January 1, 2025	27,187	131,075	15,835	174,097
Additions	18,268	1,818	8,835	28,921
Adjustments	(1,340)	(3,546)	786	(4,100)
Disposals	(8,168)	-	(6,616)	(14,784)
Balance as of December 31, 2025	35,947	129,347	18,840	184,134
Year 2024:				
Cost -				
Initial balance as of January 1, 2024	65,774	105,878	25,259	196,911
Additions	34,307	-	22,995	57,302
Adjustments	336	1,585	115	2,036
Disposals	(32,009)	-	(18,173)	(50,182)
Balance as of December 31, 2024	68,408	107,463	30,196	206,067
Accumulated depreciation -				
Initial balance as of January 1, 2024	46,409	120,081	20,775	187,265
Additions	12,582	6,996	11,106	30,684
Adjustments	905	3,998	1,354	6,257
Disposals	(32,709)	-	(17,400)	(50,109)
Balance as of December 31, 2024	27,187	131,075	15,835	174,097

The expense generated by the depreciation of the right-of-use asset was distributed as follows:

	2025 S/(000)	2024 S/(000)
Cost of sales, note 18	12,786	13,539
Selling expenses, note 19	14,159	15,570
Administrative expenses, note 20	1,976	1,575
	28,921	30,684

In 2025 and 2024, the Group did not sign any contracts that include variable lease payments, whether dependent on an index or rate or not.

In 2025, the expense related to leases with a term of 12 months or less and leases of low-value assets, for which the Group applied the practical application under IFRS 16 of not recognizing them as part of the lease liability, amounted to S/23,503,000 (S/16,295,000 in 2024) and is presented in the captions "Selling expenses" and "Administrative expenses" in the consolidated statement of income.

11. Intangible assets and goodwill

(a) Intangible assets -

The composition and movement of this caption for the years 2025 and 2024 are presented below:

	Customer relations S/(000)	Brand Rights S/(000)	Distribution contract S/(000)	Computer programs S/(000)	Rights of use S/(000)	Relationship with suppliers S/(000)	Non-compete agreement S/(000)	Others S/(000)	Total S/(000)
Cost									
Balances as of January 1, 2024	58,462	9,093	13,398	325,810	17,552	2,117	5,042	9,624	441,098
Additions (ii)	-	-	-	5,315	-	-	-	230	5,545
Disposals and transfers	-	-	-	(490)	-	-	-	(14)	(504)
Translation effect	(79)	(60)	192	(354)	-	(227)	(104)	8	(624)
Balances as of December 31, 2024	58,383	9,033	13,590	330,281	17,552	1,890	4,938	9,848	445,515
Additions (ii)	-	-	-	4,992	-	-	-	1,165	6,157
Disposals and transfers	-	-	-	(908)	-	-	-	-	(908)
Translation effect	(1,261)	(517)	(1,446)	(589)	-	(35)	(387)	(67)	(4,302)
Balances as of December 31, 2025	57,122	8,516	12,144	333,776	17,552	1,855	4,551	10,946	446,462
Amortization									
Balances as of January 1, 2024	56,106	4,372	13,414	129,731	17,552	457	5,042	5,663	232,337
Additions	705	163	-	29,783	-	48	-	436	31,135
Discontinuous operation additions - Motored	-	-	-	144	-	-	-	-	144
Reclassifications and/or adjustments	-	-	-	369	-	-	-	-	369
Translation effect	55	61	192	90	-	(49)	(104)	5	250
Balances as of December 31, 2024	56,866	4,596	13,606	160,117	17,552	456	4,938	6,104	264,235
Additions	359	72	-	29,444	-	53	-	463	30,391
Disposals and transfers	-	-	-	(638)	-	-	-	473	(165)
Translation effect	(1,206)	(489)	(1,446)	(381)	-	(11)	(387)	(40)	(3,960)
Balances as of December 31, 2025	56,019	4,179	12,160	188,542	17,552	498	4,551	7,000	290,501
Net carrying amount									
As of December 31, 2024	1,517	4,437	(16)	170,164	-	1,434	-	3,744	181,280
As of December 31, 2025	1,103	4,337	(16)	145,234	-	1,357	-	3,946	155,961

(i) The intangible assets related to customer relationships, trademarks, distribution agreement, purchase orders, rights of use, supplier relationships, and non-compete agreement were generated through various business combinations. As of December 31, 2025 and 2024, based on the projected cash flows of the cash-generating units to which these intangible assets were allocated, Management concludes that there are no indications that the carrying amounts of these intangible assets (including goodwill, as described later in this note) may not be recoverable.

(ii) The computer programs item corresponds mainly to the costs of the "SAP Business Project" that has been implemented in the Parent Company and in the main subsidiaries of the Group.

(iii) Amortization expense for the year has been recorded under the following items in the consolidated statement of income:

	2025 S/(000)	2024 S/(000)
Selling expenses, note 19	2,624	2,335
Administrative expenses, note 20	27,767	28,800
	30,391	31,135

(b) Goodwill -

The composition of the item by cash-generating unit is presented below:

	2025 S/(000)	2024 S/(000)
Ferreyros S.A. (Bucyrus)	83,396	83,396
Inversiones Interamericanas Corp.	30,297	33,905
Trex Latinoamérica SpA	19,340	19,340
Soltrak S.A.	13,912	13,912
Ferreycorp S.A.A. (Soltrak S.A.)	5,290	5,290
	152,235	155,843

Goodwill and intangible assets impairment test -

For the purposes of the value impairment test, goodwill acquired through business combinations and intangible assets with indefinite useful lives (brands) were assigned to the cash-generating units indicated below:

- Trex Latinoamérica SpA (incluided in Ferreycorp S.A.A.)
- "Bucyrus" business line (incluided in Ferreyros S.A.)
- Inversiones Interamericanas Corp. - INTI (includes the line of business and companies acquired in Central America)
- Soltrak S.A.

The recoverable amount of each cash-generating unit (CGU) has been determined based on what the standards define as "value in use". To determine the value in use of the assets that makes up each CGU, there have been used cash flow projections obtained from the financial budgets approved by senior management.

As of December 31, 2025 and 2024, the carrying amount of intangibles and goodwill related to each CGU has been compared to the recoverable value; and Management has determined that it is not necessary to establish any allowance for impairment for these assets at the dates of the consolidated statements of financial position.

Below, we present the main assumptions used in the assessment of impairment for each CGU as of December 31, 2025 and 2024, as follows :

CGU	Discount rate %	Cash Flow period años	Growth rate %
Year 2025			
Bucyrus	8,85	10	2
Inti	10,75	10	2
Trex	8,58	10	2
Soltrak S.A.	9,77	10	2
Year 2024			
Bucyrus	8,85	10	2
Inti	10,40	10	2
Trex	9,33	10	2
Soltrak S.A.	9,92	10	2

Key assumptions used in value-in-use calculations -
The calculation of the value in use for the units evaluated is mainly sensitive to the following assumptions:

Gross margin -
It is based on the average values achieved in the three years prior to the beginning of the budget period that include future projects of each company, considered on the basis of projected revenues and costs based on the historical budget base of each Group company. Increases during the budget period for expected efficiency improvements are also considered. In the long term, the gross margin is decreased by 1% to 2%, depending on the company or line of business.

Discount rate -
Represents the current market assessment of the risks specific to each CGU, considering the time value of money and the particular risks of the underlying assets that were not incorporated into the cash flow estimates. The calculation of the discount rate is based on the specific circumstances of the Group and its operating segments and represents the average cost of capital. This average takes into account both debt and equity. The cost of equity is based on the return on investment that the Group's shareholders expect to obtain. The cost of debt is based on the Group's interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. Beta factors are evaluated annually on the basis of publicly available market information.

Long-term growth rate -
The long-term growth rate is based on published market research and depends on each CGU.

The key assumptions described above may change if market conditions and the economy change. The Group finds that changes in these assumptions that would be reasonable to expect would not cause the recoverable amount of some CGUs to decrease below their carrying amount.

As of December 31, 2025 and 2024, the carrying amount of goodwill related to each CGU has been compared with the recoverable value and Management has determined that it is not necessary to constitute any impairment allowance.

12. Financial obligations

(a) This item includes:

	2025			2024		
	Current S/(000)	Non-current portion S/(000)	Total S/(000)	Current S/(000)	Non-current portion S/(000)	Total S/(000)
Bank loans (b)	798,366	-	798,366	983,566	-	983,566
Long-term bonds and debt with banks (c)	355,614	992,290	1,347,904	343,377	1,006,621	1,349,998
	1,153,980	992,290	2,146,270	1,326,943	1,006,621	2,333,564

(b) Bank loans –

	Fixed annual effective interest rate				
Financial institution	2025 %	2024 %	Currency of origin	2025 S/(000)	2024 S/(000)
Banco Crédito del Perú - BCP	Entre 3.63 y 5.99	Entre 4.95 y 6.15	US$	334,418	172,704
BBVA Banco Continental	Entre 3.35 y 5.45	Entre 4.60 y 6.80	US$	248,110	291,685
Banco Itau Corpbanca New York.	6.25	-	US$	6,702	-
Banco Itau Corpbanca New York.	Entre 6.59 y 6.64	Entre 6.75 y 7.00	CLP	59,833	36,592
Banco Itau Corpbanca New York.	11.31		COP	15,893	-
Scotiabank	3.97	Entre 4.80 y 5.05	US$	4,378	271,440
Banco Agrícola	Entre 6.15 y 6.65	Entre 6.95 y 7.25	US$	24,376	13,195
Banco Crédito del Perú - BCP	5.16	Entre 5.50 y 5.80	S/	3,000	8,500
BBVA Banco Continental	Entre 5.32 y 5.34	Entre 5.85 y 6.00	S/	12,240	26,300
Banco Davivienda	6.25	7.50	US$	29,402	4,524
Banco Bladex	Entre 5.33 y 6.33	Entre 6.75 y 7.00	US$	60,014	45,240
Banco de América Central	-	7.25	US$	-	9,915
Banco Interbanco	-	Entre 6.50 y 7.00	GTQ	-	19,569
Banco de Occidente	-	7.20	COP	-	8,501
Banco GNB Perú	-	4.90	US$	-	67,860
Banco Industrial	-	7.25	US$	-	7,541
				798,366	983,566

US$ = US Dollar S/ = Sol CLP = Chilean Peso COP = Colombian Peso GTQ = Quetzal

The interest expense accrued in 2025 related to bank loans from financial institutions amounted to S/60,765,000 (S/72,776,000 in 2024) and is presented in the caption "Financial expenses" in the consolidated statement of income (note 23). Accrued interest pending payment as of December 31, 2025 amounted to S/9,084,000 (S/8,149,000 as of December 31, 2024) (see note 15).

As of December 31, 2025 and 2024, the foreign-currency bank loans obtained from local and foreign financial institutions were used mainly for working capital, have maturities ranging from 6 to 360 days, and may be renewed upon maturity for up to 360 days. The interest rates on these bank loans range between 3.35% and 6.65%.

As of December 31, 2025, the Group maintains credit lines for working capital of up to S/4,766,293,000 (S/5,388,155,000 as of December 31, 2024) with most banks in the Peruvian financial system, which are intended for short-term financing. The Group does not have specific conditions for the use of these credit lines.

(c) Long-term bonds and debts with banks -

				2025			2024		
Bank	Maturity	Original currency	Annual effective interest rate %	Current portion S/(000)	Non-current portion S/(000)	Total S/(000)	Current portion S/(000)	Non-current portion S/(000)	Total S/(000)
Senior Bonds									
Prudential Capital Group (i)	Hasta julio de 2027	US$	4.78(*)	60,610	60,486	121,096	67,871	135,263	203,134
Promissory notes-									
Promissory notes with local and foreign institutions	Until September 2044	US$	Between 2.50 and 8.80	233,548	891,972	1,125,520	222,214	825,961	1,048,175
Promissory notes with local and foreign institutions	Until June 2026	S/	Between 2.45 and 9.20	25,705	26,406	52,111	41,117	23,651	64,768
Promissory notes with local and foreign institutions	Until May 2028	GTQ	6.50	-	-	-	10,133	20,229	30,362
Caterpillar Credito S.A de C.V	Until November 2028	US$	6.50	34,271	9,547	43,818	-	-	-
Caterpillar Leasing Chile, S.A.	-	US$	5.00	-	-	-	1,581	-	1,581
Financial leases (ii)	Until October 2029	US$	Between 6.55 and 7.00	1,480	3,879	5,359	461	1,517	1,978
				355,614	992,290	1,347,904	343,377	1,006,621	1,349,998

(*) Nominal rate of 4.45%.

US$ = US Dollar S/ = Sol CLP = Chilean Peso COP = Colombian Peso GTQ = Quetzal

In 2025, interest expense related to promissory notes and long-term obligations amounted to S/44,498,000 (S/40,063,000 in 2024), and is presented in the caption "Financial expenses" in the consolidated statement of income (note 23). Accrued interest pending payment as of December 31, 2025 amounted to S/26,815,000 (S/8,255,000 as of December 31, 2024) and is presented in the caption "Other liabilities" in the consolidated statement of financial position (note 15).

(i) On July 23, 2020, Ferreycorp S.A.A., together with some of its subsidiaries, placed bonds in the capital markets and privately issued bonds with The Prudential Insurance Company of America (PGIM). The bond placement was carried out under the laws of the State of New York, United States of America. The issuance amounted to US$90 million at a nominal annual interest rate of 4.45%, with a maturity of 7 years from the issuance date, with quarterly installments, and principal payments beginning on July 23, 2023, with final maturity on July 23, 2027. The payment by the issuers of all amounts owed, as well as the fulfillment of their payment obligations, is jointly, severally, and unconditionally guaranteed by the subsidiary guarantors in accordance with the established guarantee. As a result of this issuance, the disbursed proceeds provide the Group with long-term funding under very favorable conditions, supporting its financial management and debt reprofiling strategy.

The bonds are backed by a generic equity guarantee and must meet the following covenants:

- Maintain a debt ratio Adjusted Debt / Ebitda not greater than 3.5 times.
- Maintain an interest coverage service index (Ebitda / Financial expenses) of not less than 3.0 times.
- Maintain an indebtedness ratio Net financial debt / Ebitda not greater than 3.75 times.

Compliance with the obligations described above is supervised by Management. Failure to comply with the aforementioned safeguards will result in early termination. In Management's opinion, the corporation is in compliance with these obligations as of December 31, 2025 and 2024.

(ii) This corresponds to finance lease agreements entered into by the Group with various financial institutions. The financial obligations related to these leases are secured by the ownership rights over the underlying assets, which revert to the lessor in the event of non-compliance by the Group.

(iii) As of December 31, 2025 and 2024, the amortization schedule of the non-current portion of long-term debt is as follows:

	2025 S/(000)	**2024** S/(000)
2026	-	305,831
2027	613,341	646,112
2028	238,984	21,923
2029	63,777	8,256
2029 onwards	76,188	24,499
	992,290	1,006,621

13. Lease liabilities

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Current portion	18,808	20,694
Non-current portion	43,158	44,492
Total lease liabilities	61,966	65,186

The liability includes lease agreements for real estate used in the Group's operations. The lease contracts have maturities of up to 5 years and bear interest at annual rates ranging from 4.39% to 7.65% for U.S. dollar-denominated leases and from 6.30% to 9.37% for sol-denominated leases.

(b) The movement of the liability for right of use, for the year 2025 and 2024, is as follows :

	2025 S/(000)	2024 S/(000)
Balance as of January 1	65,186	43,124
Lease additions	39,309	57,302
Disposals	(1,663)	(73)
Financial interest expenses, note 23	4,631	3,314
Lease payments	(29,311)	(38,823)
Exchange difference	(15,291)	1,093
Translation effect	(895)	(751)
Balance as of December 31	61,966	65,186

14. Trade payables

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Invoices (b)	685,225	670,519

(b) As of December 31, 2025, the balances of trade payables mainly include amounts payable to the Caterpillar Group for an amount of US$94,007,000 (equivalent to S/312,759,000) for the purchase of goods for resale. As of December 31, 2024, the balances of trade payables mainly include amounts payable to the Caterpillar Group for an amount of US$72,964,000 (equivalent to S/275,077,000) for the purchase of goods for resale. These accounts payable have current maturities, no specific guarantees have been granted for these obligations, and they do not bear interest.

15. Other liabilities

(a) The composition of the caption is presented below:

	2025 S/(000)	2024 S/(000)
Customer advances (b)	308,330	361,905
Remuneration payable (c)	87,051	108,548
Liabilities for miscellaneous expenses (d)	80,904	58,728
Accrual of various services (e)	10,863	13,442
Provision for contingencies, note 25(c)	42,703	20,356
Workers' profit sharing	68,078	78,078
Taxes payable	29,899	11,409
Provision for warranties (f)	21,902	23,801
Contributions payable	21,156	19,073
Interest payable, note 12(b) and (c)	35,899	16,404
Dividends payable	99,056	798
	805,841	712,542
Less:		
Non-current portion	(24,408)	(2,177)
Current portion	781,433	710,365

The concepts that comprise this item mostly have current maturities, do not generate interest and no specific guarantees have been granted for them.

(b) Customer advances mainly correspond to prepayments received for S/240,906,000 (S/314,572,000 in 2024) and performance obligations under IFRS 15 "Revenue from Contracts with Customers" amounting to S/67,424,000 (S/47,333,000 in 2024), related to the sale of goods and services, mainly from mining customers, whose delivery and performance of the obligation will occur during the following year.

(c) Remuneration payable mainly includes vacation provisions, gratuities, compensation for time of service and compensation to personnel.

(d) This balance mainly comprises miscellaneous provisions recognized by the Group in accordance with the practice described in note 3.3(p), based on its best estimates of the disbursement that would be required to settle obligations for services received as of the date of the consolidated statement of financial position.

(e) This item mainly includes the accrual of freight and rental services, freight and rentals related to the acquisition of machinery and spare parts.

(f) Corresponds to the provision for guarantees granted by the Group for sales of machinery and services, which are granted for a term, on average, of one year. This provision is reviewed annually in accordance with the accounting policy described in Note 3.3(p).

16. Deferred income tax assets and liabilities

(a) The components that originate the asset and liability for deferred income taxes, as of December 31, 2025 and 2024 are detailed below :

	Balance as of 1 January 2024 S/(000)	(Debit) / credit to the consolidated income statement S/(000)	(Debit)/credit to the consolidated statement of changes in equity S/(000)	Balance as of December 31, 2024 S/(000)	(Debit) / credit to the consolidated income statement S/(000)	(Debit)/credit to the consolidated statement of changes in equity S/(000)	Balance as of December 31, 2025 S/(000)
Deferred asset -							
Expected credit loss	47,063	6,765	(251)	53,577	(415)	(23)	53,139
Non-deductible provisions	32,557	(367)	-	32,190	(5,321)	-	26,869
Estimate for impairment of inventories	16,463	1,962	6	18,431	2,295	(29)	20,697
Tax credits for accumulated losses	22,833	(7,366)	3,252	18,719	7,513	1,231	27,463
Difference in depreciation rates	11,128	3,093	-	14,221	2,932	-	17,153
Vacation allowance	9,090	35	(3)	9,122	366	-	9,488
Estimate for impairment of fixed assets	2,236	572	11	2,820	1,130	(24)	3,926
Miscellaneous provisions	13,653	5,156	(59)	18,750	1,558	(279)	20,029
Differences in lease payments IFRS 16	1,521	(466)	3	1,058	(1,743)	(7)	(692)
Other	20,709	2,890	27	23,625	(11,509)	(1,830)	10,286
	177,253	12,274	2,986	192,513	(3,194)	(961)	188,358
Deferred liability -							
Fair Value of Land	(92,479)	(3,095)	(23)	(95,597)	-	95	(95,502)
Differences in depreciation rates	(20,234)	1,941	(20)	(18,313)	1,048	81	(17,184)
Revaluation of property, machinery and equipment	(7,431)	97	(117)	(7,451)	331	243	(6,877)
Financial leasing operations	(3,427)	183	-	(3,244)	(1,583)	-	(4,827)
Valuation for business acquisition	(694)	-	(23)	(717)	-	(120)	(837)
Deferred sales gain, net	(770)	-	-	(770)	(381)	-	(1,151)
Change of useful life of the fixed asset	(266)	44	(2)	(224)	86	2	(136)
Other	(3,713)	(6,431)	(22)	(10,166)	531	(420)	(10,055)
	(129,014)	(7,261)	(207)	(136,482)	32	(119)	(136,569)
Deferred asset, net	48,239	5,013	2,779	56,031	(3,162)	(1,080)	51,789

(b) The income tax expense recognized in the consolidated income statement is composed as follows:

	2025 S/(000)	2024 S/(000)
Current	229,149	244,884
Deferred	3,162	(5,013)
	232,311	239,871

(c) The reconciliation of the effective income tax rate with the tax rate is explained as follows:

	2025		2024	
	S/(000)	%	S/(000)	%
Profit before income tax	709,511	100	727,198	100
Theoretical tax expense using the Group tax rate	209,306	29.5	214,523	29.50
Effect of participation in joint venture	6,968	1.00	(793)	(0.11)
Effect of permanent differences, net	16,037	1.92	26,141	3.59
Income tax expense	232,311	32.42	239,871	32.98

(d) The composition of the deferred income tax balance as of December 31, 2025 and 2024 is as follows:

	2025		2024	
	Net Asset S/(000)	Net liability S/(000)	Net Asset S/(000)	Net liability S/(000)
Companies:				
Ferreyros S.A.	94,058	2,504	110,621	2,418
Unimaq S.A.	15,090	6,127	14,348	6,127
Ferreycorp S.A.A. and subsidiaries	-	38,648	-	38,648
Trex Latinoamerica SpA and subsidiaries	46,794	-	43,965	-
Motored S.A.	2,917		3,477	-
Orvisa S.A. and subsidiaries	8,052	8,443	7,973	8,561
Soltrak S.A.	4,351	994	2,953	994
Ferreycorp S.A.A.	9,937	55,266	2,887	54,902
Vixora S.A	920	115	819	126
Inti Inversiones Interamericanas Corp. and subsidiaries	5,179	7,407	4,661	8,607
Forbis Logistics S.A.	1,060	148	809	171
Fargoline S.A.	-	16,917	-	15,928
	188,358	136,569	192,513	136,482

17. Equity

(a) Issued capital -

As of December 31, 2025 and 2024, the Group's issued capital is represented by 946,063,288 common shares, fully subscribed and paid, with a par value of S/1.00 each.

The market quotation values and trading frequency were as follows:

	Market quotation S/(000)	Trading frequency %
As of December 31, 2025	3.90	100.00
As of December 31, 2024	2.93	100.00

As of December 31, 2025 and 2024, the shareholding structure in the Group's capital is as follows:

Percentage of individual participation in the capital	Number of shareholders		Participation percentage	
	2025	2024	2025 %	2024 %
Up to 1.00	10,263	6,977	29.76	26.35
From 1.01 to 4.00	15	16	29.79	45.92
From 4.01 to 10.00	7	4	40.45	27.73
	10,285	6,997	100.00	100.00

(b) Treasury Shares –

During the second quarter of 2025, no treasury shares were acquired. During 2024, the Group acquired 16,000 of its own shares for a total amount of S/40,000. The par value of these shares amounted to S/16,000 which is presented in this caption; whereas the excess paid over par value amounting to S/25,000 is presented as a debit balance in the additional capital item. During 2024, the Company sold 12,326,817 treasury shares for a total of S/37,013,000. The par value of the shares sold amounted to S/12,327,000. The excess of the selling price over par value, amounting to S/25,686,000, is presented as a credit balance in the additional capital item. The Group closed 2024 with no treasury shares in its portfolio.

(c) Additional capital -

This item corresponds to the difference between the contribution received, after the conclusion of preferential subscription rounds by the shareholders, and the nominal value of the shares issued by the Company in 2012, reduced by partial capitalizations made in previous years and by the higher value with respect to the nominal value of the own shares of issue acquired described in section b) above.

(d) Legal reserve -

In accordance with the "*Ley General de Sociedades*", a minimum of 10% of distributable profit for each year, after deducting income tax, must be transferred to a legal reserve until this reserve equals 20% of the issued capital. The legal reserve may be used to offset losses or may be capitalized; in either case, the reserve must be replenished with profits from subsequent years. As of December 31, 2025 and 2024, the legal reserve established by the Group exceeds by S/22,418,000 the amount required by the "*Ley General de Sociedades*".

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(e) Other reserves –

Revaluation surplus -

This corresponds to the increase in the value of investment properties upon the first-time adoption of IFRS in 2011, at which time the Group elected to use fair value as assumed cost, based on appraisals performed by independent professionals. As of December 31, 2025 and 2024, the revaluation surplus, net of the related deferred income tax, amounts to S/249,462,000. The revaluation surplus is transferred to retained earnings as it is realized, either through depreciation or when the assets that originated it are disposed or sold.

Cumulative translation reserve -

Corresponds to the exchange difference resulting from the translation of the financial statements of foreign operations into the Group's presentation currency.

Unrealized results -

It corresponds mainly to the recognition of items that affect unrealized results, in application of the equity method in the joint venture held by the Group.

(f) Dividend distribution -

Dividends distributed to shareholders other than domiciled legal entities are subject to an income tax payable; such tax is withheld and settled by the Company. There are no restrictions on the remittance of dividends or on the repatriation of capital to foreign investors. Dividends distributed or paid on profits for the 2025 and 2024 periods are subject to a 5 percent tax rate.

At the General Shareholders’ Meeting held on March 24, 2025, the Group approved the distribution of dividends for S/293,282,000. The Board of Directors, at its meeting on July 24, 2024 and in accordance with the Dividend Policy, approved the payment of an advance cash dividend of S/100,000,000 (S/0.1064 per share) charged to the profits for the 2024 fiscal year, which was paid on August 27, 2024. Accordingly, the remaining amount to be distributed was S/193,282,000 (S/0.2043 per share), which was paid on April 29, 2025.

The Board of Directors, at its meeting held on August 27, 2025 and in accordance with the Dividend Policy, approved the payment of an advance cash dividend of S/100,000,000 (S/0.1057 per share) charged to the profits for the 2025 fiscal year. This amount was paid on September 26, 2025. Similarly, at its meeting held on November 26, 2025, the Board of Directors approved a second advance cash dividend of S/100,000,000 (S/0.1057 per share) charged to the profits for the 2025 fiscal year, which was paid on January 16, 2026.

At the General Shareholders’ Meeting held on March 27, 2024, the payment of cash dividends amounting to S/260,311,000 was approved. In this regard, on October 26, 2023, an advance dividend of S/100,000,000 (S/0.1068 per share) was paid, charged to the profits for the 2023 fiscal year. Accordingly, the remaining amount to be distributed was S/160,311,000 (S/0.1706 per share), which was paid on April 26, 2024.

18. Revenue from sales and cost of sales

Revenue from sales and cost of sales for the years ended as of December 31, 2025 and 2024 are comprised as follows:

	2025 S/(000)	2024 S/(000)
Revenue from sales:		
Sales of machinery, engines, equipment and vehicles	2,835,367	2,581,972
Sales for spare parts	3,401,561	3,440,317
Rental services of machinery, engines and equipment and workshop	1,019,670	1,050,789
Other income	534,962	509,138
	7,791,560	7,582,216
Cost of sales:		
Initial balance of inventories, note 8	2,139,845	1,995,972
Purchase of inventories	4,829,214	4,741,317
Labor, note 21(d)	351,612	336,622
Workshop expenses	279,363	269,964
Depreciation, notes 10(f) and 10(h)	133,642	112,600
Impairment of inventories, note 8(e)	51,510	60,311
Recoveries, note 8(e)	(31,291)	(33,289)
Rental fleet operating expenses	74,037	54,122
Rental fleet impairment	14,278	2,348
Services rendered by third parties and other expenses	211,575	188,841
Discontinued operation - Motored	(928)	(2,292)
Closing balance of inventories, note 8	(2,053,590)	(2,139,845)
	5,999,267	5,586,671

19. Selling expenses

(a) Selling expenses for the years ended on December 31 are comprised as follows:

	2025 S/(000)	2024 S/(000)
Personnel expenses, note 21(d)	406,926	382,327
Services rendered by third parties (b)	163,008	146,096
Miscellaneous management charges	114,806	114,454
Depreciation, note 10(f) and 10(h)	94,725	79,432
Expected credit loss, note 6(d) and 7(a)	17,789	44,397
Tributes	5,178	6,832
Amortization of intangible assets, note 11(a)	2,624	2,335
Recoveries – impairment of inventories, note 8(f)	710	989
	805,766	776,862

(b) It corresponds mainly to miscellaneous expenses for the rental of real estate and transport units, maintenance of buildings, facilities and equipment, incurred by the Group's sales areas.

20. Administrative expenses

(a) Administrative expenses for the years ended on December 31 are comprised as follows:

	2025 S/(000)	2024 S/(000)
Personnel expenses, note 21(d)	222,512	216,864
Services rendered by third parties (b)	81,301	92,758
Amortization of intangible assets, note 11(a)	27,767	28,800
Miscellaneous management charges	17,026	13,862
Depreciation, note 10(f) and 10(h)	14,291	13,368
Tributes	13,157	15,709
	376,054	381,361

(b) It corresponds mainly to miscellaneous expenses for property rentals, maintenance of buildings and facilities, computer services, software licenses and advisory and consulting services incurred by the Group's administrative areas.

21. Personnel expenses

(a) The composition of personnel expenses is presented below:

	2025 S/(000)	2024 S/(000)
Remuneration and profit-sharing (b)	714,367	676,720
Guaranteed bonuses	119,029	116,829
Employer contributions	72,321	69,321
Employee allowances	37,414	41,094
Trainings	16,887	17,354
Vacations	13,303	11,481
Other minor items	7,729	3,014
	981,050	935,813

This mainly includes salaries and employee profit-sharing for the Group's personnel. In Peru, under the current employee profit-sharing regime established by Legislative Decree 677, employees of Peruvian companies are entitled to receive between 5% and 8% of taxable income, which is distributed on a pro rata basis among all employees, based on days worked, with the remainder allocated in proportion to the basic remuneration earned during the year. The liability for employee profit-sharing is presented in the caption "Other liabilities."

(b) During the years 2025 and 2024, the average number of employees in the Company is 7,880 and 7,978 people, respectively.

(c) Personnel expenses have been recorded in the following items of the consolidated statement of income:

	2025 S/(000)	2024 S/(000)
Cost of sales, note 18	351,612	336,622
Selling expenses, note 19	406,926	382,327
Administrative expenses, note 20	222,512	216,864
	981,050	935,813

(d) Compensation to key personnel –
The total remuneration received by the Directors and Management executives during 2025 amounted to approximately S/47,862,865 (approximately S/47,398,590 in 2024), which includes short-term benefits and compensation for length of services.

The Group does not provide post-employment benefits and does not provide equity-based compensation plans.

22. Financial income

Financial income for the years ended December 31 is comprised as follows:

	2025 S/(000)	2024 S/(000)
Interest on notes receivable	27,849	29,282
Interest on bank deposits	5,581	8,158
Late payment interest	941	875
Other minor items	1,428	751
	35,799	39,066

23. Financial expenses

Financial expenses for the years ended December 31 are comprised as follows:

	2025 S/(000)	2024 S/(000)
Interest on overdrafts and bank loans, note 12(b)	60,765	72,776
Interest on corporate bonds and long-term loans, note 12(c)	44,498	40,063
Interest on lease liabilities - IFRS 16, note 13(b)	4,631	3,314
Interest on financing from foreign suppliers	5,915	6,547
Financial transaction tax	860	1,441
Other minor items	5,406	2,703
	122,075	126,844

24. Earnings per share

Basic and diluted earnings per share is calculated by dividing earnings for the year by the weighted average number of shares outstanding during the period.

The calculation of basic and diluted earnings per share is shown below:

	2025	2024
	S/(000)	S/(000)
Numerator		
Profit for the year attributable to owners of the Group	480,503	488,803
	Thousands of shares	**Thousands of shares**
Denominator		
Weighted average of ordinary shares	946,063	940,611
	Soles	**Soles**
Basic and diluted earnings per ordinary share	0.508	0.520

As of December 31, 2025 and 2024, the Company does not have financial instruments that produce dilutive effects, so the basic and diluted earnings per share are the same.

25. Commitments, guarantees granted and contingencies

(a) Commitments -

The Group leases assets such as real estate and vehicles under non-cancellable operating leases expiring within a period of 2 to 3 years. The terms and conditions of the leases are negotiated on an individual basis.

(b) Guarantees granted -

The Group has granted the following guarantees:

Ferreycorp S.A.A:

- As of December 31, 2025, the Company maintains commitments for guarantees that secure credit operations of its subsidiaries for US$181,682,642 (US$125,446,333 as of December 31, 2024) and guarantees that secure purchase transactions with third parties for US$3,883,095 (US$3,579,215 as of December 31, 2024). Furthermore, it maintains a cross-guarantee signed on July 23, 2020 by the Company and certain subsidiaries as Co-Issuers; see note 12(c)(i).

- As of December 31, 2025 and 2024, the Company did not maintain any letters of guarantee securing the faithful performance of contracts or advance payments in favor of its subsidiaries.

Ferreyros S.A.:

- As of December 31, 2025, this subsidiary has guarantees for a total amount of US$6,563,364 (US$9,938,317 in 2024) that secure purchase transactions with third parties.

- As of December 31, 2025, the subsidiary has bank guarantees in favor of financial institutions for a total amount of US$127,581 (US$21,765,833 in 2024), which mainly secure the Group's bid bonds and the faithful fulfillment of the delivery of products sold through public tenders, as well as the payment of customs obligations related to the importation of goods.

Fargoline S.A.:

- As of December 31, 2025 and 2024, the subsidiary has a custom bond in favor of the Superintendencia Nacional de Aduanas for goods under the customs regime for US$200,000.

Soltrak S.A.:

- As of December 31, 2025, the subsidiary has guarantees totaling US$20,186,000 and S/5,600,000 (US$18,500,000 and S/10,800,000 in 2024), which secure purchase transactions with third parties and finance leases, respectively, with various maturities.

- As of December 31, 2025, the subsidiary has bank guarantees in favor of financial institutions for a total amount of US$12,499,541 and S/300,000 (US$12,210,214 and S/300,000 in 2024), which primarily secure the Group's bid bonds and the faithful fulfillment of the delivery of products sold through public tenders, as well as the payment of customs obligations related to the importation of goods, respectively.

Motored S.A.:

- As of December 31, 2024, the subsidiary had guarantees for a total amount of US$43,548 that secures credit transactions for purchases from third parties. As of December 31, 2025, the subsidiary did not present any guarantees.

Orvisa S.A.:

- As of December 31, 2025, the subsidiary has bank guarantees in favor of third parties for a total amount of US$2,204,348 and S/2,488,215 (US$1,994,397 and S/1,782,342 in 2024), which primarily secure credit transactions of its subsidiaries and purchase transactions with third parties.

(c) Contingencies –

As of December 31, 2025 and 2024, the Company has no tax proceedings under appeal or in contentious-administrative litigation.

In all cases, as of December 31, 2025, the Company has requested the advice of specialists, who, together with Management, have determined that there are certain assessments for a total amount of S/7,235,000 (S/7,235,000 as of December 31, 2024), for which a provision has been recorded. This provision is presented in the caption "Other current liabilities" in the consolidated statement of financial position; see note 11(a).

26. 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, 2025 and 2024, the income tax rate on taxable profit in the main countries in which the Group and its subsidiaries operate is as follows:

	Tax rates	
	2025 %	**2024** %
Peru	29.5	29.5
Ecuador	22	22
Colombia	24	24
Chile (*)	25	25
Guatemala	25	25
El Salvador	30	30
Belice	25	25
Nicaragua	30	30
Estados Unidos de América	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:

	Regime	
	Art. 14 Letter A Tax rate %	**Art. 14 Letter B Tax rate** %
Year		
2018 hereafter	25.0	27.0

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

In accordance with the legal provisions in force in some countries as of December 31, 2025 and 2024, cash dividends in favor of non-domiciled shareholders are taxed with income tax at the following rates:

	Tax rates	
	2025	2024
	%	%
Peru	5	5
Ecuador	10	10
Colombia	35	35
Chile (*)	5	5

(b) On January 27, 2023, Supreme Decree No. 008-2023-EF was published, amending the Regulations of the IGV Law regarding the formal requirements that must be met to exercise the right to the tax credit. In this sense, it is established that the tax credit is exercised with:

1. The invoice issued by the seller of the good, the constructor, or the service provider, for the domestic acquisition of goods, construction services, and services in general, or the purchase settlement, must contain the information required by subsection (b) of Article 19 of the Decree, the information established in Article 1 of Law No. 29215, and the requirements set forth in the regulatory standards governing payment vouchers. In cases where purchase settlements are issued, the right to the tax credit is exercised with the document evidencing the payment of the corresponding tax.

2. The Customs Declaration of Goods or the Simplified Declaration, as well as the payment settlement, collection settlement or other documents issued by SUNAT that prove the payment of the Tax, on the importation of goods.

3. The invoice that reflects the value of the service rendered by the non-domiciled provider, together with the document evidencing payment of the corresponding tax, is required for the use of services in the country. In cases where, due to the nature of the transaction and in accordance with international trade practices, payment vouchers are not issued, the tax credit is supported by the document that evidences payment of the applicable tax.

4. The receipts issued in the name of the lessor or sublessor of the property for public utility services such as electricity and water supply, as well as for public telecommunications services. The lessee or sublessee may use the tax credit as the user of such services, provided that the conditions established in the Payment Voucher Regulations or in the regulations on the electronic issuance of payment vouchers, as applicable, are met.

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

(d) The Tax Authority in Peru has the authority to review and, if applicable, adjust the income tax calculated by the Group within four years following the year in which the corresponding tax declaration is filed (open tax years). The income tax and general sales tax declarations for the years 2020 to 2025 remain subject to examination by the Tax Authority in Peru. The tax declarations for the years 2001 to 2019 have already been inspected or prescribed.

The income tax declarations and general sales tax declarations of the Group's main subsidiaries are subject to examination by the Tax Authority of each country for the periods detailed below:

	Period subject to inspection
Foreign subsidiaries (by country)	
Guatemala	2020 to 2025
El Salvador	2020 to 2025
Belice	2020 to 2025
Nicaragua	2020 to 2025
Estados Unidos de America, Chile, Colombia and Ecuador	2020 to 2025

	Period subject to inspection
Local subsidiaries	
Ferreyros S.A.	2020 to 2025
Unimaq S.A.	2020 to 2025
Cresko S.A.	2020 to 2025
Soltrak S.A.	2020 to 2025
Fargoline S.A.	2020 to 2025
Orvisa S.A. and subsidiaries	2020 to 2025
Motored S.A.	2020 to 2025
Forbis Logistic S.A.	2020 to 2025
Soluciones Sitech Perú S.A.	2020 to 2025

Due to the possible interpretations that the relevant tax authority may apply to the legal provisions in place, it is not possible to determine, at this time, whether the reviews that may be carried out will result in liabilities for the Group. Therefore, any additional tax or surcharge that may arise from potential tax examinations would be recognized in 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 potential additional tax assessment by the corresponding Tax Authority of each country would not be significant for the consolidated financial statements as of December 31, 2025 and 2024.

(e) In Peru, the Temporary Tax on Net Assets applies to entities that generate third-category income subject to the general income tax regime. The tax rate is 0.4% and is applied to the amount of net assets that exceeds S/1 million.

The amount effectively paid may be used as a credit on account of the monthly prepayments of the General Income Tax Regime or on account of the final income tax payment for the taxable year to which it corresponds.

27. Discontinued operation in Motored

On September 29, 2021, the Group made the decision to discontinue the operation of Motored S.A., which is a wholly owned subsidiary of the Group. The operations of Motored S.A. are expected to conclude within the year following the reporting date.

Due to the classification of Motored S.A. as a discontinued operation, its operations will no longer be presented in the automotive, spare parts and services segment in the segment note. The results of operations of Motored S.A. for the year are presented below:

	2025 S/(000)	2024 S/(000)
Income from contracts with clients	934	1,994
Cost of sales	(928)	(2,292)
Gross profit (loss) from discontinued operations	6	(298)
Selling expenses	(210)	(282)
Administration expenses	(7)	(519)
Other income and expenses, net	4,157	2,618
Operating profit from discontinued operations	3,946	1,519
Financial income	275	593
Exchange difference, net	(359)	331
Profit before tax from discontinued operations	3,862	2,443
Income tax expense	(559)	(967)
Profit from discontinued operations	3,303	1,476

The net cash flows incurred by Motored S.A. are as follows:

	2025 S/(000)	2024 S/(000)
Operating	6,864	7,550
Financing	-	(9,068)
Net cash increase (decrease)	6,864	(1,518)

	2025	2024
Earnings per share		
Basic and diluted for the year of discontinued operations (soles)	0.0035	0.002

28. Changes in liabilities related to financing activities

The changes that have occurred in the liabilities related to financing activities for the year ended December 31 are as follows:

		Cash flow			Changes that do not represent cash flow			
	As of January 1 S/(000)	Proceeds from borrowings S/(000)	Repayment of borrowings S/(000)	Interest payment S/(000)	Accrued interest S/(000)	Lease liability S/(000)	Exchange difference S/(000)	As of December 31 S/(000)
Year 2025								
Financial obligations, note 12	2,333,564	4,661,065	(4,595,855)	-	-	-	(252,504)	2,146,270
Lease liabilities, note 13	65,186	-	(29,311)	-	-	42,277	(16,186)	61,966
Interest on financial obligations, note 15	16,404	-	-	(93,010)	112,505	-	-	35,899
	2,415,154	4,661,065	(4,625,166)	(93,010)	112,505	42,277	(268,690)	2,244,135
Year 2024								
Financial obligations, note 12	2,315,129	4,667,991	(4,684,967)	-	-	-	35,411	2,333,564
Lease liabilities, note 13	43,124	-	(38,823)	-	-	60,543	342	65,186
Interest on financial obligations, note 15	27,547	-	-	(114,487)	103,344	-	-	16,404
	2,385,800	4,667,991	(4,723,790)	(114,487)	103,344	60,543	35,753	2,415,154

29. Financial risk management and other aspects

Given the nature of its activities, the Group is exposed to market risks (such as interest rate and foreign exchange risks), credit risk and liquidity risk, which are managed through a process of identification, assessment, treatment, and continuous monitoring, subject to risk limits and other controls. This risk management process is critical to the Group's continued profitability and each area is responsible for the risk exposures related to its own responsibilities.

The comprehensive risk management process includes business risks such as business continuity, competitive focus, worker health and safety, environmental changes, technology and industry, among others.

(a) Risk management structure -

The Group's risk management structure is based on the Board of Directors, which is ultimately responsible for identifying and controlling risks, in coordination with other areas, as described below:

(a.1) Board of Directors -

It is responsible for the overall approach to risk management. The Board provides the principles for risk management, as well as the policies developed for specific areas such as foreign exchange risk, interest rate risk, credit risk, and the use of derivative and non-derivative financial instruments.

(a.2) Risk Committee -

Its mission is to assist senior management and the Board of Directors, through the Audit Committee, in overseeing the Group's risk management, monitoring the internal environment, and provide guidance on action plans related to risks that may adversely affect the achievement of the Group's objectives.

The Committee's role is to oversee that the risk area develops its annual work plan and that the operating areas participate actively. This oversight is carried out through periodic meetings in which the risk area reports on the status of the plan's execution.

(a.3) Internal audit -

It monitors the Group's risk management processes and analyzes both the adequacy of the procedures and compliance with them. Internal Audit discusses the results of all assessments with Management and reports its findings and recommendations to the Board of Directors.

(a.4) Administration and finance department -
It is responsible for managing the Group's assets and liabilities and the overall financial structure. It is primarily responsible for managing the Group's funds and liquidity risks, assuming liquidity, interest rate, and foreign exchange risks in accordance with the policies and limits in force.

(a.5) Corporate risk department -
It is responsible for facilitating the comprehensive risk management process based on the established methodology, defining the work schedule with the operating areas across the corporation, and supporting them in identifying, assessing, responding to, controlling, and monitoring their most significant risks. The operating areas of each subsidiary within the Group are responsible for complying with and executing the work schedule, as well as implementing the agreed action plans for risks that may have a material impact on each individual company and on the Group as a whole.

Furthermore, as part of the Group's strategic planning process, action plans are established to mitigate these risks, including competitive risks, recruitment risks, personnel retention risks, equipment availability risks, product failure risks, social conflict risks, and global financial crisis risks.

(b) Risk mitigation -
As part of its overall financial risk management, the Group may use derivatives and other instruments to manage its exposures arising from changes in interest rates, foreign currency, capital risk and credit risks. The risk profile is assessed before undertaking the hedging transactions, which are authorized by the appropriate level within the Group. Other critical business risks are addressed through action plans executed by the Management of each subsidiary company.

(c) Risk concentration –
(c.1) Credit risk -
Credit risk is the risk that a counterparty will default on its obligations under a financial instrument or sales contract, resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including term deposits in banks. With respect to bank term deposits, as of December 31, 2025, the Group concentrated 99.9% (99.88% in 2024) of its cash and cash equivalents balances in financial institutions.

Credit risk related to trade receivables: customer credit risk is managed by Management under established policies, procedures, and controls. Outstanding trade receivable balances are reviewed periodically to ensure their recovery; additionally, the Group has a broad customer base. As of December 31, 2025, the Group's average collection period is

42 days, a credit-risk indicator that is continuously monitored and controlled (52 days as of December 31, 2024).

Credit risk related to financial instruments and bank term deposits: the credit risks associated with bank balances are managed by Management in accordance with the Group's policies. Surplus cash investments are made with high quality financial institutions. The maximum exposure to credit risk as of December 31, 2025 and 2024 is the carrying amount of cash and cash equivalents, as disclosed in note 4.

As of December 31, 2025, Management has estimated that the maximum credit risk exposure of the Group amounts to approximately S/1,475,506,000 (S/1,602,358,000 as of December 31, 2024), which represents the carrying amount of the financial assets; see note 4.

In Management's opinion, the expected credit loss allowance for trade receivables adequately covers the credit risks as of December 31, 2025 and 2024.

(c.2) Interest rate risk –

The Group's operating cash flows are substantially independent of changes in market interest rates; given the Group's individual credit rating, it is capable of obtaining competitive interest rates in the markets in which it operates. It should be noted that the Group has not entered into significant financial transactions at variable interest rates; therefore, in Management's opinion, it does not have a material exposure to interest rate risk.

The tables below summarize the Group's exposure to interest rate risks. The Group's financial instruments are shown at their carrying amounts, classified according to their different contractual maturities:

	2025					
	Fixed rate					
	Up to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	Does not accrue interest S/(000)	Total S/(000)	Average fixed interest rate 2025 %
Assets:						
Cash and cash equivalents	153,986	-	-	126,195	280,181	Between 3.8% and 3.85%
Trade receivables, net	169,506	86,371	21,498	782,614	1,059,989	Between 10% and 20%
Other current assets (*)	-	-	-	136,594	136,594	
Total assets	323,492	86,371	21,498	1,045,403	1,476,764	
Liabilities						
Financial obligations	665,283	474,237	1,006,750	-	2,146,270	Between 2.45% and 9.20%
Lease liabilities	4,452	14,386	43,158	-	61,996	Between 3.5% and 9.00%
Trade payables	-	-	-	685,225	685,225	
Other liabilities (*)	-	-	-	473,103	473,103	
Total liabilities	669,735	488,623	1,049,908	1,158,328	3,366,594	
Marginal gap	(346,243)	(402,252)	(1,028,410)	(112,925)	(1,889,830)	
Accumulated gap	(346,243)	(748,495)	(1,776,905)	(1,889,830)	-	

	2024					
	Fixed rate					
	Up to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	Does not accrue interest S/(000)	Total S/(000)	Average fixed interest rate 2024 %
Assets:						
Cash and cash equivalents	12,103	-	-	236,156	248,259	Between 3.61 and 8.02%
Trade receivables, net	49,882	44,521	17,293	1,074,608	1,186,304	Between 10% and 20%
Other current assets (*)	-	-	-	167,795	167,795	
Total assets	61,985	44,521	17,293	1,478,559	1,602,358	
Liabilities						
Financial obligations	521,919	788,866	1,022,779	-	2,333,564	Between 2.50 and 6.15%
Lease liabilities	8,595	22,045	34,546	-	65,186	Between 3.50% and 9.00%
Trade payables	-	-	-	670,519	670,519	
Other liabilities (*)	-	-	-	339,228	339,228	
Total liabilities	530,514	810,911	1,057,325	1,009,747	3,408,497	
Marginal gap	(468,529)	(766,390)	(1,040,032)	468,812	(1,806,139)	
Accumulated gap	(468,529)	(1,234,919)	(2,274,951)	(1,806,139)	-	

(*) As of December 31, 2025 and 2024, "Other current assets" and "Other liabilities" included in this table exclude the amounts related to credit for general sales tax, income tax credit, income tax, advances, and all items that do not qualify as financial instruments; see note 4.

Overall, the Group has a high exposure to interest rate risk, due to its current level of long-term debt. Variable rate borrowing exposes the Group to interest rate risk on its cash flows. Fixed-rate borrowing exposes the Group to interest rate risk on the fair value of its liabilities. As of December 31, 2025 and 2024, the Group only maintains short- and long-term borrowings from financial obligations and lease liabilities, which bear fixed interest rates, therefore, the Group is exposed to interest rate risk on the fair value of its liabilities. However, the Group assumes this fair value risk as it considers it to be insignificant, since it does not expect future market interest rates to deviate materially from the contractual rates.

(c.3) Liquidity risk -

Liquidity risk is the risk that the Group may be unable to meet its payment obligations related to financial liabilities as they are due, or to replace funds when these are withdrawn. The consequence would be a default on its obligations to third parties. The Group maintains adequate levels of cash and cash equivalents, as well as available credit lines.

The Group manages the required liquidity through the proper management of the maturities of its assets and liabilities, in order to achieve an adequate matching between future cash inflows and outflows, which enables it to carry out its operations normally.

The Group's main source of cash inflows is the collection of trade receivables from sales of domestic and imported goods. The average payment term to its main suppliers was 47 days and 55 days for the years 2025 and 2024, respectively. The Group considers that the management of its collection and payment terms is improving due to the strengthening of its collection-management policies.

In the event that the Group does not have, at any given time, the necessary resources to meet its short-term obligations, it has credit lines with financial institutions, and, due to its financial strength, it has been able to obtain short and medium-term borrowings at interest rates below the market average.

The following table presents the cash outflows payable by the Group in accordance with the contractual maturities agreed upon as of the dates of the consolidated statement of financial position. These cash flows are presented on an undiscounted basis and therefore include the interest that would be generated in the future:

	From 1 to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	5 years or more S/(000)	Total S/(000)
As of December 31, 2025					
Other liabilities:					
- Financial obligations (principal)	665,283	488,697	992,290	-	2,146,270
- Financial obligations (interest)	11,534	47,812	38,454	-	97,800
- IFRS 16 lease liability (principal)	4,452	14,386	43,158	-	61,996
- IFRS 16 lease liability (interest)	875	2,247	1,509	-	4,631
- Trade payables	663,963	21,262	-	-	685,225
- Other liabilities	455,154	17,949	-	-	473,103
	1,801,261	592,353	1,075,411		3,469,025
As of December 31, 2024					
Other liabilities:					
- Financial obligations (principal)	521,919	805,024	974,995	31,626	2,333,564
- Financial obligations (interest)	13,467	51,438	46,204	63	111,172
- IFRS 16 lease liability (principal)	8,595	22,045	34,546	-	65,186
- IFRS 16 lease liability (interest)	535	1,306	1,473	-	3,314
- Trade payables	615,790	54,729	-	-	670,519
- Other liabilities	660,697	51,845	-	-	712,542
	1,821,003	986,387	1,057,218	31,689	3,896,297

(c.4) Foreign exchange risk -

The Group is exposed to the effects of fluctuations in foreign exchange rates on its financial position and cash flows. Management establishes limits on exposure levels by currency and on the total volume of daily transactions.

Operating and financing transactions are conducted primarily in the functional currency of the parent company (the sol), which is the currency the Group uses to measure its performance. Accordingly, if the foreign currency position (for example, in U.S. dollars) is positive, any depreciation of the sol would have a favorable effect on the Group's consolidated statement of financial position. Foreign currency transactions are carried out at market bid and ask rates.

The Group manages foreign currency risk by monitoring and controlling the amounts of positions that are not held in soles (its functional currency) and that are exposed to movements in exchange rates. The Group measures its performance in the respective local currency of each country; therefore, if the foreign currency position is positive, any depreciation of the U.S. dollar would have an adverse effect on the Group's consolidated statement of financial position. Any devaluation or revaluation of the foreign currency would have an impact on the consolidated statement of income.

Foreign currency transactions in Peru are carried out at the free-market exchange rates published by the Superintendencia de Banca y Seguros y AFP (SBS). As of December 31, 2025, the free market exchange rates for transactions in U.S. dollars published by this institution were S/3.358 and S/3.368 per US$1 for assets and liabilities, respectively (S/3.758 and S/3.770 per US$1 for assets and liabilities, respectively, as of December 31, 2024).

As of December 31, 2025 and 2024, the Group had the following monetary assets and liabilities denominated in foreign currency, presented in soles:

	2025						
	Soles S/(000)	U.S. Dollars S/(000)	Quetzal S/(000)	Cordoba S/(000)	Chilean pesos S/(000)	Belize Dollar S/(000)	Total S/(000)
Assets							
Cash and cash equivalents	231,724	44,684	3,314	-	473	23	280,218
Trade receivables	208,133	803,150	33,844	-	14,863	-	1,059,990
Other current assets	146,664	67,266	931	-	373	880	216,114
	586,521	915,100	38,089	-	15,709	903	1,556,322
Liabilities							
Financial obligations	362,109	1,539,138	89,287	-	155,736	-	2,146,270
Lease liabilities	19,459	34,708	5,347	-	2,452		61,966
Trade payables	190,513	393,968	52,306	-	51,386	2,949	691,122
Other liabilities	667,470	137,849	-	-	522	-	805,841
	1,239,551	2,105,663	146,940	-	210,096	2,949	3,705,199
Net liability position	(653,030)	(1,190,563)	(108,851)	-	(194,387)	(2,046)	(2,148,877)

	2024						
	Soles S/(000)	U.S. Dollars S/(000)	Quetzal S/(000)	Cordoba S/(000)	Chilean pesos S/(000)	Belize Dollar S/(000)	Total S/(000)
Assets							
Cash and cash equivalents	115,444	129,502	1,213	-	958	1,143	248,260
Trade receivables	189,882	923,522	28,969	-	43,931	-	1,186,304
Other current assets	154,084	74,554	7,879	-	86	657	237,260
	459,410	1,127,578	38,061	-	44,975	1,800	1,671,824
Liabilities							
Financial obligations	440,017	1,652,105	54,540	-	186,902	-	2,333,564
Lease liabilities	22,679	34,708	5,347	-	2,452	-	65,186
Trade payables	160,570	416,247	54,252	-	37,244	2,206	670,519
Other liabilities	547,646	162,566	-	-	2,330	-	712,542
	1,170,912	2,265,626	114,139	-	228,928	2,206	3,781,811
Net liability position	(711,502)	(1,138,047)	(76,079)	-	(183,953)	(406)	(2,109,987)

The Group does not have a specific policy regarding forward foreign currency contracts to hedge foreign currency exposure. In 2025 and 2024, its strategy was to purchase foreign currency in the free exchange market (spot market). The Group has no outstanding forward foreign currency contracts as of the date of the financial statements, other than those described in the preceding paragraph.

As of December 31, 2025, the Group recognized a net foreign exchange gain of approximately S/161,656,000 (a net loss of approximately S/43,040,000 in 2024), which is presented in the caption "Exchange difference, net" in the consolidated statement of income.

The following table shows the sensitivity analysis for U.S. dollars, the currency to which the Group has a significant exposure as of December 31, 2025 and 2024, in its monetary assets and liabilities and its estimated cash flows. The analysis determines the effect of a reasonably possible change in the U.S. dollar exchange rate, assuming all other variables remain constant, on the consolidated statement of income before income tax.

A negative amount indicates a potential net decrease in the consolidated statement of income before income tax, whereas a positive amount reflects a potential net increase:

Sensitivity analysis	**Change in US$ rates** %	**2025** S/(000)	**2024** S/(000)
Devaluation			
Soles	5	81,208	76,642
Soles	10	162,416	153,284
Revaluation			
Soles	5	(81,208)	(76,642)
Soles	10	(162,416)	(153,284)

(d) Capital management -

The Group actively manages its capital base to mitigate the risks inherent to its activities. The adequacy of the Group's capital is monitored using, among other measures, the ratios established by Management.

The objectives of the Group in its capital management activities, which is a broader concept than "Equity" as presented in the consolidated statement of financial position, are the following: (i) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders; and (ii) to maintain a strong capital base to support the development of its activities.

Furthermore, the Group also monitors its capital on the basis of the leverage ratio. As of December 31, 2025 and 2024, the leverage ratio was as follows:

	2025 S/(000)	2024 S/(000)
Financial obligations, note 12(a)	2,146,270	2,333,564
Lease liability, note 13(a)	61,966	65,186
Less: Cash and cash equivalents, note 5	280,218	(248,259)
Net financial debt (A)	2,488,454	2,150,491
Net equity (B)	2,988,588	2,933,127
Leverage ratio (A) / (B)	0.833	0.733

30. Fair value of financial instruments

The carrying amounts of short-term financial assets and liabilities approximate their fair values due to their short-term maturities. In the case of long-term debt, an indication to its fair value is presented below:

	2025		2024	
	Carrying amount S/(000)	**Fair value** S/(000)	**Carrying amount** S/(000)	**Fair value** S/(000)
Short-term financial obligations	1,153,980	1,153,980	1,326,943	1,326,943
Short-term lease liabilities	18,808	18,808	20,694	20,694
Long-term financial obligations	992,290	1,090,216	1,006,621	1,014,568
Long-term lease liability	43,158	40,380	44,492	41,874

The carrying amounts of other short-term financial liabilities (financial obligations and lease liabilities) approximate their fair values. As of December 31, 2025, the fair values of long-term financial obligations have been determined by applying an average annual rate of 4.79% for bonds, 4.45% for medium and long-term promissory notes, and 6.88% for lease liabilities (5.09% for bonds, 4.45% for medium and long-term promissory notes, and 6.25% for lease liabilities in 2024).

31. Segment information

For management purposes, the Group is organized into business units based on its products and activities, and it has five distinguishable segments organized as follows:

- Heavy equipment, which includes the purchase and sale of equipment, its respective spare parts and maintenance and repair services.
- Automotive, which includes the purchase and sale of automotive vehicles, their respective spare parts and maintenance and repair services.
- Equipment rental.
- Agricultural equipment, which includes the purchase and sale of agricultural equipment, its respective spare parts and maintenance and repair services.
- Other business units.

No other operating segment has been aggregated as part of the operating segments described above.

Management monitors pre-tax profit for each business unit separately for the purpose of making decisions on resource allocation and financial performance evaluation. A segment's financial performance is evaluated on the basis of profit before income tax, using the same preparation bases as financial statements.

Transfer pricing between transaction segments is based on market conditions between independent parties in a similar manner to those agreed with third parties.

In 2025 and 2024, the operating segment results were as follows:

	Sales and Services S/(000)	Other Operating Income S/(000)	Total Revenue S/(000)	Gross margin S/(000)	Selling expenses S/(000)	Administrative expenses S/(000)	Other income and expenses, net S/(000)	Financial expenses S/(000)	Financial income S/(000)	Exchange difference, net S/(000)	Participation in the net results of joint ventures S/(000)	Profit before income tax S/(000)	Income tax S/(000)	Net profit from continuing operations S/(000)
2025														
Heavy equipment, spare parts and services	6,786,275	488	6,786,763	1,553,675	(686,434)	(311,568)	16,311	(100,759)	33,084	157,088	6,353	667,749	(215,748)	452,001
Automotive, spare parts and services	97,281	-	97,281	26,572	(14,900)	(2,082)	390	(1,912)	148	-	-	8,216	(2,666)	5,550
Equipment rental	195,639	-	195,639	62,220	(28,246)	(2,092)	252	(5,855)	908	(2,013)	-	25,174	(8,219)	16,955
Agricultural equipment, spare parts and services	126,927	378	127,305	28,113	(21,028)	(1,505)	99	(2,294)	283	(2,432)	-	1,236	(272)	964
Other business units	585,438	-	585,438	122,579	(55,158)	(58,807)	(1,228)	(11,255)	1,376	9,013	615	7,136	(5,406)	1,730
Consolidated total	7,791,560	866	7,792,426	1,793,159	(805,766)	(376,054)	15,824	(122,075)	35,799	161,656	6,968	709,511	(232,311)	477,200
2024														
Heavy equipment, spare parts and services	6,688,276	304	6,688,580	1,755,463	(664,274)	(317,445)	20,987	(106,272)	35,950	(36,833)	2,008	689,584	(222,423)	467,161
Automotive, spare parts and services	81,452	-	81,452	23,929	(14,150)	(2,066)	488	(1,820)	48	-	-	6,429	(2,165)	4,264
Equipment rental	217,722	-	217,722	67,675	(37,287)	(1,512)	213	(7,461)	1,285	(2,976)	-	19,937	(9,007)	10,930
Agricultural equipment, spare parts and services	115,531	460	115,991	22,455	(18,784)	(1,496)	(87)	(2,495)	230	(1,981)	-	(2,158)	625	(1,533)
Other business units	479,235	-	479,235	126,787	(42,367)	(58,842)	(4,360)	(8,796)	1,553	(1,250)	681	13,406	(6,901)	6,505
Consolidated total	7,582,216	764	7,582,980	1,996,309	(776,862)	(381,361)	17,241	(126,844)	39,066	(43,040)	2,689	727,198	(239,871)	487,327

In 2025 and 2024, the operating segment information by country was as follows:

	Sales and Services S/(000)	Other Operating Income S/(000)	Total Revenue S/(000)	Gross margin S/(000)	Selling expenses S/(000)	Administrative expenses S/(000)	Other income and expenses, net S/(000)	Financial expenses S/(000)	Financial income S/(000)	Exchange difference, net S/(000)	Participation in the net results of joint ventures S/(000)	Profit before income tax S/(000)	Income tax S/(000)	Sales and Services S/(000)
2025														
Peru	7,129,299	562	7,129,861	1,609,985	(709,287)	(374,719)	73,056	(90,514)	24,095	155,973	6,968	695,557	(222,584)	472,973
Guatemala	364,104	304	364,408	70,372	(29,977)	(16,781)	437	(6,820)	1,505	(7)	-	18,729	(4,574)	14,155
El Salvador	272,150	-	272,150	64,656	(33,458)	(8,597)	818	(7,736)	717	-	-	16,400	(6,609)	9,791
Belice	18,229	-	18,229	4,097	(1,369)	(2,469)	278	-	193	411	-	1,141	(318)	823
United States of America	67,237	-	67,237	9,738	(358)	(6,696)	1,542	(557)	111	-	-	3,780	(1,383)	2,397
Nicaragua	-	-	-	-	-	(1,015)	61	-	531	-	-	(423)	(108)	(531)
Honduras	9,158	-	9,158	2,192	(1,668)	(70)	41	(234)	3	-	-	264	(94)	170
Panama	-	-	-	-	-	(2,602)	(998)	(6)	186	-	-	(3,420)	-	(3,420)
Chile	253,618	-	253,618	32,120	(29,649)	(15,680)	(6,836)	(16,380)	8,630	5,279	-	(22,516)	3,359	(19,157)
Intercompany transactions	(322,235)	-	(322,235)	(1)	-	52,575	(52,575)	172	(172)	-	-	(1)	-	(1)
Consolidated total	7,791,560	866	7,792,426	1,793,159	(805,766)	(376,054)	15,824	(122,075)	35,799	161,656	6,968	709,511	(232,311)	477,200
2024														
Peru	6,948,565	460	6,949,025	1,801,687	(661,177)	(382,390)	68,719	(89,017)	26,790	(28,071)	2,689	739,230	(234,154)	505,076
Guatemala	344,964	304	345,268	69,504	(30,357)	(12,529)	339	(10,830)	1,491	1,318	-	18,936	(5,287)	13,649
El Salvador	251,425	-	251,425	63,325	(33,020)	(8,393)	(439)	(8,926)	512	-	-	13,059	(5,222)	7,837
Belice	23,133	-	23,133	6,232	(2,105)	(2,289)	100	-	356	334	-	2,628	(400)	2,228
United States of America	58,650	-	58,650	10,584	(345)	(5,697)	769	(183)	137	-	-	5,265	(1,451)	3,814
Nicaragua	107	-	107	103	(32)	(1,990)	84	-	489	(4)	-	(1,350)	(122)	(1,472)
Honduras	7,763	-	7,763	2,197	(1,564)	(64)	(24)	(180)	7	-	-	372	(115)	257
Panama	-	-	-	-	-	(3,040)	534	(192)	91	-	-	(2,607)	-	(2,607)
Chile	252,816	-	252,816	42,677	(48,262)	(18,422)	612	(20,395)	12,072	(16,617)	-	(48,335)	6,880	(41,455)
Intercompany transactions	(305,207)	-	(305,207)	-	-	53,453	(53,453)	2,879	(2,879)	-	-	-	-	-
Consolidated total	7,582,216	764	7,582,980	1,996,309	(776,862)	(381,361)	17,241	(126,844)	39,066	(43,040)	2,689	727,198	(239,871)	487,327

32. Subsequent events after the date of the consolidated statement of financial position

Between January 1, 2026 and the date of approval of the consolidated financial statements, no subsequent events have occurred that, in Management's opinion, require additional disclosure or any material adjustment to the amounts presented in the consolidated financial statements.

33. Explanation added for English translation

The accompanying consolidated financial statements were originally issued in Spanish and are presented on the basis of International Financial Reporting Standards, as described in note 2. These consolidated financial statements should be read in conjunction with the Spanish consolidated financial statements, in the event of discrepancy the Spanish language version prevails.

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