

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

Fourth quarter 2022

Lima, February 15th, 2022.- Ferreycorp S.A.A., a leading corporation which aims to carry out investment activities in the capital goods sector and complementary services, based in Peru and with presence in Latin America, with more than 100 years of operations together with its flagship company Ferreyros, announces consolidated results for the fourth quarter 2022 and for the full year 2022. The consolidated financial results have been prepared in accordance with International Financial Reporting Standards and are stated in Peruvian soles. The numbers presented have not yet been audited but should not undergo significant variations when the audited financial statements are published on February 22, when approved by the board of directors.

It is important to keep in mind the scenario of social unrest that worsened in Peru since December 2022, with emphasis on the south of the country, and which has continued to rise during the first quarter of 2023. In particular, the company's fourth quarter results have not been significantly impacted by these events. The corporation and its companies hope that the country will soon overcome this situation and reaffirm their commitment to contribute to national development.

SALES

Consolidated sales for the fourth quarter 2022 amounted to US\$ 482 million, compared to US\$ 462 million for the same period of 2021, that is, 4.3% growth in foreign currency. In soles, sales amounted to S/1,885 and registered a 7.2% growth if compared to the same period 2021, explained by the fact that the average exchange rate for sales of 4Q22 was of S/3.915, while that of 4Q21 was 3.909. The business lines that stood out in this growth are *Caterpillar equipment for construction and mid-size mining* which rose by 27.6% and *Spare parts & services* by 9.4%.

Accumulated sales as of December 31st, 2022 registered increases of 8.7% in dollars and 7.9% in soles, highlighting the growth of the already mentioned business lines, together with the *Rental and Used* business line.

(In millions)	Fourth Quarter		Var%	As of December 31th		Var%
	2022	2021		2022	2021	
Net Sales \$	482	462	4%	1717	1580	9%
Net Sales S/	1,885	1,758	7%	6,593	6,112	8%

(S/ millions)

	4Q 2022	%	4Q 2021	%	VAR	As of Dec. 22	%	As of Dec. 21	%	VAR
CAT Mining Trucks and Machines	175	9	190	11	-7.9	431	7	509	8	-15.3
CAT Machines for other Sectors	400	21	313	18	27.6	1,221	19	1,053	17	15.9
Allied Equipments	138	7	145	8	-4.8	477	7	507	8	-5.9
Rental and Used	108	6	119	7	-9.4	464	7	429	7	8.0
Spare Parts and Services	913	48	834	47	9.4	3,389	51	3,033	50	11.7
Other Lines	152	8	157	9	-2.9	611	9	580	9	5.3
TOTAL	1,885	100	1,758	100	7.2	6,593	100	6,112	100	7.9

(\$ millions)

	4Q 2022	%	4Q 2021	%	VAR	As of Dec. 22	%	As of Dec. 21	%	VAR
CAT Mining Trucks and Machines	45	9	62	11	-7.9	114	7	144	8	-15.3
CAT Machines for other Sectors	102	21	80	18	27.6	318	19	270	17	15.9
Allied Equipments	35	7	37	8	-4.8	124	7	130	8	-5.9
Rental and Used	2	6	30	7	-9.4	121	7	110	7	8.0
Spare Parts and Services	233	48	212	47	9.4	881	51	778	50	11.7
Other Lines	39	8	40	9	-2.9	159	9	149	9	5.3
TOTAL	482	100	462	100	7.2	1,717	100	1,581	100	7.9

(Review Commercial Management section for sales variance explanation)

GROSS PROFIT

During the fourth quarter of 2022, gross profit (S/ 474 million) was higher than the one obtained during the same period of 2021, even though gross margin was at similar levels. Said gross margin stands at 25.2%, slightly lower than the 25.6% obtained during the same period of the previous year. It is worth mentioning that, excluding the FX effect, the adjusted gross margin is 25.1%, higher than the adjusted gross margin of 4Q21 (24.7%).

Accumulated gross profit as of December 31st, 2022 was to S/ 1,693 million, 3.1% higher than that of fiscal year 2021. While gross margin (25.7%) was lower in 2022 compared to that of 2021 (26.9%), the adjusted gross margin, without the FX effect, showed growth (26.0% compared to 25.2% in 2021).

	Fourth Quarter		Var%	As of December 31th		Var%
	2022	2021		2022	2021	
Gross Profit (S/ millions)	474	450	5%	1693	1643	3%
Gross Margin	25.2%	25.6%		25.7%	26.9%	
Adjusted Gross Margin	25.1%	24.7%		26.0%	25.2%	

OPERATING PROFIT

Operating Expenses

Operating expenses for the fourth quarter 2022 (S/ 292.3 million) were 21.4% higher compared to the fourth quarter 2021 (S/ 240.8 million). This rise is originated mainly from the increase in expenses directly linked to sales growth and margin improvement in Ferreyros. Among the most representative expense items generating the greatest increases are personnel expenses (salary increases, new hires, profit sharing and anniversary celebrations), and services provided by third parties (reactivation of local and foreign travel expenses as part of the business, sales promotion expenditure, among the most important). Likewise, during this period a provision of S/ 12 million for accounts receivable was registered in our Chilean subsidiary due to a particular complicated collection, in the same way as it was reported in 3Q22. Excluding this provision, expenses would have represented 14.9% of sales. Expenses as a percentage of sales stand at 15.5%, higher to the previews year; however, the first three quarters of the year already showed an increase in this indicator registering levels above 15% (3Q: 15.6%, 2Q: 15.1%, 1Q: 16.7%).

The accumulated expense as of December 31st, 2022 amounted to S/1,035 million, 16.2% higher than that of the same period 2021.

Operating Margin

Operating margin for the fourth quarter 2022 stands at 9.5%, lower than that of the same period 2021, due to the rise in operating expenses. The accumulated operating margin as of December 31st, 2022 was 10.0%, lower than the one registered in 2021, explained by the expense increase. However, if we consider the FX adjustment in gross margin, the adjusted operating margin rises to 10.4%.

	Fourth Quarter		Var%	As of December 31 th		Var%
	2022	2021		2022	2021	
Operating Profit (S/ millions)	180	212	-15%	659	773	-15%
Operative Expenses / Sales	15.5%	13.3%		15.7%	14.6%	
Operating Margin	9.5%	12.0%		10.0%	12.7%	
Adjusted Operating Margin	9.5%	11.1%		10.4%	11.0%	

NET FINANCIAL EXPENSES

Net financial expenses for the fourth quarter 2022 increased 32.7% compared to the same period of the previous year. When compared to 4Q21, 4Q22 showed an increase in the average financial liabilities, of 3.7% in soles and 5.1% in dollars, and an increase in the average interest rate (average rate 4Q22: 3.58% versus 4Q21: 2.83%).

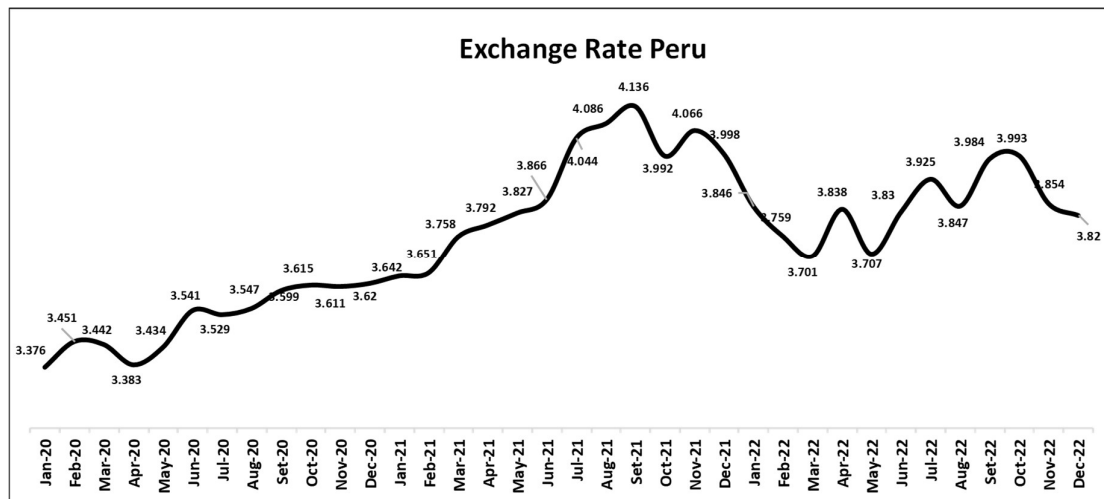
Accumulated net financial expenses as of December 31st, 2022 shows an increase of 3.3% compared to 2021. Even though the accumulated average financial liabilities hasn't had a significant variation, the average interest rate has increased from 2.77% to 3.13%.

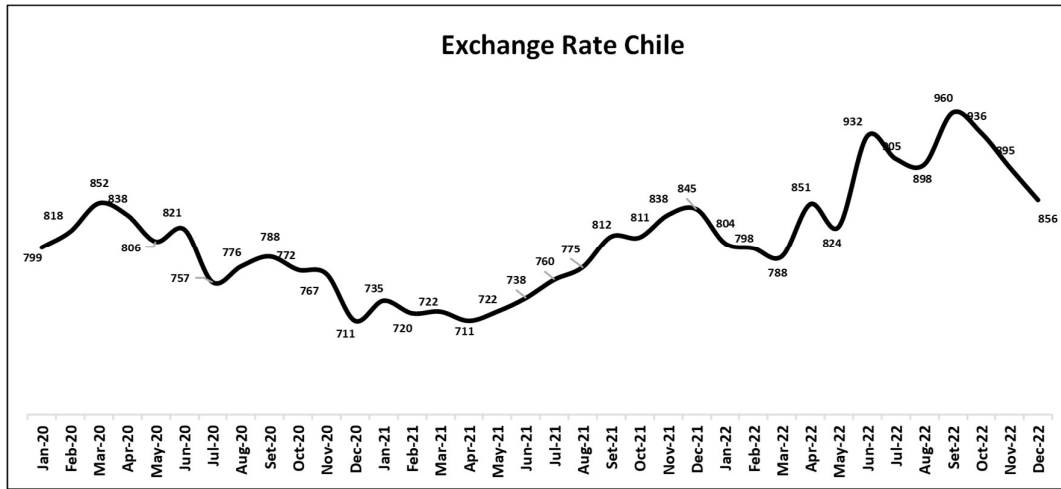
(S/ millions)	Fourth Quarter		Var%	As of December 31th		Var%
	2022	2021		2022	2021	
Net Financial Expenses	16.6	12.5	33%	51.5	49.9	3%
Average Liabilities S/	2,277	2,196	4%	2,068	2,125	-3%
Average Liabilities \$.	567	539	5%	546	541	1%

FOREIGN EXCHANGE GAIN/LOSS

During the fourth quarter of 2022, FX gain of S/ 63.2 million was registered as a result of currency appreciation both in Peru (4.12%) and Chile (10.87%), while in the fourth quarter of 2021, FX gain was also registered but lower than S/ 33.4 million, originated by the currency appreciation in Peru (3.33%), which offset the devaluation in Chile (4.04%).

As of December 31st, 2022, the accumulated outcome is a S/33.5 million FX gain, showing that the FX losses of the second and third quarters were offset by the FX gains of the first and fourth quarters of 2022. It should be noted that the year-end exchange rate (S/ 3.82) was below that of 2021 (S/ 3,998), leaving behind the S/4,136 peak that was experienced in September 2021.





Estimated inventory reserve as of December was negative by S/ 19 million, due to the appreciation of the Peruvian sol against the dollar during the last months. Said reserve will be recovered through the gross margin in the following months if the value of the Peruvian currency remains high.

	Fourth Quarter		As of December 31th	
	2022	2021	2022	2021
(S/ millions)				
Fx Gain/Loss	63.2	33.4	33.5	-124.5

NET PROFIT

Net profit for the fourth quarter 2022 reached S/ 139 million, amount lower than the S/ 151 million registered in the fourth quarter 2021, representing a 7.8% decrease. However, the accumulated net profit as of December 31st 2022 amounts to S/ 419 million, that is, 11.4% higher than the one registered in the same period of the previous year (376 million).

	Fourth Quarter		Var%	As of December 31th		Var%
	2022	2021		2022	2021	
(S/ millions)						
Net Profit	139	151	-8%	419	376	12%
Fx Gain/Loss	63	33		34	-125	
Fx Recovery through GM	1	17		-29	99	
Net Effect	64	50		4	-25	
Net Effect after tax	-45	-35		-3	18	
Net Adjusted Profit	94	115	-18%	416	394	6%

EBITDA

Both the EBITDA and the EBITDA margin for the fourth quarter 2022 were lower compared to those of the same period of 2021, due to decreased operating profit. Excluding the FX effect on gross profit, the adjusted EBITDA margin stands at 12.5%, lower than the 14.4% registered in 4Q21.

As of December 31st, 2022, accumulated EBITDA was 12% lower compared to the same period of the previous year; however, excluding the FX effect on gross profit results in an increase of 1.0%.

	Fourth Quarter			As of December 31 th		
	2022	2021	Var%	2022	2021	Var%
Ebitda (S/mm)	236	270	-13%	888	1,008	-12%
Adjusted Ebitda (S/mm)	235	254	-7%	918	909	1%
Ebitda Margin	12.5%	15.4%		13.5%	16.5%	
Adjusted Ebitda Margin	12.5%	14.4%		13.9%	14.9%	



SUMMARY OF MAIN FIGURES AND INDICATORS

(in millions except for indicators per share)	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021	%Var. 4Q 2022/3Q 2022	%Var. 4Q 2022/4Q 2021
Net Sales	\$482	\$434	\$422	\$377	\$450	\$418	\$383	\$330	11.1%	7.2%
Net Sales	S/. 1,885	S/. 1,691	S/. 1,582	S/. 1,434	S/. 1,758	S/. 1,691	S/. 1,454	S/. 1,210	11.5%	7.2%
Gross Profit	S/. 474	S/. 487	S/. 394	S/. 337	S/. 450	S/. 461	S/. 401	S/. 330	-2.6%	5.3%
SG&A Expenses	S/. -292	S/. -264	S/. -239	S/. -239	S/. -233	S/. -223	S/. -218	S/. -206	10.8%	25.5%
Operating Profit	S/. 180	S/. 218	S/. 161	S/. 100	S/. 212	S/. 239	S/. 191	S/. 131	-17.5%	-15.0%
Financial Expenses, net	S/. -17	S/. -14	S/. -11	S/. -10	S/. -12	S/. -13	S/. -13	S/. -12	21.8%	32.7%
Fx Gain/Loss	S/. 63	S/. -68	S/. -57	S/. 96	S/. 33	S/. -86	S/. -41	S/. -32	-192.5%	89.0%
Net Profit	S/. 140	S/. 91	S/. 61	S/. 128	S/. 151	S/. 86	S/. 95	S/. 60	53.6%	-7.5%
EBITDA	S/. 235	S/. 276	S/. 219	S/. 158	S/. 270	S/. 303	S/. 249	S/. 184	-14.8%	-13.1%
Profit per Share	0.148	0.096	0.065	0.135	0.159	0.091	0.090	0.055	54.9%	-6.8%
EBITDA per Share	0.252	0.292	0.231	0.167	0.285	0.319	0.262	0.193	-13.7%	-11.8%
Free Cash Flow	S/. -121	S/. 15	S/. -67	S/. 83	S/. 441	S/. -46	S/. -239	S/. 42		
Gross Margin	25.2%	28.8%	24.9%	23.5%	25.6%	27.2%	27.6%	27.3%		
Adjusted Gross Margin	25.1%	27.1%	26.1%	26.2%	24.7%	24.5%	26.2%	26.0%		
SG&A / Sales	15.5%	15.6%	15.1%	16.7%	13.3%	13.2%	15.0%	17.0%		
Operating Margin	9.5%	12.9%	10.2%	7.0%	12.0%	14.2%	13.2%	10.8%		
Adjusted Operating Margin	9.5%	11.3%	11.4%	9.6%	11.1%	11.4%	11.8%	9.6%		
Net Margin	7.4%	5.4%	3.8%	9.0%	8.6%	5.1%	6.5%	5.0%		
Adjusted Net Margin	5.0%	7.0%	7.3%	6.1%	6.6%	6.7%	6.9%	5.3%		
EBITDA Margin	12.5%	16.3%	13.8%	11.0%	15.4%	18.0%	17.2%	15.3%		
Adjusted EBITDA Margin	12.5%	14.7%	15.1%	13.7%	14.4%	15.2%	15.8%	14.0%		
Indebtness ratio	0.82	0.89	0.79	0.68	0.76	0.96	0.88	0.78		
Net Debt / EBITDA	2.30	2.28	1.99	1.60	1.78	2.15	2.31	2.48		

ANALYSIS ACCORDING TO CORPORATE ORGANIZATION

(S/ Thousands)	CAT Dealers in Peru		CAT Dealers and other business abroad		Other Business	
	2022	2021	2022	2021	2022	2021
Sales	5,101,967	4,687,535	676,698	571,716	813,842	852,524
Gross Profit	1,354,289	1,306,487	157,708	133,178	180,807	202,886
Adjusted Gross Profit	1,388,756	1,231,324	157,708	133,178	175,672	178,603
Gross Margin	26.5%	27.9%	23.3%	23.3%	22.2%	23.8%
Adjusted Gross Margin	27.2%	26.3%	23.3%	23.3%	21.6%	20.9%
Operating Expenses	765,873	658,383	95,914	91,191	159,107	114,044
Operating Profit	607,713	650,384	68,196	43,566	22,168	92,830
Operating Margin	11.9%	13.9%	10.1%	7.6%	2.7%	10.9%
Depreciation & Amortization	130,316	133,492	20,541	22,013	46,454	51,309
EBITDA	747,853	794,477	91,006	67,785	80,125	151,747
EBITDA Margin	14.7%	16.9%	13.4%	11.9%	9.8%	17.8%

STATEMENT OF FINANCIAL POSITION

As of December 31st, 2022, total assets amounted to S/ 6,248.8 million, higher than the S/ 5,987.3 million in assets as of December 31st, 2021. When comparing both periods, a S/ 275 million increase can be observed in *Trade accounts receivables*, mainly due to higher billing to large mining clients during the last month of the year. Additionally, a S/ 126 million increase in inventories was registered, basically due to the need to attend future repairs and to have proper availability to attend our clients. Increases: Ferreyros (Spare Parts) S/ 41 million, Cogesa (prime equipment) S/ 31 million, Unimaq (prime equipment) S/ 32 million.

(S/ millions)	As of Dec. 22	%	As of Dec. 21	%	Var %
Cash and Equivalents	192	3	216	4	-11.0
Account Receivables - Trade	1,330	21	1,015	17	31.1
Inventory	2,207	35	2,082	35	6.0
Fix Assets	1,648	26	1,700	28	-3.0
Intangibles & Goodwill	390	6	438	7	-10.8
Other Assets	481	8	538	9	-10.6
TOTAL ASSETS	6,249	100	5,987	100	4.4
Financial Debt	1,461	39	1,495	41	-2.2
Account Payables - Trade	782	21	782	21	0.0
Liabilities derived from leases	78	2	119	3	-34.5
Other Liabilities	1,439	38	1,249	34	15.2
TOTAL LIABILITIES	3,760	100	3,645	100	3.2

As of December 31st, 2022, asset turnover was 1.08, similar to the 1.05 as of December 31st, 2021. Throughout the year, measures were taken to improve asset turnover, having managed to maintain this figure above 1 during all year, and even reaching levels of 1.1x from January to June, however, deliveries of mining equipment to customers during this last quarter increased the accounts receivable again, and also, Caterpillar shipments during this fourth quarter temporarily increased the inventory of Ferreyros, Unimaq, Orvisa and Gentrac.

As explained, financial debt of the corporation, which as of December 31st, 2022 amounted to S/ 2,238 million, was 11.5% above that of the same period of the previous year. In dollars, financial debt of the quarter (US\$ 586 million) shows an increase of 16.7% compared to 4Q21 (US\$ 502 million), originated by an increase in inventory. It is worth mentioning that, in order to maintain the financial structure at levels considered by the company as consistent with its working capital needs, and in order to obtain competitive rates prior to the rate increase that had been announced, part of the debt of the corporation was restructured, maintaining as of December 2022, 49% of total financial debt as non-current maturity obligations.

It is important to mention that financial debt includes S/ 78.3 million (US\$ 20.5 million) related to IFRS 16 application to Leases, a decrease compared to 2021 (\$29.9 million). Said norm obliges to register assets according to the right of use of the asset object of the contract.

INVESTMENT IN FIXED ASSETS (CAPEX) AND INTANGIBLES

As of December 31st, 2022, investments in fixed assets and intangibles amounted to S/ 132.6 million, corresponding mainly to: i) S/ 185.9 million for purchasing machinery and rental fleet as part of Ferreyros' strategy to introduce new Caterpillar truck models to the market - specifically the 400-ton 798 truck, which are temporarily leased to large-scale mining clients, and ii) S/ 25 million for the purchase of machinery and equipment for workshops.

Regarding point i) it is important to mention that the program to introduce 798 trucks to the Peruvian market was carried out during 2022, placing 18 trucks in different mining companies. From these 18 trucks, 4 trucks were already on the corporation's books at the end of 2021, 13 trucks were purchased during 2022 and there is 1 truck that will be purchased in 2023. On the other hand, during 2022, 7 trucks were invoiced to two mining companies and 3 of those 7 trucks are pending payment within the terms negotiated with the client.

As of December 31st, 2022, differences are shown between Fixed Assets item, in the statement of financial position, and Capex. These differences correspond to the recognition of leased assets (locations, rental fleet, vehicles fleet, among the most important) as fixed assets, as indicated by IFRS 16 Leases.

FINANCIAL RATIOS

Indicadores	Dic-22	Set-22	Jun-22	Mar-22	Dic-21	Set-21	Jun-21	Mar-21
Current Ratio	1.56	1.52	1.52	1.53	1.61	1.34	1.38	1.30
Financial Debt Ratio	0.82	0.89	0.79	0.68	0.76	0.96	0.88	0.78
Indebtness Ratio	1.51	1.67	1.54	1.54	1.56	1.85	1.75	1.66
Net Debt / EBITDA	2.30	2.28	1.99	1.60	1.78	2.15	2.31	2.48
Adjusted Debt / EBITDA	1.75	1.85	1.48	1.53	1.77	1.65	1.68	1.88
Financial Expenses Coverage Ratio	11.63	12.49	11.75	9.84	14.33	14.09	12.51	11.00
Asset Turnover	1.08	1.02	1.07	1.09	1.05	0.96	0.88	0.82
Inventory Turnover	2.28	2.12	2.31	2.32	2.36	2.08	1.90	1.80
Inventory Days	158	170	156	155	152	173	189	200
Collection Days	55	56	50	45	52	57	57	62
Payable Days	58	61	49	50	52	54	48	59
Cash Conversion Cycle	156	165	157	150	153	176	198	203
ROE	17.3%	18.8%	18.6%	20.3%	16.7%	15.9%	14.2%	10.3%
ROA	7.6%	7.7%	8.3%	9.1%	9.4%	8.7%	7.3%	5.9%
ROIC	10.9%	11.3%	12.2%	14.1%	14.4%	14.0%	11.2%	8.8%
Book Value per Share	2.65	2.50	2.52	2.45	2.47	2.33	2.31	2.22

Leverage ratios as of December 2022 have registered a decrease if compared to the end of September 2022, due to the reduction in debt; with the exception of the ratio financial debt to Ebitda, which increases due to the decrease in said Ebitda.

The cash cycle, standing at 156 days, has registered a decrease at the end of December 2022 if compared to the end of September 2022, mainly explained by the decrease in inventory.

ROE of the fourth quarter 2022 stands at 17.3%, higher than the one registered in the same period of 2021 (16.7%), originated basically by the increase in net income.

MAIN HIGHLIGHTS

Ferreycorp y Ferreyros celebrated their 100th anniversary

Ferreycorp corporation and its flagship company Ferreyros celebrated in 2022 its hundred years of institutional life in Peru, demonstrating its permanent commitment to the country and its alignment with its purpose "Together we create development". This great milestone reflects the effort of seven generations of collaborators and the invaluable contribution of its clients, represented, shareholders, creditors, suppliers and community.

Ferreycorp included for the first time in the S&P Global Sustainability Yearbook and for the sixth year in the Dow Jones Sustainability Index

For the first time, Ferreycorp was included in the S&P Global Sustainability Yearbook, a renowned publication of Standard & Poor's, and reaffirmed its position, for the sixth consecutive year, as the only Peruvian company to be included in all editions of the Dow Jones Sustainability Index for the MILA-Pacific Alliance region.

Ferreycorp participates in an exhaustive evaluation of its ESG performance, which allows it to be part of the Dow Jones Sustainability Index for the region, since its launch. In merit of the results of this study, Ferreycorp is added to the S&P Global Sustainability Yearbook, an important list in for which more than 7,500 evaluated firms from more than 60 industries participate.

It should be noted that, in the S&P Global yearbook, Ferreycorp has been included among the Top 5 in the Trade & Distribution category, and has received the qualification of "Industry Mover" in said category due to the demonstrated progress.

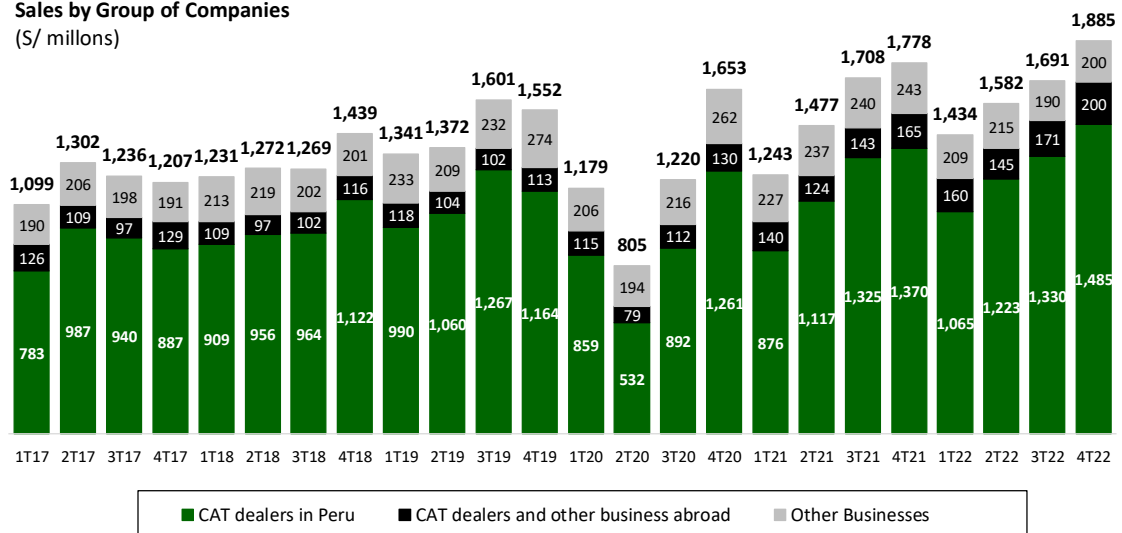
COMMERCIAL MANAGEMENT

1. SALES BREAKDOWN ACCORDING TO CORPORATE ORGANIZATION

Sales by group of companies
(In Thousands Soles)

	4Q 2022	%	3Q 2022	%	4Q 2021	%	% Var 4Q 2022/ 3Q 2022	% Var 4Q 2022/ 4Q 2021	As of December 2022	%	As of December 2021	%	VAR %
Ferreyros	1,321	70%	1,138	67%	1,178	67%	16.1%	12%	4,399	67%	3,999	65%	10%
Unimaq	128	7%	149	9%	151	9%	-14.6%	-16%	552	8%	533	9%	4%
Orvisa	36	2%	42	2%	41	2%	-14.7%	-12%	151	2%	155	3%	-3%
Total Cat Dealers in Peru	1,485	79%	1,330	79%	1,370	78%	11.7%	8%	5,102	77%	4,688	77%	9%
Total Cat Dealers and others businesses abroad	200	11%	171	10%	165	9%	16.8%	21%	677	10%	572	9%	18%
Soltrak	72	4%	74	4%	71	4%	-3.3%	0%	301	5%	283	5%	6%
Trex (Chile)	76	4%	58	3%	78	4%	32.1%	-2%	261	4%	313	5%	-17%
Trex (Perú)	13	1%	13	1%	21	1%	3.7%	-38%	74	1%	86	1%	-14%
Fargo	19	1%	26	2%	23	1%	-24.8%	-17%	90	1%	91	1%	0%
Forbis	15	1%	16	1%	20	1%	-7.9%	-26%	73	1%	66	1%	11%
Otras	6	0%	5	0%	10	1%	22.3%	-45%	15	0%	14	0%	2%
Total other subsidiaries	200	11%	190	11%	223	13%	5.2%	-10%	814	12%	853	14%	-5%
TOTAL	1,885	100%	1,691	100%	1,758	100%	11.5%	7%	6,593	100%	6,112	100%	8%

Sales by Group of Companies
(S/ millions)



As shown in the tables above, Ferreycorp organizes its companies in three main group:

Group I - Subsidiaries which are Caterpillar dealers and represent allied brands in Peru (Ferreyros, Unimaq and Orvisa)

During the fourth quarter of 2022, sales of Caterpillar dealers in Peru showed an increase of 8.4% compared to the fourth quarter of 2021, even if compared to the third quarter of 2022 an increase of 11.7% is appreciated. Among the business lines with sales growth, it is worth highlighting *Caterpillar equipment for customers in sectors other than large mining* and *Spare Parts & Services*, with 25.1% and 9.4% increases, respectively.

The share of this first group of subsidiaries in the corporation's consolidated total sales is 79% during this fourth quarter.

Group II - Caterpillar dealers and other businesses in Central America (Gentrac, Cogesa, Motored and Soltrak).

Sales of this second group of companies reported an increase of 21.2% compared to the fourth quarter of 2021 driven by growth in the following three business lines: *Caterpillar equipment for customers in construction and energy sectors*, *Allied equipment* and *Spare Parts & Services*, with increases of 41.1%, 101.4% and 9.1%, respectively. Compared to the third quarter of 2022, this group of companies registered higher sales by 11.7%.

This group of companies generated 11% of the corporation's consolidated total sales

Group III - Other subsidiaries aimed to offer capital goods and services other than Caterpillar to different economic sectors in Peru and South America (Soltrak, Trex, Motriza, Fargoline, Forbis Logistics y Sitech).

Sales of this third group of companies, which complements the supply of goods and services through the sale of equipment and vehicles, consumables and logistics solutions, among other lines, showed a decrease of 10.2% compared to the fourth quarter of 2021. Said decrease is mainly caused by the lower sales of Trex Peru, Trex Chile and the logistic companies.

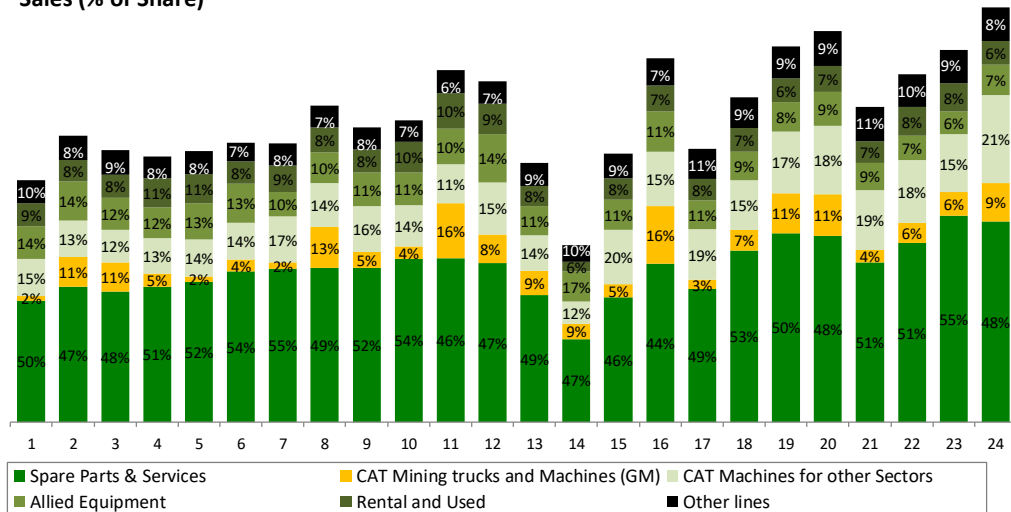
This third group of companies currently represents 11% of the corporation's consolidated total sales.

2. SALES BREAKDOWN BY BUSINESS LINE

(\$/ millions)	4T 2022	%	3T 2022	%	4T 2021	%	% Var4T 2022/ 3T 2022	% Var 4T 2022/ 4T 2021	As of December 2022	%	As of December 2021	%	VAR
CAT Mining Trucks and Machines	175	9%	107	6%	190	11%	62%	-8%	431	7%	509	8%	-15%
CAT Machines for other Sectors	400	21%	262	15%	313	18%	53%	28%	1,221	19%	1,053	17%	16%
Allied Equipment	138	7%	104	6%	145	8%	32%	-5%	477	7%	507	8%	-6%
Rental and Used	108	6%	128	8%	119	7%	-16%	-9%	464	7%	429	7%	8%
Spare parts and Services	913	48%	938	55%	834	47%	-3%	9%	3,389	51%	3,033	50%	12%
Other Lines	152	8%	152	9%	157	9%	0%	-3%	611	9%	580	9%	5%
TOTAL	1,885	100%	1,691	100%	1,758	100%	11%	7%	6,593	100%	6,112	100%	8%

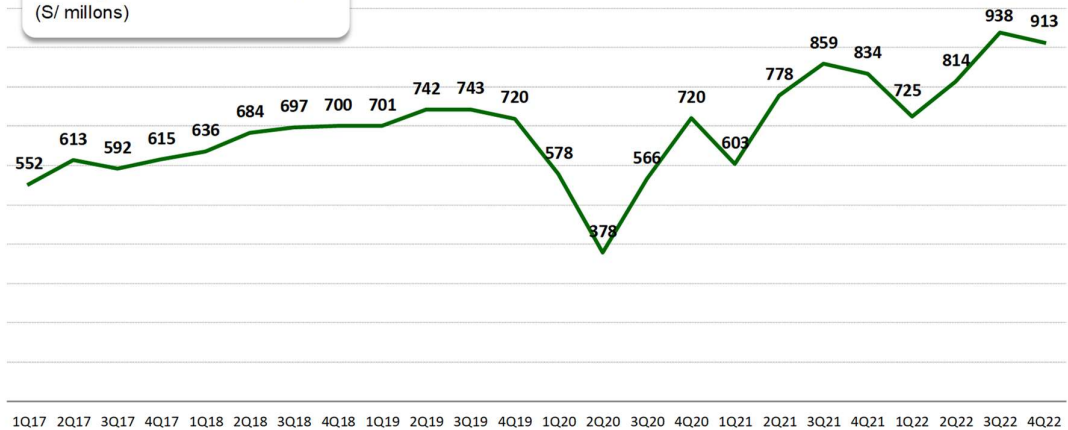
Compared to the same period of the previous year, the business lines that showed the greatest sales increase in the quarter were *Caterpillar Equipment for other sectors* (non-mining clients) and *Spare Parts & Services*, highlighting in this last business line the boost in sales to large-scale mining clients. Within *Other Business Lines*, Lubricants increased sales in 21.1%. If compared to the third quarter of 2022, sales of the fourth quarter increased 11.5% with growth in Caterpillar Equipment Business Lines (Both for non-mining clients and for mining clients), *Allied equipment*, agricultural equipment and lubricants.

Sales (% of Share)

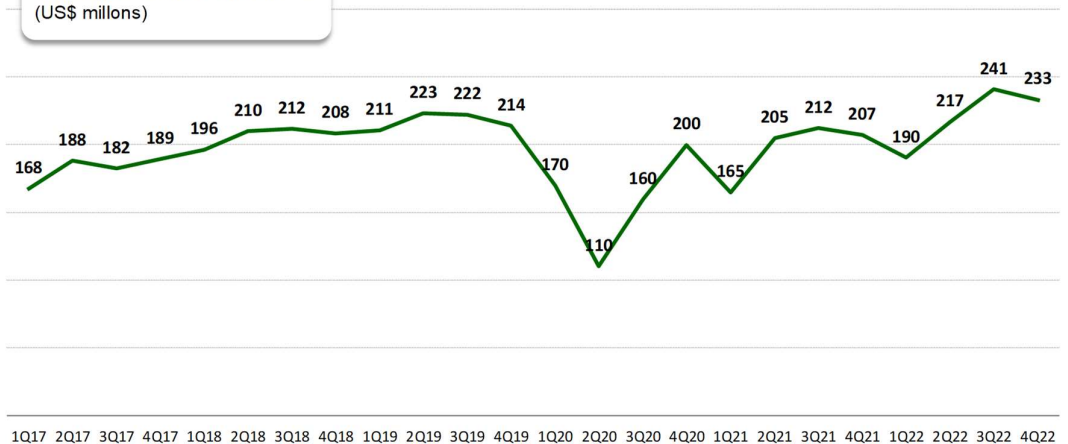


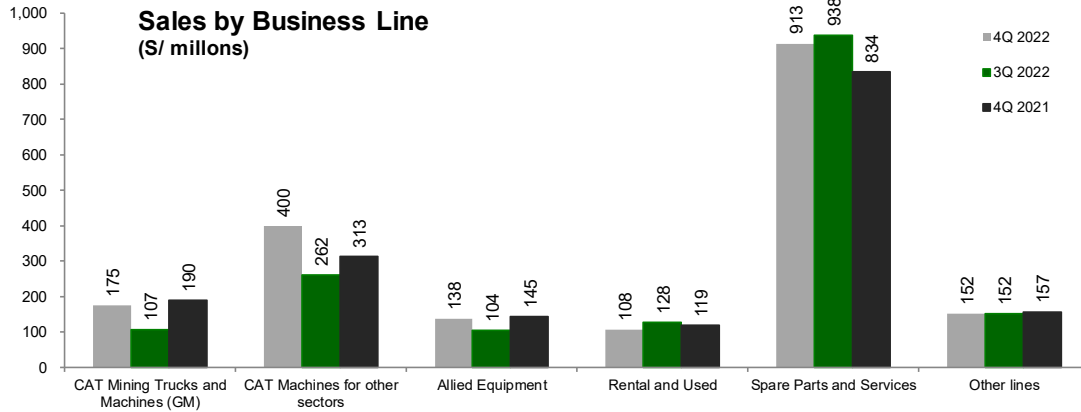
The strategy of the corporation is focused in improving client productivity through both equipment usage and project management. For this reason, great efforts are deployed to deliver the best quality aftermarket support, through locations near customers, that differentiates it from the competition. These capacities have allowed *Spare Parts & Services* business line, for both Caterpillar and allied brands, to maintain an important share in the composition of Ferreycorp's total sales (48%), achieving in the 4Q22 sales of S/ 913 million (\$233 million), registering a 9.4% growth compared to the fourth quarter of 2021. As of December 31st, 2022, *Spare Parts & Services* business line generated S/ 3,389 million in revenue, with a 11.7% growth compared to the same period 2021.

Sale Spare Parts and Services
(S/ millions)



Sale Spare Parts & Services
(US\$ millions)





As of December 31st, 2022, sales of Caterpillar brand, represented by the corporation through exclusive distributors in Peru, Guatemala, El Salvador and Belize, represent 73% of total revenue. This figure includes the sale and rental of machines and engines, as well as the provision of Spare Parts & Services of this brand.

3. SALES BREAKDOWN BY ECONOMIC SECTOR

	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021
Open Pit Mining	42.2%	47.1%	39.9%	39.4%	45.9%	47.4%	41.9%	36.2%
Construction	24.6%	17.3%	15.8%	19.2%	18.4%	16.3%	16.3%	23.8%
Underground Mining	12.2%	11.4%	13.2%	12.7%	13.3%	10.6%	11.0%	11.4%
Industry, Commerce & Serv.	11.7%	12.4%	13.5%	14.6%	10.8%	12.4%	13.3%	15.2%
Government	2.6%	1.7%	1.8%	2.7%	1.6%	1.7%	1.7%	2.9%
Agricultural & Forestry	2.4%	2.9%	3.1%	3.2%	2.4%	2.2%	3.0%	3.0%
Transport	1.7%	1.8%	2.1%	3.1%	2.2%	1.6%	2.2%	2.7%
Hydrocarbons & Energy	1.5%	1.3%	1.2%	0.8%	1.0%	1.3%	0.8%	0.6%
Fish and Marine	0.7%	2.5%	2.0%	1.6%	1.7%	1.4%	1.7%	1.8%
Others	0.4%	1.6%	7.4%	2.7%	2.7%	5.0%	8.2%	2.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

As per sales distribution by economic sectors, open pit mining generated 42.2% of total sales in the 4Q22, a lower figure compared to the 4Q21 and a higher one compared to the first two quarters of this year. Construction sector ranked second with 24.6% of total sales, higher than the percentages reached in the fourth quarter of 2021 and higher than the previous quarters of 2022. Underground mining ranks third with 12.2% of total sales, lower than 4Q21; and occupying fourth place, the industry, commerce and services sector had 11.7% of total sales, higher than 4Q21.

FERREYCORP S.A.A. AND SUBSIDIARIES

APPENDIX 1

INCOME STATEMENT (NOTE)

(In Thousands of Nuevos Soles)

	4Q 2022	%	4Q 2021	%	Var %	As of December 2022	%	As of December 2021	%	Var %
Net Sales	1,885,058	100.0	1,757,881	100.0	7.2	6,592,507	100.0	6,111,817	100.0	7.9
Cost of Goods Sales	-1,410,641	-74.8	-1,307,446	-74.4	7.9	-4,899,703	-74.3	-4,469,266	-73.1	9.6
Sales Profit	474,417	25.2	450,435	25.6	5.3	1,692,804	25.7	1,642,551	26.9	3.1
Operating Expenses	-292,355	-15.5	-233,038	-13.3	25.5	-1,034,603	-15.7	-890,271	-14.6	16.2
Other Income (Expenses), net	-2,176	-0.1	-5,794	-0.3		1,089	0.0	20,970	0.3	-94.8
Operating Profit	179,886	9.5	211,603	12.0	-15.0	659,290	10.0	773,250	12.7	-14.7
Financial Expenses, net	-16,575	1.2	-12,493	1.0	32.7	-51,529	1.1	-49,881	1.1	3.3
Fx Gain/Loss	63,211	3.4	33,448	1.9	89.0	33,505	0.5	-124,544	-2.0	
Participation in the results of associates	1,098	0.1	735	0.0	49.4	917	0.0	1,863	0.0	-50.8
Income before Income Tax	227,620	12.1	233,293	13.3	-2.4	642,183	9.7	600,688	9.8	6.9
Income Tax	-88,120	-4.7	-72,020	-4.1	22.4	-222,802	-3.4	-187,485	-3.1	18.8
Net Income Cont. Oper.	139,500	7.4	161,273	9.2	-13.5	419,381	6.4	413,203	6.8	1.5
Net Income Disc. Oper.	-345	-0.0	-10,410	-0.6	-96.7	-502	-0.0	-37,149	-0.6	-98.6
Net Income	139,155	7.4	150,863	8.6	-7.8	418,879	6.4	376,054	6.2	11.4
EBITDA	235,967	12.5	270,471	15.4	-12.8	888,393	13.5	1,008,450	16.5	-11.9

NOTE: Some numbers had been reclassified on this document to include the purchase order's gross profit; such as sales and cost of good sold. On the Income Statement that is presented to the SMV, it only expose, on the gap of other operating income, the operating profit obtained on those operations.

FERREYCORP S.A.A. AND SUBSIDIARIES
APPENDIX 2
Statement of Financial Position

(In Thousands of Nuevos soles)

	As of 31-12-2022	As of 31-12-2021
Cash and Equivalents	192,015	215,761
Account Receivables - Trade	1,292,084	1,014,738
Inventories	2,207,441	2,081,635
Account Receivables - Others	208,814	198,194
Asset Availables for Sale	14,750	15,671
Prepaid Expenses	39,586	40,259
Current Assets	3,954,690	3,566,258
Long Term Account Receivables - Trade	37,915	40,664
Long Term Account Receivables - Other	46,024	48,692
Property	1,147,127	1,244,213
Rental Fleet	761,523	682,135
Machinery	485,520	471,929
Other Fixed Assets	111,255	130,407
	2,505,425	2,528,684
Accrued Depreciation	-857,427	-829,154
Property, Plant and Equipment, net	1,647,998	1,699,530
Investments	20,702	19,754
Intangibles Assets, net and goodwill	390,329	437,712
Deferred Income Tax	151,096	174,728
Non Current Assets	2,294,064	2,421,080
Total Assets	6,248,754	5,987,338
Parte corriente de deuda a LP	413,120	310,642
Pasivos por arrendamientos (NIIF16)	36,785	41,041
Otros pasivos corrientes	2,079,655	1,860,560
Pasivo corriente	2,529,560	2,212,243
Deuda de largo plazo	1,048,083	1,183,877
Otras cuentas por pagar	8,016	8,222
Pasivos por arrendamientos (NIIF16)	41,473	78,365
Imp. a las ganancias diferidos	133,287	162,475
Total Pasivo	3,760,419	3,645,182

	As of 31-12-2022	As of 31-12-2021
Short Term Debt	413,120	310,642
Liabilities derived from leases (NIIF16)	36,785	41,041
Other Current Liabilities	2,079,655	1,860,560
Current Liabilities	2,529,560	2,212,243
Long Term Debt	1,048,083	1,183,877
Other Payables	8,016	8,222
Liabilities derived from leases (NIIF16)	41,473	78,365
Deferred Income Tax	133,287	162,475
Total Liabilities	3,760,419	3,645,182
Equity	2,488,335	2,342,156
Total Liabilities and Equity	6,248,754	5,987,338

Other Financial Information

Depreciation	173,930	188,641
Amortization	30,699	29,141

FERREYCORP S.A.A. Y SUBSIDIARIAS

APPENDIX 3

Total Liabilities as of December 31th, 2022

(In Thousands US\$)

	Total Liabilities	Current Liabilities	Long Term Liabilities		Financial Liabilities
			Short Term	Long Term	(A)
Local Banks (Short Term)	141,285	141,285	-	-	141,285
Foreing Banks (Short Term)	51,202	51,202	-	-	51,202
Local Banks (Long Term)	227,388	-	55,965	171,424	227,388
Foreing Banks (Long Term)	50,194	-	21,031	29,163	50,194
Local and Foreign Bank (Leasing Fin)	159	-	92	68	159
Suppliers:		-	-	-	
Account Payables to Caterpillar	119,697	119,697	-	-	-
Account Payables to Caterpillar	-	-	-	-	-
Others	85,122	85,122	-	-	-
Corporate Bonds	89,628	-	18,025	71,603	89,628
Caterpillar Financial	5,515	-	3,404	2,111	5,515
Liabilities derived from leases (IFRS16)	20,486	-	9,630	10,857	20,486
Other liabilities	193,726	156,736	-	36,990	-
Total (US\$)	984,402	554,042	108,147	322,216	585,857
Total (S/.)	3,760,419	2,116,440	413,122	1,230,865	2,237,974

FERREYCORP S.A.A. Y SUBSIDIARIAS

APPENDIX 4

Cash Flow Statement

(In thousands of nuevos soles)

	4Q 2022	4Q 2021	As of 12-2022	31- As of 12-2021	31-
Cashflow from operating expenses					
Collection from customers and third parties	3,157,483	1,875,206	6,128,911	5,969,063	
Payment to suppliers	-2,662,688	-1,153,994	-5,058,098	-4,664,600	
Payment to employers and other	-386,015	-173,013	-787,954	-650,050	
Payment of taxes and income tax	-108,979	-71,750	-214,112	-215,340	
Net cash provided by operating activities	-199	476,449	68,746	439,073	
Cashflow from investing activities					
Acquisition of property, plant and equipment	-94,038	-7,201	-132,217	-104,308	
Intangible Acquisition	-3,881	-1,261	-4,878	-6,856	
Sale of property, plant and equipment	53,360	-	101,036	-	
Net cash used in investing activities	-44,559	-8,462	-36,059	-111,164	
Cashflow from financing activities					
Financial liabilities	1,779,947	1,130,830	3,097,817	3,367,701	
Payment of financial liabilities	-1,542,489	-1,496,513	-2,733,638	-3,364,042	
Payment of leases activities	-25,311	-6,295	-54,613	-55,893	
Interest paid	-35,916	-20,244	-67,801	-74,106	
Payment of dividends	-119,944	-97,983	-245,577	-186,407	
Share repurchase	-597	-80	-2,293	-23,588	
Cash from financing activities	55,690	-490,285	-6,104	-336,335	
Aumento neto de efectivo	10,931	-22,298	26,583	-8,426	
Efectivo al inicio del año	-	-	215,761	256,188	
Efectivo por variaciones en tasas de cambio	-27,531	-4,410	-50,329	-32,001	
Efectivo al final del año	-16,600	-26,708	192,015	215,761	

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