

**Patrimonio en Fideicomiso D.S. N°093-2002-EF InRetail  
Consumer and Supermercados Peruanos S.A. and Subsidiaries  
and InRetail Pharma S.A. and Subsidiaries**

Interim combined financial statements as of September 30, 2021 and  
December 31, 2020 and for the nine month periods ended September  
30, 2021 and 2020

**Patrimonio en Fideicomiso N°093-2002-EF-InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries**

**Interim combined statements of financial position**

As of September 30, 2021 and December 31, 2020

	Note	2021	2020		Note	2021	2020
		S/(000)	S/(000)			S/(000)	S/(000)
<b>Assets</b>				<b>Liabilities and equity</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and short-term deposits	4	751,973	907,048	Trade payables	13	3,696,777	3,248,861
Investment at fair value through profit or loss		-	93,061	Other payables		458,518	612,755
Financial instruments at amortized cost		-	24,624	Accounts payable to related parties	21(b)	34,445	29,439
Trade receivables, net	5	605,005	589,256	Interest-bearing loans and borrowings	15	382,077	1,672,617
Other receivables, net		109,990	107,362	Lease liability	14(c)	274,211	229,726
Accounts receivables from related parties	21(b)	53,879	46,848	Current income tax, net	16(b)	7,344	73,682
Inventories, net	6	2,622,158	2,158,521	Deferred revenue	22	17,577	13,678
Prepayments	8	33,396	12,916	<b>Total current liabilities</b>		<b>4,870,949</b>	<b>5,880,758</b>
Taxes recoverable		233,782	127,677				
<b>Total current assets</b>		<b>4,410,183</b>	<b>4,067,313</b>	<b>Non-current liabilities</b>			
				Other payables		1,327	2,317
<b>Non-current assets</b>				Accounts payable to related parties	21(b)	89,278	90,548
Other receivables, net		86,535	62,481	Interest-bearing loans and borrowings	15	5,087,010	3,147,970
Taxes recoverable		-	3,713	Lease liability	14(c)	1,457,286	1,417,144
Derivative financial instruments	9	276,204	112,273	Deferred revenue	22	28,235	25,141
Investment at fair value through equity	7	52,606	54,061	Income tax related to Special Purpose Entities		7,608	-
Property, furniture and equipment, net	10	3,988,003	3,841,856	Deferred income tax liabilities, net	16(a)	421,853	451,279
Right of- use- assets, net	14(b)	1,482,317	1,545,805	Reserves for employee retirement pension funds	-	25,821	21,131
Investment properties	11	277,710	282,245	<b>Total non-current liabilities</b>		<b>7,118,418</b>	<b>5,155,530</b>
Intangible assets, net	12	3,872,273	3,912,701	<b>Total liabilities</b>		<b>11,989,367</b>	<b>11,036,288</b>
Deferred income tax assets, net	16(a)	164,560	88,003	<b>Equity</b>			
Other assets		7,474	7,949	Capital stock	17	369,551	369,551
<b>Total non-current assets</b>		<b>10,207,682</b>	<b>9,911,087</b>	Capital premium		181,507	181,507
				Treasury shares		(9)	(9)
<b>Total assets</b>		<b>14,617,865</b>	<b>13,978,400</b>	Additional paid in capital		706,427	706,427
				Other reserve		821,498	821,498
				Unrealized results from foreign currency translation		6,338	1,840
				Unrealized results on derivative financial instrument		(141,191)	(40,610)
				Unrealized results on investment at fair value through equity		11,965	12,858
				Unrealized results from actuarial reserve for retirement		927	927
				Legal Reserve		91,570	70,173
				Retained earnings		512,713	712,014
				<b>Total equity</b>		<b>2,561,296</b>	<b>2,836,176</b>
				Non-controlling interests		67,202	105,936
				<b>Total liabilities and equity</b>		<b>14,617,865</b>	<b>13,978,400</b>

The accompanying notes are an integral part of these combined financial statements.

**Patrimonio en Fideicomiso D.S. N°093-2002-EF- InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries**

**Interim combined income statements**

For the nine -month periods ended September 30, 2021 and 2020

	Note	2021 S/(000)	2020 S/(000)
Net sales of goods		12,471,797	9,994,601
Rental income		117,866	94,160
Rendering of services		167,279	152,285
<b>Revenue</b>		<b>12,756,942</b>	<b>10,241,046</b>
Cost of sales	19	(9,335,012)	(7,365,925)
<b>Gross profit</b>		<b>3,421,930</b>	<b>2,875,121</b>
Loss from joint venture	21	-	(2,195)
Loss on valuation at fair value of investment properties	11	(3,728)	(5,192)
Selling expenses	19	(2,151,878)	(1,814,626)
Administrative expenses	19	(383,901)	(319,268)
Other operating (expenses) income, net		(2,420)	3,140
<b>Operating profit</b>		<b>880,003</b>	<b>736,980</b>
Financial income	20	8,162	7,315
Financial expenses	20	(443,015)	(248,926)
Exchange difference, net		(184,180)	(98,856)
<b>Profit before income tax</b>		<b>260,970</b>	<b>396,513</b>
Income tax expense	16	(103,297)	(138,224)
<b>Net profit</b>		<b>157,673</b>	<b>258,289</b>
<b>Attributable to:</b>			
Owners of the parent		139,255	232,989
Non-controlling interests		18,418	25,300
<b>Net profit</b>		<b>157,673</b>	<b>258,289</b>

The accompanying notes are an integral part of these combined financial statements.

**Patrimonio en Fideicomiso D.S. N°093-2002-EF- InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries**

**Interim combined statements of comprehensive income**

For the nine -month periods ended September 30, 2021 and 2020

	2021 S/(000)	2020 S/(000)
<b>Net profit</b>	157,673	258,289
<b>Other comprehensive income</b>		
Unrealized (loss) gain on available-for-sale investments	(1,026)	806
Income tax effect	-	-
<b>Total other comprehensive income of available for sale investment</b>	<u>(1,026)</u>	<u>806</u>
Unrealized loss in derivative financial instrument	(140,163)	(57,115)
Transfer of realized gain on derivative financial instrument to profit or loss for the period	-	-
Income tax effect	36,454	16,849
<b>Total other comprehensive income derivative financial instruments</b>	<u>(103,709)</u>	<u>(40,266)</u>
Unrealized gain results from foreign currency translation	5,000	1,655
<b>Total other income result from foreign currency translation</b>	<u>5,000</u>	<u>1,655</u>
<b>Other comprehensive income for the period, net of income tax effects</b>	<u>(99,735)</u>	<u>(37,805)</u>
<b>Total comprehensive income for the period</b>	<u>57,938</u>	<u>220,484</u>
<b>Attributable to:</b>		
Owners of the parent	42,132	200,091
Non-controlling interests	15,806	20,393
<b>Total comprehensive income for the period</b>	<u>57,938</u>	<u>220,484</u>

The accompanying notes are an integral part of these combined financial statements.

**Patrimonio en Fideicomiso D.S. N°093-2002-EF-InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries**

**Interim combined statements of changes in equity**

For the nine -month periods ended September 30, 2021 and 2020

	Capital stock	Additional paid in capital	Capital premium	Treasury shares	Other reserve	Unrealized results on derivative financial instruments	Unrealized results on investments at fair value through equity	Unrealized results from foreign currency translation	Unrealized results from actuarial reserve for retirement	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Balance as of January 1, 2020</b>	<b>369,551</b>	<b>706,427</b>	<b>181,507</b>	<b>(9)</b>	<b>821,498</b>	<b>(2,935)</b>	<b>7,565</b>	<b>(208)</b>	<b>415</b>	<b>44,022</b>	<b>629,438</b>	<b>2,757,271</b>	<b>100,979</b>	<b>2,858,250</b>
Profit for the period	-	-	-	-	-	-	-	-	-	-	232,989	232,989	25,300	258,289
Other comprehensive income	-	-	-	-	-	(35,039)	701	1,440	-	-	-	(32,898)	(4,907)	(37,805)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,039)</b>	<b>701</b>	<b>1,440</b>	<b>-</b>	<b>-</b>	<b>232,989</b>	<b>200,091</b>	<b>20,393</b>	<b>220,484</b>
Dividends	-	-	-	-	-	-	-	-	-	-	(242,076)	(242,076)	(21,995)	(264,071)
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	28,580	(28,580)	-	-	-
<b>Balance as of September 30, 2020</b>	<b>369,551</b>	<b>706,427</b>	<b>181,507</b>	<b>(9)</b>	<b>821,498</b>	<b>(37,974)</b>	<b>8,266</b>	<b>1,232</b>	<b>415</b>	<b>72,602</b>	<b>591,771</b>	<b>2,715,286</b>	<b>99,377</b>	<b>2,814,663</b>
<b>Balance as of January 1, 2021</b>	<b>369,551</b>	<b>706,427</b>	<b>181,507</b>	<b>(9)</b>	<b>821,498</b>	<b>(40,610)</b>	<b>12,858</b>	<b>1,840</b>	<b>927</b>	<b>70,173</b>	<b>712,014</b>	<b>2,836,176</b>	<b>105,936</b>	<b>2,942,112</b>
Profit for the period	-	-	-	-	-	-	-	-	-	-	139,255	139,255	18,418	157,673
Other comprehensive income	-	-	-	-	-	(100,581)	(893)	4,351	-	-	-	(97,123)	(2,612)	(99,735)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,581)</b>	<b>(893)</b>	<b>4,351</b>	<b>-</b>	<b>-</b>	<b>139,255</b>	<b>42,132</b>	<b>15,806</b>	<b>57,938</b>
Dividends	-	-	-	-	-	-	-	-	-	-	(317,023)	(317,023)	(54,529)	(371,552)
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	25,422	(25,422)	-	-	-
Other adjustment	-	-	-	-	-	-	-	147	-	(4,025)	3,889	11	(11)	-
<b>Balance as of September 30, 2021</b>	<b>369,551</b>	<b>706,427</b>	<b>181,507</b>	<b>(9)</b>	<b>821,498</b>	<b>(141,191)</b>	<b>11,965</b>	<b>6,338</b>	<b>927</b>	<b>91,570</b>	<b>512,713</b>	<b>2,561,285</b>	<b>67,202</b>	<b>2,628,498</b>

The accompanying notes are an integral part of these combined financial statements.

**Patrimonio en Fideicomiso D.S. N°093-2002-EF-InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries**

**Interim combined statements of cash flows**

For the nine -month periods ended September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
	S/(000)	S/(000)
<b>Operating activities</b>		
Revenue	12,683,365	10,135,298
Payments to suppliers of goods and services	(10,430,354)	(8,164,076)
Payments to employees for salaries and social benefits	(1,010,183)	(904,917)
Taxes paid	(429,965)	(249,155)
Other payments, net	(14,354)	(23,626)
<b>Net cash flows from operating activities</b>	<b>798,509</b>	<b>793,524</b>
<b>Investing activities</b>		
Collection of loans to related parties	48,765	500
Sales of property, furniture and equipment	1,255	2,870
Sales of investment at fair value through profit or loss	139,401	197,598
Sales of subsidiary, net of cash delivered	36,792	-
Loans granted to related parties	(45,096)	(1,860)
Purchase of investment at fair value through profit or loss	(21,000)	(320,907)
Purchase of property, furniture and equipment, net of acquisitions through leasing	(328,187)	(124,423)
Purchase and development of intangible assets	(37,392)	(24,731)
Purchase of investment properties, net of acquisitions through leasing	(1,358)	(6,589)
<b>Net cash flows used in investing activities</b>	<b>(206,820)</b>	<b>(277,542)</b>
<b>Financing activities</b>		
Proceeds from interest-bearing loans and borrowings	902,199	1,307,352
Proceeds from bond issuances, net of up-front fees	2,766,554	-
Proceeds from early settlement of hedging instrument	21,385	-
Payment of interest-bearing loans and borrowings	(1,909,825)	(1,352,264)
Payment of bonds issuance	(1,478,000)	-
Payment of premium for advanced cancelation of senior notes	(47,530)	-
Interest payment	(170,683)	(137,588)
Payment of lease liability	(242,627)	(208,754)
Interest payment of lease liability	(92,340)	(81,573)
Purchase of bonds of own issuance	(124,345)	-
Dividends payment	(371,552)	(264,071)
Rent payments and key money paid in advance	-	(672)
<b>Net cash flows used in financing activities</b>	<b>(746,764)</b>	<b>(737,570)</b>
<b>Net decrease of cash and short-term deposits</b>	<b>(155,075)</b>	<b>(221,588)</b>
Cash and short-term deposits at the beginning of the period	907,048	701,730
<b>Cash and short-term deposits at the end of the period</b>	<b>751,973</b>	<b>480,142</b>
<b>Non-cash transactions</b>		
Fixed assets purchased through leasing and others financial obligation	19,290	13,371
Intangibles from the acquisition of a subsidiary	158,000	-
Addition of the period of right-of-use asset	213,150	142,073

The accompanying notes are an integral part of these combined financial statements.

## Notes to the combined financial statements

### Patrimonio en Fideicomiso D.S. N°093-2002-EF-InRetail Consumer and Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries

#### Notes to the interim combined financial statements

As of September 30, 2021 and December 31, 2020

#### 1. Identification, business activities, acquisition and disposal of subsidiaries, and pandemic

##### (a) Identification

Patrimonio en Fideicomiso D.S. N°093-2002-EF-InRetail Consumer (a Special Purpose Entity-SPE, hereinafter "InRetail Consumer"), was incorporated in August 2014 by InRetail Perú Corp. only for the purpose of issuing debt in the local market and abroad. As of September 30, 2021, the representative shares of capital stock of Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, and InRetail Foods S.A.C. are maintained in trust in this entity.

Supermercados Peruanos S.A. InRetail Pharma S.A. and InRetail Foods S.A.C. were incorporated in June 1979, August 1996 and December 2020, respectively, in Lima, Peru. As of September 30, 2021 and December 31, 2020, those companies are subsidiaries of InRetail Perú Corp., which is part of InterCorp Perú Corp., InRetail Perú Corp. owns directly and indirectly the following percentages of ownership in these companies:

- 99.98% of Supermercados Peruanos S.A.
- 87.02% of InRetail Pharma S.A.
- 100.00% of InRetail Foods S.A.C.

##### (b) Business activities

The following is a description of the Companies activities:

- Supermercados Peruanos S.A. is dedicated to retail. As of September 30, 2021, has a chain of stores operating under "Plaza Veá", "Plaza Veá Super", "Vivanda", "Mass" and "Makro" (as of December 31, 2020, "Plaza Veá", "Plaza Veá Super", "Vivanda", "Mass", "Economax" and "Makro") brands, which are located in Lima and provinces, such as Trujillo, Chimbote, Piura, Cusco, Arequipa Huancayo, among others. Supermercados Peruanos S.A. holds 100 percent of: (i) Desarrolladora de Strip Centers S.A.C., (ii) Plaza Veá Sur S.A.C. (iii) Plaza Veá Oriente S.A.C. and (iv) Makro Supermayorista S.A.

At the General Shareholders' Meeting held on February 11, 2020, the merger of the subsidiaries Supermercados Peruanos S.A. and Plaza Veá Sur S.A.C. was approved, with the latter being absorbed.

- InRetail Foods S.A.C. a Company incorporated only with the purpose of acquiring 37.42 percent of Makro Supermayorista S.A. In the General Shareholder's Meeting of Supermercados Peruanos S.A. and InRetail Foods S.A.C., dated February 15, 2021, the merger of both companies was agreed, as mentioned before. InRetail Foods S.A.C. was the entity absorbed.

## Notes to the combined financial statements

- InRetail Pharma S.A. is dedicated to the commercialization of pharmaceutical products, cosmetic products, food for medical use and other elements related to health protection and recovery through its “Inkafarma” and “Mifarma” pharmacy chains. It is also dedicated, to the Manufacturing, Distribution and Marketing of pharmaceutical products. As of September 30, 2021 it operates in Perú, Ecuador and Bolivia (as of December 31 de 2020, Perú, Colombia, Ecuador and Bolivia). InRetail Pharma S.A. holds 100 percent of: (i) Drogueria InRetail Pharma S.A.C., (ii) Farmacias Peruanas S.A.C., (iii) Mifarma S.A.C., (iv) Química Suiza S.A.C. and (v) Quicorp Group. See Note 1 c).

During the years 2021 and 2020, the Company disposed of the following subsidiaries: Mifarma S.A. (Bolivia), Cifarma S.A.C. (Perú), and Química Suiza Colombia S.A.S. (Colombia). See Note 1 (b).

The following is a summary of the main data of the financial statements of Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries as of September 30, 2021 and December 31, 2020, and for the nine -month periods ended September 30, 2021 and 2020:

	<u>Supermercados Peruanos S.A. and Subsidiaries</u>		<u>InRetail Pharma S.A and Subsidiaries</u>	
	<u>As of September 30, 2021</u>	<u>As of December 31, 2020</u>	<u>As of September 30, 2021</u>	<u>As of December 31, 2020</u>
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Consolidated statements of financial position</b>				
Total assets	7,435,557	6,718,941	5,992,044	5,803,532
Total liabilities	6,434,615	5,428,755	5,475,409	4,988,781
Equity	1,000,942	1,290,186	516,635	814,751
	<b>Balance as of September 30, 2021</b>	<b>Balance as of September 30, 2020</b>	<b>Balance as of September 30, 2021</b>	<b>Balance as of September 30, 2020</b>
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Consolidated income statements</b>				
Operating profit	378,087	163,748	513,052	280,630
Net profit	35,266	26,507	141,837	110,803

The combined financial statements as of September 30, 2021 were approved by management of InRetail Perú Corp. on November 15, 2021.

### (c) Acquisitions and disposal of subsidiaries

- Acquisition of Makro Supermayorista S.A.  
In December 2020, InRetail Perú Corp., through its subsidiaries Supermercados Peruanos S.A. and InRetail Foods, acquired 100 percent of Makro Supermayorista S.A. (hereinafter “Makro”). Makro is a cash-and-carry wholesaler that sells food and non-food products to professional as well as individual customers. The acquisition operation included 16 stores in Lima and Provinces and the “Makro” and other minor private label brands.

The price of the transaction was US\$359,619,000 (equivalent to approximately S/1,300,743,000), which was paid in full with the proceeds from the Bridge Facility. The Bridge Facility was for an amount up to US\$375,000,000 (equivalent to approximately S/1,356,000,000), was arranged with J.P. Morgan Chase Bank, N.A. and contained covenants, including restrictions on incurrence of debt and maintenance of certain financial ratios, among others (see note 15(b) y 15(c)).



## Notes to the combined financial statements

The acquisition of Makro was recorded in accordance with IFRS 3 "Business Combinations", applying the "Purchase" accounting method. Under this method, assets and liabilities were recorded at their estimated fair values at the date of purchase, including identified intangible assets not recorded in the financial statements position of each entity acquired.

The following is the preliminary fair values of the identifiable assets and liabilities of Makro at the date of acquisition:

	<b>Fair value of the acquired entity S/(000)</b>
<b>Assets</b>	
Cash and short-term deposits	88,144
Trade accounts receivables, net	1,807
Other accounts receivables	48,541
Inventories, net	121,409
Property, installations, furniture and equipment, net	692,592
Right-of- use-assets, net	23,884
Intangibles, net	220,027
Other assets	1,719
<b>Liabilities</b>	
Trade accounts payables	(252,077)
Other accounts payables	(54,292)
Lease liabilities	(26,404)
Interest-bearing loans and borrowings	(59,755)
Deferred income tax liabilities, net	(133,430)
<b>Total net assets identified at fair value</b>	<b>672,165</b>
Goodwill generated in the acquisition, note 12 (d)	628,578
<b>Purchase price transferred</b>	<b>1,300,743</b>

The recorded goodwill amounting to S/628,578,000 represents the future synergies that are expected to arise from the combination of operations, distribution channels, workforce and other efficiencies not included in the intangible assets of the present value of the current business.

Considering that the acquisition date was December 23, 2020, the fair values of the identifiable assets and liabilities of Makro correspond to preliminary amounts. In Management's opinion, they will have the final balances and finish the measurement period during 2021, which is in accordance to IFRS 3.

## Notes to the combined financial statements

- Disposal of subsidiaries

On January 22 and February 16, 2021, InRetail Pharma Group transferred 100 percent of its participation in Química Suiza Colombia S.A.S. and Cifarma S.A.C. for approximately US\$1,958,000 (equivalent to S/7,093,000) and US\$9,399,000 (equivalent to S/34,298,000), to non-related entities.

On October 5, 2020, InRetail Pharma Group sold its shareholder interest in its Bolivian subsidiary Mifarma S.A. for approximately US\$2,000,000 (equivalent to S/7,233,000) to non-related entities.

The following are the assets and liabilities, at the date of disposals:

	2021		2020
	Química Suiza Colombia S.A.A. S/(000)	Cifarma S.A.C. (Perú) S/(000)	Mifarma S.A. (Bolivia) S/(000)
<b>Assets</b>			
Cash and short-term deposits	2,085	2,514	1,399
Inventories, net	4,487	20,001	8,522
Property, furniture and equipment, net	207	10,617	809
Right-of-use-assets, net	57	16,960	891
Intangible assets, net	-	6,907	-
Other	9,533	25,475	610
	<b>16,369</b>	<b>82,474</b>	<b>12,231</b>
<b>Liabilities</b>			
Trade accounts payables	6,709	14,018	7,586
Lease liabilities	92	20,164	890
Other	5,154	6,641	2,327
	<b>11,955</b>	<b>40,823</b>	<b>10,803</b>
<b>Net value</b>	<b>4,414</b>	<b>41,651</b>	<b>1,428</b>

(d) Pandemic

In March 2020, the World Health Agency "WHO" declared the coronavirus outbreak as a pandemic. The Company and its Subsidiaries have taken all the appropriate measures to safeguard the health of workers and ensure their critical processes.

In order to reduce the impact on the Peruvian economy, the Peruvian Government granted a subsidy of 35 percent of monthly salaries up to S/1,500 and, only for labor contracts that do not set a term or end after March 15, 2020. The subsidy was paid to the Company's Subsidiaries in April for an amount of approximately S/6,289,000.

From March 16 to June 21, 2020, the shopping centers were partially closed; only the stores related to essential services such as: supermarkets, pharmacies and banks remained open. For this reason, during this period the Company and its Subsidiaries granted discounts to their tenants for income and other related services. On June 22, 2020, the opening of non essential retail was authorized by Government. In this context, Malls complied with the restrictions ruled by the Government operating at maximum visitor capacity. These effects are included in the consolidated financial statements.

## Notes to the combined financial statements

On January 26, 2021, the government of Peru announced new quarantine measures for the country to contain the virus, applying different measures in each region according to four different alert levels: extreme, very high, high and moderate. Measures were initially applicable for 15 days, from January 31, 2021 to February 15, 2021, but were extended to February 28, 2021. In this context, shopping centers in extreme risk regions were only allowed to operate essential retail and e-commerce. Shopping centers in other risk level regions were allowed to operate non-essential retail, but maximum visitor capacity was reduced to levels between 20% and 60%.

On February 24, 2021, the government of Peru announced the lifting of the quarantine measures in the country from March 1, 2021 to March 14, 2021. During this period, all shopping centers were allowed to operate both essential and non-essential retail, but with restrictions on maximum visitor capacity between 20% and 60% which varied depending on the tenant and risk level in each region.

On April 14, 2021, the government of Peru announced that, due to an increase in infections, several regions of the country would return to the level of extreme risk, where the allowed capacity in shopping centers will be 20% that will govern from April 19 to May 5, 2021.

Since July 12, 2021, restrictions on Sundays were lifted, capacity in Malls was increased to 50%, and opening hours were increased until 10 pm. Since September 6, 2021, most regions have been classified in the lowest risk level.

These restrictions do not affect essential activities such as the supply of pharmaceutical and supermarkets.

The Company and its Subsidiaries operate mainly in the supermarkets and pharmacies, both business segments are considered essential. The Company's Management and its subsidiaries estimate that the pandemic will not have a significant impact on the combined financial statements.

### 2. Summary of significant accounting policies

The significant accounting policies used in the preparation and presentation of the Companies combined financial statements are described below:

#### (a) Basis of preparation and presentation

The interim condensed combined financial statements of the Companies have been prepared and presented solely to comply with certain obligations as a result of the issuance made by InRetail Consumer. Likewise, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) effective as of September 30, 2021 and December 31, 2020.

The interim condensed combined financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit and loss, financial instruments at fair value through other comprehensive income, investment properties and derivative financial instruments, that have been measured at fair value. The interim condensed combined financial statements and other financial assets are presented in Soles and all values are rounded to the nearest thousand (S/(000)), except when otherwise indicated.

The interim condensed combined financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Companies annual combined financial statements as of December 31, 2020.

## Notes to the combined financial statements

### (b) Basis of combination

The interim condensed combined financial statements comprise the consolidated financial statements of the Companies and their Subsidiaries, which have been prepared under IFRS; see Note 1. For purposes of these consolidated financial statements, subsidiaries are fully consolidated from the date of acquisition; being the date on which Supermercados Peruanos S.A. or InRetail Pharma S.A. obtained control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The combined financial statements result from the addition of the balances of all the accounts of the Companies consolidated financial statements; however, there is not any relationship as a parent and subsidiaries. The significant transaction among the Companies balances and profit and losses have been eliminated. The combined financial statements are prepared using uniform accounting policies for similar transactions and events, which are described in the following notes to the combined financial statements.

Additionally, the combined financial statements include some assets, liabilities and results as a consequence of transactions made by InRetail Perú Corp. that are directly related to the Companies. The main combined adjustments and intercompany eliminations are explained below:

- (i) Intercompany eliminations of balances and transactions, that mainly correspond to commercial transactions between the Companies (rental and/or rights of use of property, sale of merchandise vouchers, key money, etc.)
- (ii) The “Inkafarma” commercial brand and goodwill recorded in the consolidated financial statement of InRetail Perú Corp. and Subsidiaries as a consequence of the acquisition of InRetail Pharma S.A. (former Eckerd Perú S.A.) and Subsidiaries in January 2011 for approximately S/373,054,000 and S/709,472,000, respectively; see Note 12(b). Likewise, the deferred tax liability related to this commercial brand amounts to approximately S/111,916,000.

### (c) New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed combined financial statements are consistent with those followed in the preparation of the Companies annual combined financial statements for the year ended December 31, 2020, except for the adoption of the new standards and interpretations as of January 1, 2020.

## Notes to the combined financial statements

The standards, improvements and modifications to the standards issued that are in effect on the date of issuance of these combined financial statements are detailed below:

- (i) **Amendments to IFRS 3 “Business combinations”:** Reference to the Conceptual Framework  
In May 2020, the IASB issued Amendments to IFRS 3, intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989 with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘Day 2’ gain or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 “Levies”, if uncured separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of the first application, the Companies and its subsidiaries Group will not be affected by these amendments on transition.

- (ii) **Modifications to IAS 1 "Presentation of financial statements" Classification of Liabilities as Current or Non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: (i) what is meant by a right to defer settlement; (ii) that a right to defer must exist at the end of the reporting period; (iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right; and, (iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

The companies and its subsidiaries is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- (iii) **Amendments to IAS 16 “Property, plant and equipment”:** Proceeds before intended Use  
May 2020, the IASB issued amendments to IAS 16, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

## Notes to the combined financial statements

The amendments are not expected to have a material impact on the Companies and its subsidiaries.

(iv) Amendments to IAS 37 “Provisions, contingent liabilities and contingent assets”: Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

The Companies and its subsidiaries will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

(v) Annual Improvements (2018-2020 cycle)

As part of its 2018-2020 annual improvement to IFRS standards process, the IASB issued the following amendments:

- IFRS 1 “First-time Adoption of international financial reporting standards”: Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- IFRS 9 “Financial instruments”: Fees in the 10 percent test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

## Notes to the combined financial statements

- IAS 41 “Agriculture”: Taxation in fair value measurements  
The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

In the Management's opinion, these standards will not have a significant impact on the consolidated financial statements of the Companies and its Subsidiaries.

### 3. Transactions in foreign currency

Transactions in foreign currency are carried out using exchange rates prevailing in the market as published by the Superintendence of Banks, Insurance and Pension Funds Administration. As of September 30, 2021, the end of period exchange rates in the market for transactions in US Dollars were S/4.132 per US\$1 bid and S/4.136 per US\$1 ask (S/3.618 and S/3.624 per US\$1 bid and ask as of December 31, 2020).

Transactions in foreign currency are carried out using exchange rates prevailing in the market as published by authorized entities of the country in which the Company and its Subsidiaries operate. As of September 30, 2021 and December 31, 2020, the end of period exchange rate at the market for transactions of the different currency in relation to the Sol are as following:

Exchange rate per Soles	2021	2020
U. S. Dollars (US\$)	0.242	0.276
Bolivian Peso (b\$)	1.683	1.921
Colombian Peso (\$)	-	947.158

As of September 30, 2021 and December 31, 2020, the companies held the following foreign currency assets and liabilities:

	Balance as of September 30, 2021		As of December 31, 2020		
	US\$(000)	B\$ (000)	US\$(000)	B\$ (000)	\$ (000)
<b>Assets</b>					
Cash and short-term deposits	75,584	23,101	30,905	18,278	621,811
Investments at fair value through profit or loss	-	-	7,503	-	-
Investments at fair value through equity	12,731	-	21,737	-	-
Trade receivables, net	50,453	29,198	57,381	47,684	9,054,828
Other accounts receivables, net	11,481	5,597	4,661	4,732	-
Accounts receivable from related parties	366	-	838	-	-
<b>Total assets</b>	<b>150,615</b>	<b>57,896</b>	<b>123,025</b>	<b>70,694</b>	<b>9,676,639</b>
<b>Liabilities</b>					
Trade payables	(129,986)	(18,419)	(115,566)	(16,909)	(4,310,221)
Other payables	(7,809)	(7,569)	(10,760)	(8,111)	-
Accounts payable to related parties	(268)	-	(1,211)	-	-
Lease liability	(247,216)	(1,563)	(272,762)	(1,983)	-
Interest - bearing loans and borrowings	(588,047)	-	(788,427)	-	(2,989,968)
<b>Total Liabilities</b>	<b>(973,326)</b>	<b>(27,551)</b>	<b>(1,188,726)</b>	<b>(27,003)</b>	<b>(7,300,189)</b>
Hedge amount	600,000	-	400,000	-	-
<b>Net (liability) asset position</b>	<b>(222,711)</b>	<b>30,345</b>	<b>(665,701)</b>	<b>43,691</b>	<b>2,376,450</b>

## Notes to the combined financial statements

- (a) As of September 30, 2021, InRetail Pharma S.A., Supermercados Peruanos S.A. and InRetail Consumer, Subsidiaries of the Company, reduced their exchange rate risk with hedging operations through seven contracts, three Call Spreads and four Range Principal Only Swaps (Call Spread as of December 31, 2020) written over its “Senior Secured Notes”, and intercompany loans, which were considered an effective hedging instruments.

The Call Spreads were written over a nominal amount of US\$138,000,000, US\$138,000,000 and US\$24,000,000, and the Range Principal Only Swaps over a nominal value of US\$100,000,000, US\$100,000,000, US\$50,000,000 and US\$50,000,000 (Call Spread of US\$400,000,000 as of December 31, 2020), and will be effective until the cancelation of the “Senior Secured Notes” and Intercompany loans. See further detail in Note 9.

- (b) As of December 31, 2020, InRetail Pharma S.A., reduced its exchange rate risk with one hedging operation, a Call Spread written over its “Senior Notes Unsecured”, which was considered an effective hedging instrument. The Call Spread was written over a nominal amount of US\$400,000,000, and was effective until the cancelation of the “Senior Notes Unsecured”. InRetail Pharma settled the Call Spread early. See further detail in Note 9.

#### 4. Cash and short-term deposits

- (a) The table below presents the components of this account:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
Cash	54,470	7,154
Current accounts (b)	583,400	602,432
Time deposits (c)	40,108	167,102
Remittances in transit	73,995	130,360
<b>Total</b>	<b>751,973</b>	<b>907,048</b>

- (b) The Companies maintain current accounts in local banks in local currency of each country and US Dollars that do not accrue interest and are freely available.
- (c) As of September 30, 2021, time deposits are freely available and are kept in Soles and US Dollars, in local banks, have maturities up to a month since inception and accrue interest between 0.55 and 0.90 percent annual in Soles and 1.00 percent annual in US Dollars (between 0.01 and 0.12 percent annual in Soles, between 1.50 and 1.62 percent annual in Colombian Pesos and between 0.05 and 0.10 percent annual in US Dollars as of December 31, 2020).



## Notes to the combined financial statements

### 5. Trade receivables, net

(a) The table below presents the components of this caption:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
Trade accounts receivable (c)	599,933	575,770
Credit card operations (d)	47,728	65,392
Rent receivable (e)	3,864	3,758
Others	2,577	2,209
<b>Total</b>	<b>654,102</b>	<b>647,129</b>
Provision for doubtful accounts (f)	(49,097)	(57,873)
<b>Total</b>	<b>605,005</b>	<b>589,256</b>

(b) Trade receivables are denominated in local currency of each country and US Dollars, have current maturities and do not accrue interest.

(c) Corresponds mainly to trade receivables from sale of inventories and from the sale of merchandise vouchers to various companies and public institutions. At the date of this report, these balances are mostly collected.

(d) Corresponds mainly to pending deposits in favor of Supermercados Peruanos and InRetail Pharma Group for the last day of the month, respectively, held by credit card operators and originated from the sales of goods with credit cards in the different stores of Supermercados Peruanos and InRetail Pharma.

(e) Corresponds to accounts receivable for the lease of commercial premises to concession holders inside the stores of Supermercados Peruanos S.A.

(f) The movements in the provision for doubtful accounts receivable for the nine -month periods ended September 30, 2021 and 2020, were as follows:

	2021 S/(000)	2020 S/(000)
<b>Balance at the beginning of the year</b>	<b>57,873</b>	<b>49,519</b>
Provision recognized as year expense, Note 19 (a)	7,145	8,511
Recoveries, Note 19 (a)	(3,041)	(1,180)
Write-off and recoveries	(15,475)	(515)
Exchange difference	3,336	1,617
Other	(741)	-
<b>Balance at the end of the period</b>	<b>49,097</b>	<b>57,952</b>
<b>Balance as of December 31, 2020</b>		<b>57,873</b>

As of September 30, 2021 and December 31, 2020, the amount of trade receivables past due but not impaired amounted to approximately S/121,595,000 and S/92,026,000, respectively. The overdue items which have a payment agreement by the customer, are not considered impaired.

In the opinion of Management, the provision for doubtful accounts receivable as of September 30, 2021 and December 31, 2020 appropriately covers the credit risk of this item at those dates.

## Notes to the combined financial statements

### 6. Inventories, net

(a) The composition of this item is presented below:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
Goods, Note 19 (a)	2,353,337	1,957,282
Finished goods, Note 19 (a)	-	455
Raw material, Note 19 (a)	81	19,552
In transit inventories (b)	286,302	198,653
Miscellaneous supplies	7,647	4,464
<b>Total</b>	<b>2,647,367</b>	<b>2,180,406</b>
<b>Minus</b>		
Provision for impairment of inventories (c)	(25,209)	(21,885)
<b>Total</b>	<b>2,622,158</b>	<b>2,158,521</b>

(b) Corresponds to goods and miscellaneous supplies imported by the Companies.

(c) The changes in the provision for inventory impairment for the nine -month periods ended as of September 30, 2021 and 2020 were as follows:

	2021 S/(000)	2020 S/(000)
<b>Balance at the beginning of the year</b>	21,885	15,346
Provision of the period, Note 19 (a)	18,262	20,333
Recovery	(2,894)	-
Write-off	(12,400)	(5,831)
Foreign currency translation	356	249
<b>Balance at the end of the period</b>	<b>25,209</b>	<b>30,097</b>
<b>Balance as of December 31, 2020</b>		<b>21,885</b>

The provision for inventory impairment is determined based on stock turnover, discounts granted for the liquidation of the merchandise and other characteristics based on periodic evaluations performed by the Management.

### 7. Investment at fair value through equity

As of September 30, 2021, the Company has other investments at fair value through equity for an amount of US\$12,73,000 equivalent to S/52,606,000 (US\$14,942,000 equivalent to S/54,061,000 as of December 31, 2020).

The fair value of these instruments is determined by the price quotes published in an active market.

As of September 30, 2021 and December 31, 2020, the unrealized result net of deferred tax is S/11,965,000 and S/12,858,000 respectively and is presented in the combined statement of changes in equity.

## Notes to the combined financial statements

### 8. Prepayments

(a) The table below presents the composition of this caption:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
Prepaid rent	228	1,136
Insurance	4,804	1,755
Prepaid tax	6,344	906
Others	22,020	9,119
<b>Total</b>	<b>33,396</b>	<b>12,916</b>

### 9. Derivatives financial instruments

As of September 30, 2021, this item comprises of seven contracts, three principal Call Spreads and four Range Principal Only Swaps (one Call Spread as of December 31, 2020) designated to hedge cash flows from exchange rate variations and recorded at its fair value. The details of these operations are as follows:

Counterparty	Nominal value US\$(000)	Due	Pays fixed rate at %	Book value of	Fair value	Fair value
				the hedged item S/(000)	2021 S/(000)	2020 S/(000)
Citibank N.A. (a)	400,000	May 2023	1.27	1,449,600	-	112,273
Citibank N.A. (b)	138,000	March 2028	-	570,768	47,252	-
Citibank N.A. (b)	100,000	March 2028	1.50	413,600	60,330	-
Citibank N.A. (b)	50,000	March 2028	1.50	206,800	29,965	-
Citibank N.A. (b)	138,000	March 2028	1.04	570,768	41,197	-
Citibank N.A. (b)	100,000	March 2028	2.50	413,600	60,330	-
Citibank N.A. (b)	50,000	March 2028	2.50	206,800	29,965	-
Citibank N.A. (b)	24,000	March 2028	1.04	99,264	7,165	-
<b>Total</b>					<b>276,204</b>	<b>112,273</b>

- (a) In March 2021, InRetail Pharma settled the Call Spread early, which maturity was in May 2023 and which hedged the issuance of senior notes by InRetail Pharma up to a value of US\$400,000,000 (see note 15(d)). The early settlement of the derivative included the settlement of the liability created by the financing received from Citibank N.A. for the acquisition of the derivative; as of December 31, 2020, the value of said liability amounted to around US\$9,874,000 (equivalent to around S/35,785,000) (see note 15). As a result of this transaction, a total net expense of S/70,141,000 was generated, which is presented as "Financial expenses from the early settlement of Call Spread" in the consolidated income statement; see note 20.
- (b) In March 2021, InRetail Perú corp. through its Subsidiaries, InRetail Pharma S.A., Supermercados Peruanos S.A. and InRetail Consumer (Special Purpose Entity), decided to carry out three hedging operations for US\$288,000,000, US\$288,000,000 and US\$24,000,000, respectively, through three Call Spreads of foreign currency for the financial obligations of the "Senior Secured Notes", which were issued in March 2021, and the intercompany loans related to the issue.

## Notes to the combined financial statements

On September 16 and 17, 2021, InRetail Pharma S.A. and Supermercados Peruanos S.A. decided to replace each US\$150,000,000 of its Call Spread with two Range Principal Only Swaps of US\$100,000,000 and US\$50,000,000, on the issuance of their Senior Notes Unsecured, which fixed the exchange of currency at the exchange rate of S/4.1045 and S/4.1100 per US\$1.00 and that protects variations the exchange rate between S/3.70 and S/6.00 per US\$1.00, which for the purposes of IFRS 9, qualifies as an effective hedging instrument.

The early settlement of the derivative financial instrument includes the partial cancellation of the liability held in Supermercados Peruanos S.A. for the financing received from Citibank for the acquisition of the derivative financial instrument. As a result of this transaction a total net expense of S/6,468,000 was generated. See Note 20.

As of September 30, 2021, the Call Spreads cover US\$300,000,000 (as of December 31, 2020 cover 100 percent) of the exposure in foreign currency of the principal of the issues and protects exchange rate variations between S/3.70 and S/4.20 per US\$1.00. The premium price of Supermercados Peruanos S.A. and InRetail Consumer was financed in terms equal to that of the issue.

From the date of issue of the "Senior Notes Unsecured" for the purposes of IFRS 9 were classified as effective hedging instruments, see note 15 (b).

### 10. Property, furniture and equipment, net

(a) The table below presents the changes and composition of this caption:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
<b>Cost</b>		
<b>Initial balance</b>	<b>5,601,952</b>	<b>4,659,456</b>
Acquisition of subsidiary	-	816,587
Additions (b)	347,477	216,247
Disposals and/or sales (c)	(42,688)	(91,284)
Disposal of subsidiary	(54,834)	(4,145)
Transfer to intangible assets, Note 12 (a)	-	(271)
Transfer from investment properties, Note 11 (a)	2,165	47
Foreign currency translation	8,694	5,315
<b>Final balance</b>	<b>5,862,766</b>	<b>5,601,952</b>
<b>Accumulated depreciation</b>		
<b>Initial balance</b>	<b>1,760,096</b>	<b>1,489,739</b>
Acquisition of subsidiary	-	123,995
Additions, Note 19 (a)	189,086	216,661
Disposals and/or sales	(37,167)	(70,971)
Disposal of subsidiary	(44,010)	(3,336)
Foreign currency translation	6,758	4,008
<b>Final balance</b>	<b>1,874,763</b>	<b>1,760,096</b>
<b>Net book value</b>	<b>3,988,003</b>	<b>3,841,856</b>

(b) Correspond mainly to the construction and equipment for the new premises of Supermercados Peruanos S.A. and the InRetail Pharma Group.

## Notes to the combined financial statements

- (c) Correspond mainly to assets sold and to the disposal of unusable assets as a result of the process of changing formats in some premises. The resulting income or expense has been included in the “Other operating income” or “Other operating expenses” caption of the combined income statement, respectively.
- (d) As of September 30, 2021, the cost and corresponding accumulated depreciation of assets acquired through finance leases was approximately S/756,027,000 and S/316,288,000 respectively (S/542,875,000 and S/145,970,000 respectively, as of December 31,2020).
- (e) The Companies maintain insurance policies on their main assets in accordance with policies established by Management.
- (f) Depreciation expense for the nine-month period ended September 30, 2021 and 2020, was recorded as follows in the income statement:

	<b>2021</b> S/(000)	<b>2020</b> S/(000)
Cost of sales, Note 19 (a )	1,257	4,614
Sales expenses, Note 19 (a )	176,610	146,227
Administrative expenses, Note 19 (a )	11,219	9,612
<b>Balance as of September 30</b>	<b>189,086</b>	<b>160,453</b>
<b>Balance as of December 31, 2020</b>		<b>216,661</b>

### 11. Investment properties

- (a) The table below presents the composition of this caption:

	<b>As of September 30, 2021</b> S/. (000)	<b>As of December 31, 2020</b> S/. (000)
<b>Balance at the beginning of the year</b>	<b>282,245</b>	<b>289,990</b>
Additions	1,358	7,760
Transfer to property, furniture and equipment, Note 10 (a)	(2,165)	(47)
Loss on valuation	(3,728)	(15,458)
<b>Total</b>	<b>277,710</b>	<b>282,245</b>

- (b) As of September 30, 2021, investment properties include eleven properties located in Lima, Moquegua, Tacna, Puno, Tumbes and Tarapoto held to earn income.
- (c) As of September 30, 2021 and December 31, 2020, Management of the Companies performed an evaluation of their investment properties, and has not found any indication of impairment.

## Notes to the combined financial statements

### 12. Intangible assets, net

(a) The table below presents the changes and composition of this caption:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
<b>Cost</b>		
<b>Initial balance</b>	<b>1,548,357</b>	<b>1,395,796</b>
Acquisition of subsidiary	-	116,239
Additions	195,392	39,312
Disposal and/or sales	(1,653)	(3,091)
Disposal of subsidiaries	(8,499)	(525)
Transfer from property, furniture and equipment	-	271
Foreign currency translation	590	355
<b>Final balance</b>	<b>1,734,187</b>	<b>1,548,357</b>
<b>Accumulated amortization</b>		
<b>Initial balance</b>	<b>357,730</b>	<b>232,154</b>
Acquisition of subsidiary	-	54,212
Additions, Note 19 (a)	117,536	72,278
Disposals and/or sales	(1,620)	(698)
Disposal of subsidiaries	(1,592)	(525)
Foreign currency translation	544	309
<b>Final balance</b>	<b>472,598</b>	<b>357,730</b>
<b>Goodwill</b>		
<b>Initial balance</b>	<b>2,722,074</b>	<b>1,982,106</b>
Additions (d)	-	739,968
Adjustment for purchase price allocation	(111,390)	-
<b>Final balance</b>	<b>2,610,684</b>	<b>2,722,074</b>
<b>Net, book value</b>	<b>3,872,273</b>	<b>3,912,701</b>

(b) As of September 30, 2021 and December 31, 2020, this caption mainly includes approximately S/373,054,000 corresponding to the Inkafarma brand, S/395,355,000 to the Mifarma brand, S/158,000,000 to the Makro brand, S/17,791,000 to the Química Suiza brand, S/15,911,000 to the Ninet brand and S/1,504,000 to other brands.

The brands are tested for impairment annually (as of December 31) and when circumstances indicate that the carrying value may be impaired. The InRetail Consumer Group carry out the impairment test for goodwill and intangible assets with indefinite useful lives based on value-in-use calculations using a discounted cash flow model.

(c) As of September 30, 2021 and December 31, 2020, additions mainly correspond to: (i) disbursements for the acquisition of a commercial software program, a general planning system (ERP) and related licenses; (ii) disbursements for implementation of softwares and licenses in new stores of InRetail Consumer Group and (iii) recognition of trademarks and other intangibles from the acquisition of the Quicorp Group, see Note 1 (b).

## Notes to the combined financial statements

- (d) As of September 30, 2021, this caption mainly includes the goodwill, as a result of the acquisition of the Quicorp Group S/1,272,634,000, InRetail Pharma S/709,472,000 and Makro Supermayorista S/628,578,000. See Note 1(b).

Goodwill is initially measured at cost and after initial recognition they are measured at cost less impairment loss. An impairment test of goodwill and unlimited life brands are carried out annually.

- (e) Amortization expense for the nine-month period ended September 30, 2021 and 2020, was recorded as follows in the income statement:

	<b>2021</b> S/(000)	<b>2020</b> S/(000)
Cost of Sales, Note 16 (a)	75	315
Sales expenses, Note 16 (a)	103,525	44,798
Administrative expenses, Note 16 (a)	13,936	9,398
<b>Balance as of September 30</b>	<b>117,536</b>	<b>54,511</b>
<b>Balance as of December 31, 2020</b>		<b>72,278</b>

### 13. Trade payables

- (a) The table below presents the composition of this caption:

	<b>As of September 30, 2021</b> S/(000)	<b>As of December 31, 2020</b> S/(000)
Bills payable for purchase of goods	3,273,491	2,903,428
Bills payable for commercial services	280,348	247,873
Provision for services and maintenance	142,938	97,560
<b>Total</b>	<b>3,696,777</b>	<b>3,248,861</b>

- (b) This caption mainly includes obligations to non-related local and foreign suppliers, denominated in local currency and US Dollars, with current maturities and do not accrue any interest. There have been no liens granted on these obligations.

The Companies offer their suppliers access to an accounts payable service arrangement provided by third-party financial institutions. This service allows the suppliers to sell their receivables to the financial institutions in an arrangement separately negotiated by the supplier and the financial institution, enabling suppliers to better manage their cash flow and reduce payment processing costs. The Companies have no direct financial interest in these transactions. All of the Companies obligations, including amounts due, remain due to its suppliers as stated in the supplier agreements.

## Notes to the combined financial statements

### 14. Leases

- (a) The InRetail Consumer Group maintains leasing contracts for land, buildings, facilities and vehicles used for its operations. Leases of land, buildings and facilities generally have terms of 1 to 40 years, and leases of vehicles have terms of 3 to 4 years. The Companies and its Subsidiaries have obligations under its leases, which are guaranteed by the lessor's title of the leased assets.

There are several leases that include extension and termination options and variable payments. The companies and its Subsidiaries have also entered into certain leases of premises with terms of 12 months or less and leases of low-value office equipment. The Companies and its Subsidiaries apply the short-term and low-value lease exemptions for these kind of leases.

- (b) The movement of this caption for the nine-month period ended as of September 30, 2021 and December 31, 2020, is as follows:

	Land S/(000)	Buildings, infrastructure and facilities S/(000)	Vehicles S/(000)	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
<b>Cost</b>					
<b>Initial balance</b>	<b>3,511</b>	<b>2,165,631</b>	<b>3,092</b>	<b>2,172,234</b>	<b>1,875,377</b>
Acquisition of subsidiary	-	-	-	-	27,873
Additions	-	212,261	889	213,150	298,978
Cancellation of contract	-	(13,771)	(473)	(14,244)	(29,064)
Disposals	-	-	-	-	(3,271)
Disposal of subsidiaries	-	(25,459)	(109)	(25,568)	-
Foreign currency translation	-	6,521	363	6,884	2,341
<b>Final balance</b>	<b>3,511</b>	<b>2,345,183</b>	<b>3,762</b>	<b>2,352,456</b>	<b>2,172,234</b>
<b>Accumulated depreciation</b>					
<b>Initial balance</b>	<b>120</b>	<b>625,576</b>	<b>733</b>	<b>626,429</b>	<b>316,396</b>
Acquisition of subsidiary	-	-	-	-	3,989
Additions, Note 19 (a)	42	259,573	721	260,336	317,935
Cancellation of contract	-	(10,540)	(386)	(10,926)	(10,702)
Disposals	-	-	-	-	(2,380)
Disposal of subsidiaries	-	(8,500)	(49)	(8,549)	-
Foreign currency translation	-	2,682	167	2,849	1,191
<b>Final balance</b>	<b>162</b>	<b>868,791</b>	<b>1,186</b>	<b>870,139</b>	<b>626,429</b>
<b>Net book value</b>	<b>3,349</b>	<b>1,476,392</b>	<b>2,576</b>	<b>1,482,317</b>	<b>1,545,805</b>

Depreciation expense for the nine-month period ended September 30, 2021 and 2020, was recorded as follows in the combined income statement:

	2021 S/(000)	2020 S/(000)
Cost of sales, Note 19 (a)	2,207	3,881
Sales expenses, Note 19 (a)	250,990	230,567
Administrative expenses, Note 19 (a)	7,139	4,351
<b>Balance as of September 30</b>	<b>260,336</b>	<b>238,799</b>
<b>Balance as of December 31, 2020</b>		<b>317,935</b>



## Notes to the combined financial statements

- (c) The movement of the lease liability caption, as of September 30, 2021 and December 31, 2020, is as follows:

	<b>As of September 30, 2021</b>	<b>As of December 31, 2020</b>
	S/(000)	S/(000)
<b>Initial balance</b>	<b>1,646,870</b>	<b>1,532,492</b>
Acquisition of subsidiary	-	26,404
Additions	213,150	298,978
Increase for accrued interest, Note 20	92,340	112,764
Amortization	(334,967)	(391,879)
Cancellation of contract	-	(890)
Disposal	(3,384)	(18,877)
Disposal of subsidiaries	(20,257)	-
Payments made at the beginning of the contract	-	(437)
Prepaid rent	(4,000)	(5,569)
Exchange rate	137,660	92,580
Foreign currency translation	4,085	1,304
<b>Final balance</b>	<b>1,731,497</b>	<b>1,646,870</b>
Current	274,211	229,726
Non-current	1,457,286	1,417,144
<b>Total</b>	<b>1,731,497</b>	<b>1,646,870</b>

Additionally, in the nine-month period ended as of September 30, 2021 and 2020, interest related to the lease liability of S/92,340,000 and S/81,573,000 respectively has been accrued.

## Notes to the combined financial statements

### 15. Interest-bearing loans and borrowings

(a) The table below presents the composition of interest-bearing loans and borrowings:

Type of obligation	Original currency	Interest rate %	Final maturity	Original amount			Total		Current		Non-current		
				US\$ (000)	\$ (000)	S/(000)	2021	2020	2021	2020	2021	2020	
							S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
<b>Notes Senior Unsecured</b>													
Senior Secured Notes (b)	PEN	4.900	2028	-	-	555,000	548,881	-	-	-	-	548,881	-
Senior Secured Notes (b)	USD	3.250	2028	600,000	-	-	2,333,078	-	-	-	-	2,333,078	-
Senior Notes Unsecured (d)	PEN	6.438	2025	-	-	385,800	384,309	384,041	-	-	-	384,309	384,041
Senior Notes Unsecured (d)	USD	5.375	2023	400,000	-	-	-	1,436,872	-	-	-	-	1,436,872
				<b>1,000,000</b>	<b>-</b>	<b>940,800</b>	<b>3,266,268</b>	<b>1,820,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,266,268</b>	<b>1,820,913</b>
<b>Leasing</b>													
<b>Related entities</b>													
Banco Internacional del Perú-Interbank	PEN	3.990	2026	-	-	101,963	101,515	101,275	-	-	-	101,515	101,275
<b>Non-related entities</b>													
Banco de Crédito del Perú	PEN	7.250	2021	-	-	13,596	-	317	-	317	-	-	-
Banco Interamericano de Finanzas	PEN	7.500	2021	-	-	11,196	-	1,001	-	1,001	-	-	-
Banco Interamericano de Finanzas	PEN	Between 5.240 and 7.250	2022	-	-	24,915	8,160	14,556	8,160	8,590	-	-	5,966
Banco Continental	PEN	4.950	2024	-	-	18,150	9,330	12,007	3,727	3,593	-	5,603	8,414
Banco de Crédito del Perú	PEN	5.620	2023-2025	-	-	13,425	12,683	13,424	3,077	3,039	-	9,606	10,385
Banco de Crédito del Perú	PEN	5.050	2025-2026	-	-	18,767	17,638	18,767	4,677	4,620	-	12,961	14,147
Banco Santander del Perú	PEN	Between 6.920 and 7.650	2022	-	-	1,419	363	644	363	378	-	-	266
Banco Continental	PEN	4.950	2021	-	-	129	-	19	-	19	-	-	-
				<b>-</b>	<b>-</b>	<b>203,560</b>	<b>149,689</b>	<b>162,010</b>	<b>20,004</b>	<b>21,557</b>	<b>-</b>	<b>129,685</b>	<b>140,453</b>

## Notes to the combined financial statements

Type of obligation	Original currency	Interest rate %	Final maturity	Original amount			Total		Current		Non-current	
				US\$ (000)	\$ (000)	S/(000)	2021	2020	2021	2020	2021	2020
				S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
<b>Loans (h)</b>												
<b>Related entities</b>												
Banco Internacional del Perú-Interbank	PEN	3.990	2026	-	-	198,037	195,683	196,923	-	-	195,683	196,923
Banco Internacional del Perú-Interbank (g)	PEN	1.650	2021	-	-	161,950	-	103,363	-	22,970	-	80,393
Banco Internacional del Perú-Interbank	PEN	0.400	2021	-	-	35,000	-	35,000	-	35,000	-	-
Banco Internacional del Perú-Interbank (g)	PEN	3.750	2026	-	-	220,000	218,225	-	-	-	218,225	-
<b>Non-related entities</b>												
Banco Scotiabank (e)	PEN	Between 4.200 and 5.070	2022, 2024 and 2026	-	-	940,100	698,188	764,164	123,841	109,272	574,347	654,892
Banco Continental	PEN	4.150	2025	-	-	220,000	218,445	119,103	12,000	3,000	206,445	116,103
Banco Scotiabank (f)	PEN	3.750	2026	-	-	330,000	327,337	-	-	-	327,337	-
Banco Scotiabank (f)	PEN	4.700	2025	-	-	161,950	-	103,380	-	22,973	-	80,407
Banco de Crédito del Perú	PEN	0.820	2021	-	-	45,000	-	45,000	-	45,000	-	-
Banco de Crédito del Perú	PEN	1.070	2021	-	-	8,000	-	8,000	-	8,000	-	-
Banco Scotiabank	PEN	1.180	2021	-	-	21,000	-	21,000	-	21,000	-	-
Banco Scotiabank	PEN	0.600	2021	-	-	21,000	21,000	-	21,000	-	-	-
Banco Scotiabank	PEN	Between 0.500 and 0.550	2022	-	-	15,000	30,000	-	30,000	-	-	-
Banco de Crédito del Perú	PEN	Between 0.590 and 1.980	2021-2022	-	-	30,000	110,000	-	110,000	-	-	-
Banco Citibank	USD	5.000	2022	10,000	-	-	22,980	30,203	22,980	10,068	-	20,135
Banco Pichincha	USD	7.50	2021	300	-	-	1,241	1,087	1,241	1,087	-	-
BBVA Banco Continental	COP	6.100	2021	-	89,968	-	-	94	-	94	-	-
Banco Continental	COP	6.030	2023	-	2,900,000	-	-	3,061	-	1,052	-	2,009
				<b>10,300</b>	<b>2,989,968</b>	<b>2,458,037</b>	<b>1,843,099</b>	<b>1,430,378</b>	<b>321,062</b>	<b>279,516</b>	<b>1,522,037</b>	<b>1,150,862</b>
<b>Foreign loan</b>												
J.P. Morgan Chase Bank N.A. (c)	USD	1.438	2021	375,000	-	-	-	1,344,679	-	1,344,679	-	-
				<b>375,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,344,679</b>	<b>-</b>	<b>1,344,679</b>	<b>-</b>	<b>-</b>
<b>Call spread financing, Note 9</b>												
Citibank N.A.	USD	1.040	2028	18,659	-	-	29,283	-	5,368	-	23,915	-
Citibank N.A.	PEN	Between 8.400 and 8.600	2028	-	-	88,804	88,804	-	15,501	-	73,303	-
Citibank N.A.	USD	3.176	2028	1,555	-	-	6,023	-	848	-	5,175	-
Citibank N.A.	PEN	Between 8.400 and 8.600	2028	-	-	48,931	46,364	-	5,640	-	40,724	-
Citibank N.A.	USD	6.473	2023	18,297	-	-	-	35,785	-	15,977	-	19,808
				<b>38,511</b>	<b>-</b>	<b>137,735</b>	<b>170,474</b>	<b>35,785</b>	<b>27,357</b>	<b>15,977</b>	<b>143,117</b>	<b>19,808</b>
<b>Other obligations to third parties (i)</b>												
Hewlett Packard S.A.	USD	Between 1.450 and 5.564	2025	5,566	-	-	11,452	10,506	5,479	4,635	5,973	5,871
Hewlett Packard S.A.	USD	Between 1.830 and 4.360	2024 and 2026	10,658	-	-	28,105	16,316	8,175	6,253	19,930	10,063
				<b>16,224</b>	<b>-</b>	<b>-</b>	<b>39,557</b>	<b>26,822</b>	<b>13,654</b>	<b>10,888</b>	<b>25,903</b>	<b>15,934</b>
<b>Total</b>				<b>1,440,035</b>	<b>2,989,968</b>	<b>3,740,132</b>	<b>5,469,087</b>	<b>4,820,587</b>	<b>382,077</b>	<b>1,672,617</b>	<b>5,087,010</b>	<b>3,147,970</b>

## Notes to the combined financial statements

- (b) In March 2021, InRetail Consumer (Special Purpose Entity) issued Senior Secured Notes for US\$600,000,000 (equivalent to S/2,481,600,000 as of September 30, 2021) and S/555,000,000 in the local market and abroad (Luxembourg); said obligations were recorded in the consolidated financial statements at amortized cost at an effective annual interest rate of 3.447 and 5.105, respectively, after considering the corresponding initial charges of around US\$6,104,000 (equivalent to around S/25,248,000) and S/6,119,000, respectively.

Additionally, it is presented net of US\$29,805,000 equivalent to S/123,274,000 corresponding to the notes of its own issuance maintained by its subsidiary InRetail Pharma S.A.

The funds obtained from these issuances were mainly used to repay the bridge loan mentioned in note 1 (b). As a result of these issuances, certain obligations and restrictive clauses must be complied with until its maturity and settlement. In the opinion of Management, these clauses do not limit the operations of InRetail Consumer and its subsidiaries and have been complied with as of September 30, 2021.

- (c) In December 2020, InRetail Pharma S.A. received a loan of US\$375,000,000 equivalent to S/1,344,679,000 as of December 31, 2020 (S/1,356,375,000 at the disbursement date) granted by J.P. Morgan Chase Bank N.A. with a one-year maturity and interest at the Libor rate plus a margin. This loan was partially used for the acquisition of Makro Supermayorista S.A. US\$359,619,000. In March 2021, the loan was fully paid.
- (d) In May 2018, InRetail Pharma S.A., issued debt instruments ("Notes") denominated in US Dollars through a private offer to institutional investors under Rule 144 A and Regulation S, for US\$400,000,000 equivalent to S/1,449,600,000 as of December 31, 2020 that accrued an interest of 5.375 percent per annual, with a maturity of 5 years and with semiannual payments of interest and the principal in a single installment upon maturity of the securities. This borrowing was recorded in the consolidated financial statement at amortized cost to an effective interest rate of 5.778 percent, after considering the respective up-front fees that amounted to US\$3,512,000 equivalent to approximately S/12,728,000 as of December 31, 2020. As of December 31, 2020, the balance of this loan is S/1,436,872,000. In March 2021, the Senior Notes Unsecured were pre-paid.

As indicated in note 9 (a), the Call Spread related to these bonds was settled in advance in the month of March 2021.

Also, in May 2018, the Company issued debt instruments ("Notes") denominated in Soles for S/385,800,000 that bear an annual interest rate of 6.4375 percent, maturing in 7 years and with semiannual interest payments and the principal in a single installment upon maturity of the securities. This borrowing was recorded in the consolidated financial statement at amortized cost to an effective interest rate of 6.559 percent, after considering the respective up-front fees that amounted to S/1,491,000 as of September 30, 2021 (S/1,759,000 as of December 31, 2020).

As a result of these issues, InRetail Pharma must comply, until their maturity and full payment, with certain obligations and covenants.

## Notes to the combined financial statements

In the opinion of Management, these covenants do not limit the operations of the Company and its Subsidiaries and have been complied satisfactorily and are within the agreed limits as of September 30, 2021 and December 31, 2020. Likewise, 100 percent of the "Senior Notes Unsecured" is guaranteed by the shares of InRetail Pharma S.A. and Subsidiaries.

- (e) During 2020, the Company received an additional loan from Scotiabank Perú S.A.A. for S/150,000,000, which accrues a nominal interest of 4.20 percent per annum, maturing in 2022; this loan was acquired mainly to pre-pay existing debts with different financial entities and the balance was used as working capital to open new stores. During 2019 and 2018, the Company received loans from Scotiabank Perú S.A.A. for S/250,000,000 and S/525,100,000, at nominal rates of between 4.20 and 5.07 percent per annum and with maturities between 2022, 2024 and 2026, respectively. As of September 30, 2021 and December 31, 2020, the outstanding balances are represented net of their structuring commission.
- (f) In July 2018, InRetail Pharma S.A. received a loan from Scotiabank Peru S.A.A. of S/161,950,000 that accrues a nominal annual interest of 4.70 percent, due in April 2025, payable in quarterly installments. Said loan is recorded at amortized cost at an effective rate of 4.775 percent, after considering the initial charges of S/731,000 as of December 31, 2020.

InRetail Pharma S.A. amortized the debt for the amount of S/57,839,000 as of December 31, 2020. In March 2021, the loan was fully paid.

In March 2021, the company obtained a loan for S/330,000,000 that accrues an annual nominal interest of 3.750 percent maturing in March 2026, payable in quarterly installments. Said loan is recorded at its amortized cost at an effective annual rate of 4.031 percent, after considering the additional charges of S/2,663,000 as of September 30, 2021.

- (g) In July 2018, InRetail Pharma S.A. received a loan from Banco Internacional del Perú Interbank of S/161,950,000 that accrues a nominal annual interest of 4.70 percent, due in April 2025, payable in quarterly installments. Said loan is recorded at amortized cost at an effective rate of 4.775 percent, after considering the initial charges of S/748,000 as of December 31, 2020.

InRetail Pharma S.A. amortized the debt for the amount of S/57,839,000 as of December 31, 2020. In March 2021, the loan was fully paid.

In March, 2021, the company obtained a loan for S/220,000,000 that accrues an annual nominal interest of 3.750 percent maturing in March 2026, payable in quarterly installments. Said loan is recorded at its amortized cost at an effective annual rate of 4.031 percent, after considering the additional charges of S/1,775,000 as of September 30, 2021.

## Notes to the combined financial statements

- (h) Promissory notes and bank loans are used to fund working capital and do not have any specific guarantee. Leasing operations are guaranteed by the assets related to them; see Note 10. Such obligations do not have any special conditions that must be complied with covenants or restrictions affecting the operations of the Companies.
- (i) Corresponds to the debt that Supermercados Peruanos S.A. and InRetail Pharma S.A. incurred with Hewlett Packard S.A. to purchase computer equipment. Said contracts do not have any specific guarantee.
- (j) Debts and interest – bearing loans payable are as follows:

	<b>As of September 30, 2021</b>	<b>As of December 31, 2020</b>
	S/(000)	S/(000)
2021	172,599	1,672,617
2022	405,262	381,469
2023	198,433	1,640,494
2024	312,140	602,412
2025	808,892	506,109
2026 onwards	3,571,761	17,486
<b>Total</b>	<b>5,469,087</b>	<b>4,820,587</b>

- (k) During the nine-months period ended September 30, 2021 and 2020, loans and borrowings accrued interests which are recorded in the “Financial expenses” caption of the combined income statement, see Note 20. Also, as of September 30, 2021 and December 31, 2020, there are interest payable which are recorded in the “Other payables” caption of the combined statements of financial position.

## Notes to the combined financial statements

### 16. Income tax

- (a) The amounts presented in the combined statement of financial position as of September 30, 2021 and December 31, 2020, as well as the combined statements of comprehensive income for the nine-month periods ended September 30, 2021 and 2020 are shown below:

Statements of financial position	As of September 30, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	S/(000)	S/(000)	S/(000)	S/(000)
InRetail Pharma S.A.	76,903	-	25,882	-
Eckerd Amazonia S.A.C.	-	-	861	-
Boticas del Oriente S.A.C.	-	-	673	-
Química Suiza S.A.C.	-	47,500	-	48,915
Cifarma S.A.C.	-	-	852	-
Vanttive S.A.C.	61	-	46	-
Droguería InRetail Pharma S.A.C.	1,123	-	1,793	-
Quicorp S.A.	1,647	-	931	-
Quifatex S.A.	10,100	-	8,201	-
Vanttive Cía Ltda.	136	-	101	-
Farmacías Peruanas S.A.C.	6,274	-	136	-
Quimiza Ltda.	970	-	766	-
Química Suiza S.A. S.A.S. (formerly Quideca S.A.)	-	-	766	-
Mifarma S.A.C.	41,351	-	26,337	-
Albis S.A.C.	8,447	-	16,047	-
Jorsa de la Selva S.A.C.	3,056	-	1,495	-
Supermercados Peruanos S.A.	9,047	-	-	47,262
Plaza Veá Oriente S.A.C.	4,608	-	3,758	-
Makro Supermayorista S.A.	-	17,661	-	11,713
Combination adjustment	837	356,692	(642)	343,389
<b>Total</b>	<b>164,560</b>	<b>421,853</b>	<b>88,003</b>	<b>451,279</b>

Statements of comprehensive income	Income tax for the nine-month periods ended September 30, 2021 and 2020	
	2021	2020
	S/(000)	S/(000)
Current	(215,743)	(210,772)
Deferred	112,446	72,548
<b>Income tax expense</b>	<b>(103,297)</b>	<b>(138,224)</b>

- (b) As of September 30, 2021 the of provision for current income tax payable, amounts to approximately S/7,344,000 (S/73,682,000 as of December 31, 2020).

## Notes to the combined financial statements

### 17. Equity

#### (a) Capital stock

Company	N° issued common shares		Nominal value	Accounting balance of issued capital	
	As of September 30, 2021	As of December 31, 2020		As of September 30, 2021	As of December 31, 2020
	S/. (000)	S/. (000)		S/. (000)	S/. (000)
Supermercados Peruanos S.A. and Subsidiaries (*)	330,428,609	330,428,609	1.05	346,950	346,950
InRetail Pharma S.A. and Subsidiaries	13,783,379	13,783,379	1.00	13,784	13,784

(\*) As of September 30, 2021 and 2020, 40,417,207 common shares were pending to be regularized; corresponding to cash contributions made during 2014 and 2013, and which were made on par, thus generating a share-issued gain totaling S/327,429,000. During 2019, 10,149,713 shares were issued, at a value of S/1.05 per share, with 40,417,207 shares pending to be regularized.

(b) Additional paid-in capital: As of September 30, 2021 and December 31, 2020, the “Additional paid-in capital” caption includes the net effect of the adjustments related to the acquisition of InRetail Pharma S.A. and Subsidiaries at said dates; see Note 12(b).

(c) Legal reserve: As provided in the Corporation Act, it is required that a minimum of 10 percent of distributable income for each year is transferred to a legal reserve until such reserve equals 20 percent of the capital. The legal reserve can absorb losses or be capitalized, but in both cases it must be replenished. The legal reserve is appropriated when the General Shareholders’ Meeting approves the same.

(d) Treasury shares: As of September 30, 2018, the Company and its subsidiaries acquired 8,507 shares issued by Supermercados Peruanos, for a total of S/39,000, the nominal value of said shares being S/9,000, with a difference of S/30,000 as a decrease of the capital premium.

#### (e) Dividends

During 2021 and 2020, it was agreed to distribute dividends of S/371,552,000 and S/264,071,000, respectively.



## Notes to the combined financial statements

### 18. Tax Situation

- (a) The Companies domiciled in Peru, Ecuador, Bolivia and Colombia are subject to the tax regime of each country and calculate the income tax based on their individual financial statements. As of September 30, 2021 and December 31, 2020, the income tax rate is:

Country	%
Perú	29.5
Ecuador	25.0
Bolivia	25.0
Colombia	33.0

- (b) Entities and individuals not domiciled in Perú are subject to retention of an additional tax on dividends received. In this regard, attention to Legislative Decree N° 1261, published on December 10, 2016 and effective since January 1, 2017, the additional tax on dividend income generated is as follows:
- 4.1 percent of the profits generated until December 31, 2014
  - For the profits generated in the years 2015 and 2016 shall be 6.8 percent.
  - 5.0 percent for the profits generated since January 1, 2017.
- (c) According to the text of the Law on Income Tax, as amended by Law N° 29663 and 29757, as of year 2012, among the transactions subject to capital duty, are those obtained by the indirect sale of shares of Peruvian Companies. For these purposes, an indirect transfer is set when two instances occur together:
- First, 10 percent on more of the shares of non-resident must be sold in any twelve months period; and,
  - Second, the market value of the shares of the Peruvian society must represent 50 percent or more the market value of non-domiciled, in any period of twelve months.
- (d) For purposes of determining the Income Tax, transfer pricing of transactions with related companies and companies domiciled in territories with low or no taxation must be supported with documentation and information on assessment methods applied and criteria considered. Based on the analysis of the operations of the Group, Management and its legal advisors consider that as consequence of the application of the regulation in force, there will not be any significant contingencies for the Companies as of September 30, 2021 and December 31, 2020.
- (e) The tax authority is legally entitled to review and, if necessary, adjust the Income Tax computed during a term of four years following the year in which the tax declaration was submitted.

## Notes to the combined financial statements

Following are the years subject to review by the tax authority of the Companies:

	Income Tax	Value added tax
Supermercados Peruanos S.A.	From 2014 to 2020	From 2016 to 2021
Plaza Vea Oriente S.A.C.	From 2018 to 2020	From 2018 to 2021
Plaza Vea Sur S.A.C.	From 2016 to 2020	From 2017 to 2020
Desarrolladora de Strip Center S.A.C.	From 2016 to 2020	From 2017 to 2021
InRetail Pharma S.A. (antes Eckerd Perú S.A.)	From 2016 to 2020	From 2017 to 2021
Eckerd Amazonía S.A.C.	From 2016 to 2020	From 2017 to 2021
Boticas del Oriente S.A.C.	From 2016 to 2020	From 2017 to 2021
Quicorp S.A.	From 2016 to 2020	From 2017 to 2021
Química Suiza S.A.C.	From 2017 to 2020	From 2017 to 2021
Mifarma S.A.C.	From 2017 to 2020	From 2017 to 2021
Albis S.A.C.	From 2016 to 2020	From 2017 to 2021
Jorsa de la Selva S.A.C.	From 2016 to 2020	From 2017 to 2021
Vanttive S.A.C.	From 2016 to 2020	From 2017 to 2021
Superfarma Mayoristas S.A.C.	From 2016 to 2019	From 2017 to 2019
Quimiza Ltda. (Bolivia)	From 2015 to 2020	From 2015 to 2021
Quifatex S.A. (Ecuador)	From 2019 to 2020	From 2019 to 2021
Vanttive Cía. Ltda (Ecuador)	From 2016 to 2020	From 2016 to 2021
Farmacias Peruanas S.A. (FASA)	From 2017 to 2018	From 2017 to 2018
Boticas Torres de Limatambo S.A.C	From 2017 to 2018	From 2017 to 2018
Droguería La Victoria S.A.C.	From 2016 to 2018	From 2017 to 2018
Química Suiza Comercial S.A.C.	From 2016 to 2018	From 2017 to 2018
Farmacias Peruanas S.A.C.	2020	From 2020 to 2021
Droguería InRetail Pharma S.A.C.	From 2019 to 2020	From 2019 to 2021
Makro Supermayorista S.A.	From 2016 to 2020	From 2017 to 2021
InRetail Foods S.A.C.	2020	From 2020 to 2021

According to Peruvian law, InRetail Consumer is not considered an income taxpayer due to its status as a trust. InRetail Consumer attributes its generated results, the net losses and Income Tax credits on foreign source income, to the holders of its certificates of participation or whoever holds those rights.

Due to possible interpretations that the authority may give to legislation, it is not possible to determine, to date, whether the reviews will result in liabilities for the Companies. Therefore, any major tax or surcharge that may result from eventual revisions by the tax authority would be charged to the combined statements of comprehensive income of the period in which said tax or surcharge is determined.

Management's opinion as well as its legal advisors opinion, any eventual additional tax settlement would not be significant to the combined financial statements as of September 30, 2021 and December 31, 2020.

## Notes to the combined financial statements

- (f) As of September 30, 2021 and December 31, 2020, estimated losses from previous periods for Subsidiaries for tax purposes are the following:

	<b>2021</b>	<b>2020</b>
	S/ (000)	S/ (000)
Albis S.A.C.	-	39,395
InRetail Pharma S.A.	106,015	-
Quicorp S.A	<u>110</u>	<u>3,155</u>
<b>Total</b>	<b><u>106,125</u></b>	<b><u>42,550</u></b>

According to what the Income Tax Act and its amendments establish, entities domiciled in Peru have the faculty to choose one of the following methods to draw their tax losses:

- i. The tax loss can be offset with future profits until its final extinction by applying said loss to up to 50 percent of the taxable income; or
- ii. The tax loss can be used for four years after it has been generated.

Albis S.A.C. and Quicorp S.A. have chosen method (i) and InRetail Pharma S.A. method (ii).

## Notes to the combined financial statements

### 19. Operating expenses

(a) The table below presents the components of this caption:

	2021 S/(000)	2020 S/(000)
Cost of sales	9,335,012	7,365,925
Selling expenses	2,151,878	1,814,626
Administrative expenses	383,901	319,268
<b>Total</b>	<b>11,870,791</b>	<b>9,499,819</b>

The table below presents the components of operating expenses included in cost of sales, sales and administrative expenses captions:

	2021			
	Cost of sales S/(000)	Selling expenses S/(000)	Administrative expenses S/(000)	Total S/(000)
Initial balance of goods	2,012,314	-	-	2,012,314
Initial balance of raw material, Note 6 (a)	19,552	-	-	19,552
Initial balance of miscellaneous supplies, Note 6 (a)	550	-	-	550
Final balance of finished goods, Note 6 (a)	455	-	-	455
Purchase of goods	9,607,776	-	-	9,607,776
Final balance of goods, Note 6 (a)	(2,353,337)	-	-	(2,353,337)
Final balance of raw material, Note 6 (a)	(81)	-	-	(81)
Final balance of miscellaneous supplies, Note 6 (a)	(828)	-	-	(828)
Impairment of inventories, Note 6 (c)	18,262	-	-	18,262
Factory overhead	4,702	-	-	4,702
Cost of services	20,023	-	-	20,023
Personnel expenses	-	798,446	213,316	1,011,762
Depreciation, Note 10 (a)	1,257	176,610	11,219	189,086
Depreciation of right-of uses asset, Note 14 (b)	2,207	250,990	7,139	260,336
Amortization, Note 12 (a)	75	103,525	13,936	117,536
Services provided by third parties (b)	-	382,054	84,800	466,854
Advertising	-	106,942	166	107,108
Packing and packaging	-	23,427	561	23,988
Rental of premises	-	11,266	586	11,852
Low-value asset leases	2,085	15,576	9,991	27,652
Taxes	-	33,336	18,452	51,788
Provision for doubtful trade receivables, Note 5(g)	-	7,084	61	7,145
Recovery of doubtful trade receivables, Note 5 (g)	-	(2,914)	(127)	(3,041)
Provision for doubtful other account receivables	-	1,086	1,243	2,329
Recovery of doubtful other account receivables	-	(327)	-	(327)
Insurance	-	17,683	1,341	19,024
Other charges (c)	-	227,094	21,217	248,311
<b>Total</b>	<b>9,335,012</b>	<b>2,151,878</b>	<b>383,901</b>	<b>11,870,791</b>

## Notes to the combined financial statements

	2020			
	Cost of sales	Selling expenses	Administrative expenses	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Initial balance of goods,	1,773,215	-	-	1,773,215
Initial balance of raw material	15,204	-	-	15,204
Initial balance of miscellaneous supplies	1,008	-	-	1,008
Initial balance of finished goods	189	-	-	189
Purchase of goods	7,495,423	-	-	7,495,423
Final balance of goods	(1,968,108)	-	-	(1,968,108)
Final balance of raw material	(19,679)	-	-	(19,679)
Final balance of miscellaneous supplies	(546)	-	-	(546)
Impairment of inventories	20,333	-	-	20,333
Cost of services	18,536	-	-	18,536
Factory overhead	21,398	-	-	21,398
Personnel expenses	-	698,569	207,973	906,542
Depreciation, Note 10 (a)	4,614	146,227	9,612	160,453
Depreciation of right-of uses asset, Note 14 (b)	3,881	230,567	4,351	238,799
Amortization, Note 12 (a)	315	44,798	9,398	54,511
Services provided by third parties (b)	-	318,029	55,591	373,620
Advertising	-	72,184	4	72,188
Packing and packaging	-	22,752	162	22,914
Rental of premises	-	24,194	28	24,222
Low-value asset leases	146	14,136	6,832	21,114
Taxes	-	27,972	5,109	33,081
Provision for doubtful trade receivables, Note 5 (f)	-	7,988	523	8,511
Recovery of doubtful trade receivables, Note 5 (f)	-	(1,138)	(42)	(1,180)
Recovery of doubtful other account receivables	-	(250)	(73)	(323)
Insurance	-	16,493	1,145	17,638
Other charges (c)	-	191,813	18,655	210,468
<b>Total</b>	<b>7,365,925</b>	<b>1,814,626</b>	<b>319,268</b>	<b>9,499,819</b>

(b) Correspond mainly to expenses of electricity, water, telephone, premises maintenance services and transport services.

(c) Mainly include general expenses in stores.

## Notes to the combined financial statements

### 20. Financial income and expenses

(a) The table below presents the components of this caption:

	2021 S/(000)	2020 S/(000)
<b>Finance income</b>		
Interest and others	7,189	6,472
Dividends	879	734
Interest from loans to related parties	94	109
<b>Total</b>	<b>8,162</b>	<b>7,315</b>
<b>Finance cost</b>		
Interest on loans, borrowings and bonds payable	156,639	137,401
Interest on lease liabilities, Note 14 (c)	92,340	81,573
Accrual of the cost of structuring of financial obligations	22,397	6,029
Accrual of the cost of structuring by early settlement of "Senior Notes Unsecured" (d)	11,983	-
Interest on the financing of "Call Spread"	7,478	2,112
Expenses for advanced settlement of "Call Spread" (e)	76,609	-
Premium accrual "Call Spread"	14,836	9,271
Interest on loans to related parties	157	108
Premium for early settlement of bonds (c)	47,530	-
Other financial costs	13,046	12,432
<b>Total</b>	<b>443,015</b>	<b>248,926</b>

- (b) As of September 30, 2021 and December 31, 2020, there are interest payable for these obligations for approximately S/19,183,000 and S/23,542,000, respectively, which are recorded in the "Other payables" caption of the combined statements of financial position.
- (c) As of September 30, 2021, includes the premium corresponding to the early redemption of the "Senior Notes Unsecured" issued by InRetail Pharma in Dollars for US\$12,794,000 equivalent to S/47,530,000.
- (d) As of September 30, 2021, corresponds to the accrual of the structuring costs related to the early redemption of the "Senior Notes Unsecured" issued by InRetail Pharma in Dollars for US\$3,284,000 equivalent to S/11,983,000.
- (e) As of September 30, 2021, it corresponds to the transfer of other comprehensive income to income for the period, related to the early settlement of the "Call Spread". See Note 9(a).

## Notes to the combined financial statements

### 21. Transactions with related parties

- (a) The following table provides the total amount of transactions with related parties for the relevant financial periods ended September 30, 2021 and 2020:

	2021 S/(000)	2020 S/(000)
<b>Income</b>		
Sales	20,805	19,469
Rental income	17,802	15,534
Sales of fixed assets	-	2,087
Services income	5,273	2,744
Interest income	456	72
Other	35,678	34,907
<b>Total</b>	<b>80,014</b>	<b>74,813</b>
<b>Expenses</b>		
Renting of premises and land	5,985	2,746
Reimbursement of expenses	18,618	6,943
Expenses from joint venture	-	2,195
Commissions	9,889	2,173
Interest	166	176
Others	24,903	31,842
<b>Total</b>	<b>59,561</b>	<b>46,075</b>

- (b) As a result of the transactions with related companies, the Companies recorded the following balances of receivables and payables as of September 30, 2021 and December 31, 2020:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
<b>Receivables</b>		
Financiera Oh! S.A.	18,531	29,531
Homecenters Peruanos S.A.	6,044	3,072
IR Management S.R.L.	3,149	3,368
Tiendas Peruanas S.A.	1,602	1,845
Home Centers Oriente S.A.C.	1,593	1,212
Intercorp Retail Inc. (d)	408	-
Other	22,552	7,820
<b>Total</b>	<b>53,879</b>	<b>46,848</b>

## Notes to the combined financial statements

	As of September 30, 2021	As of December 31, 2020
	S/(000)	S/(000)
<b>Payables</b>		
Homecenters Peruanos S.A (g)	92,303	40,228
Financiera Oh! (e)	15,646	18,676
Tiendas Peruanas S.A	4,121	1,508
IR Management S.R.L.	3,161	1,832
IR Digital	1,644	-
Interproperties Holding (g)	1,306	50,150
Real Plaza S.A.	1,235	1,045
Inmobiliaria Milenia S.A.	1,161	254
Banco Internacional del Perú S.A.A. – Interbank: Guarantee deposit (e)	3,107	3,393
Others	39	2,901
<b>Total</b>	<b>123,723</b>	<b>119,987</b>
Remunerations payable to key management	-	-
<b>Total</b>	<b>123,723</b>	<b>119,987</b>
Current portion	34,445	29,439
Non-current portion	89,278	90,548
<b>Total</b>	<b>123,723</b>	<b>119,987</b>

The policy of the InRetail Consumer Group is to make transactions with related companies at terms equivalent to those that prevail in arm's length transactions.

- (c) Outstanding balances at the year-end are unsecured and interest free, except for the financial obligations explained in note 15. There have been no guarantees provided or received for any related party receivables or payables. For the nine month periods end September 30, 2021 and 2020, the Companies have not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.
- (d) In April 2021, the Company granted a loan to Intercorp Retail Inc. of US\$12,000,000 (equivalent to S/45,096,000 on the date of disbursement) that accrues an annual nominal interest of 1.670 percent and matures in July 2021. In June and September 2021, Intercorp Retail made an amortization of US\$5,000,000 (equivalent to S/19,925,000) and US\$17,000,000 (equivalent to S/28,480,000).

For the nine months ended September 30, 2021, an interest of S/408,000 was accrued, which was recorded in the caption "Financial income" of the consolidated statement of income. Likewise, as of September 30, 2021, accumulated interest receivable of US\$99,000 equivalent to S/408,000 is maintained.

- (e) In June, 2013, Supermercados Peruanos S.A. and Financiera Oh! S.A., a related entity, signed the "Contract of Issuance and Administration of the "Oh!" credit card". This contract allows that Financiera Oh! S.A. can exclusively operate its "Oh!" credit card in the Supermercados Peruanos stores.

Likewise, as a consequence of such contract, as of September 30, 2021 and December 31, 2020, Supermercados Peruanos S.A. holds accounts payable to Financiera Oh! S.A. for approximately S/15,646,000 and S/18,222,000 respectively, which corresponded mainly to the collection of installments to users of the "Oh!" credit card, which normally are transferred to Financiera Oh! S.A. the day following of its collection.



## Notes to the combined financial statements

- (f) During 2020, Supermercados Peruanos S.A. renewed the contracts with Banco Internacional del Perú to rent financial modules located within our stores for an amount of S/3,393,000 as of September 30, 2021 and December 31, 2020. As of September 30, 2021 and December 31, 2020, the net present value of the balances related to the guarantee deposits amounted to S/3,107,000 and S/3,393,000, respectively.
- (g) As of September 30, 2021 mainly includes contributions from the affiliates Patrimonio en Fideicomiso D.S. N°093-2002-EF Interproperties Perú and Homecenters Peruanos S.A. for approximately S/47,505,000 and S/38,666,000, respectively (S/48,570,000 and S/39,124,000 as of December 31, 2020), these contributions arise from the joint venture agreements celebrated with the Company which establishes that the associates undertake to deliver cash in favor of the Company in exchange of having a participation in the results of the projects Mall "La Curva", "Tarapoto" and "Lurin". These agreements have a term of 30 and 60 years, respectively. For this reason it is recognized as long-term liability.

### 22. Deferred revenue

The table below presents the components of this caption:

	As of September 30, 2021 S/(000)	As of December 31, 2020 S/(000)
Other operating leases as lessor	19,573	17,513
Loyalty program	13,693	11,162
Other deferred revenue	12,546	10,144
<b>Total</b>	<b>45,812</b>	<b>38,819</b>
Current portion	17,577	13,678
Non-current portion	28,235	25,141
<b>Total</b>	<b>45,812</b>	<b>38,819</b>

In 2009, Supermercados Peruanos S.A. signed a rental agreement with Patrimonio en Fideicomiso D.S. N°093-2002-EF Interproperties Perú, of a property located in Arequipa for a period of 30 years. During the year 2016, the Company received from its related party Patrimonio en Fideicomiso D.S. N°093-2002-EF Interproperties Perú S/15,300,000 as lost profits for the transfer to a third party, of a part of the property leased by the Company. As of September 30, 2021, the balance is S/7,607,000 (S/8,740,000 as of December 31, 2020). During 2021, S/312,000 has been recognized as accrued amount as an income (S/421,000, during 2020).

### 23. Commitments and contingencies

Commitments:

- (a) As of September 30, 2021, the Company and its Subsidiaries agreed with various financial entities to issue joint and irrevocable surety letters for amounts approximately S/63,224,000, US\$1,895,000, and B\$177,000 (S/63,094,000, US\$6,785,000 and B\$104,000 as of December 31, 2020) and letters of credit for amounts ascending approximately US\$35,472,000 (US\$31,975,000 as of December 31, 2020), for the fulfillment of the payment for the purchase of merchandise from foreign suppliers and commitment to faithful fulfillment of the contract.

## Notes to the combined financial statements

- (b) In May 2018 the Company issued debt instruments in the local and abroad markets for S/385,800,000 and US\$400,000,000, respectively, which is guaranteed by the following subsidiaries: Quicorp S.A., Química Suiza S.A.C., Mifarma S.A.C. and Albis S.A.C.

### Contingencies:

- (a) InRetail Pharma S.A., Albis S.A.C., Química Suiza S.A.C., Mifarma S.A.C., Jorsa de la Selva S.A.C. and Vanttive S.A.C. maintain various civil, labor and tax legal processes for a total amount of approximately S/54,005,000. In Management's opinion and its legal advisors, such legal processes must be resolved favorably for these components; consequently, it is not necessary to recognize additional related liabilities as of September 30, 2021 and 2020.
- (b) Eckerd Amazonia S.A.C. is in the process to claim against the Tax Authority for determinations of debts and fines related to VAT for the period between January 2003 and June 2005 for approximately S/17,943,000. In Management's opinion and its legal advisors, these contingencies are considered as "Possible" and significant liabilities will not arise as result of these as of September 30, 2021 and 2020. In July 2021, the tax court issued an unfavorable resolution to the Company for which a payment of S/17,943,000 has been made and recognized an expense of S/9,636,0000, the Company will continue with the claim.
- (c) Supermercados Peruanos S.A. maintains labor processes and other processes related to its business operation by approximately S/4,347,000 and S/5,464,000, respectively, classified as "possible".
- (d) Supermercados Peruanos S.A. has been audited for the years 2004 to 2015, 2013 and 2015. As of the date of this report, the Company has challenged these rulings and, in the opinion of Management and its legal advisors, no significant liabilities will arise as a result of these situation, as of September 30, 2021 and December 31, 2020.

## 24. Business segments

For management purposes, the Companies are organized into business units based on their products and services and they have two reportable segments i) Food Retail and ii) Pharma. No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the combined financial statements.

Transfer pricing between operating segments is on an arm's length basis in a manner similar to all transactions with third parties.

## Notes to the combined financial statements

The following table presents the financial information of Companies by business segments for the nine -month periods ended September 30, 2021 and 2020:

	Pharma				Total Pharma S/(000)	Total segments S/(000)	Combination adjustments and intercompany eliminations S/(000)	Combined S/(000)
	Food retail S/(000)	Pharmacies S/(000)	Manufacturing Distribution and Marketing S/(000)	Adjustments and intercompany eliminations S/(000)				
<b>For the nine-month periods ended September 30, 2021</b>								
<b>Revenue</b>								
External income	6,731,365	4,478,603	1,546,974	-	6,025,577	12,756,942	-	12,756,942
Inter-segment	9,447	26,754	538,564	(543,658)	21,660	31,107	(31,107)	-
<b>Total revenue</b>	<b>6,740,812</b>	<b>4,505,357</b>	<b>2,085,538</b>	<b>(543,658)</b>	<b>6,047,237</b>	<b>12,788,049</b>	<b>(31,107)</b>	<b>12,756,942</b>
Cost of sales	(5,151,726)	(2,890,467)	(1,292,819)	-	(4,183,286)	(9,335,012)	-	(9,335,012)
Inter-segment	-	(22,988)	(535,197)	541,671	(16,514)	(16,514)	16,514	-
<b>Gross profit</b>	<b>1,589,086</b>	<b>1,591,902</b>	<b>257,522</b>	<b>(1,987)</b>	<b>1,847,437</b>	<b>3,436,523</b>	<b>(14,593)</b>	<b>3,421,930</b>
Loss on valuation at fair value of investment	(3,728)	-	-	-	-	(3,728)	-	(3,728)
Selling expenses	(1,043,270)	(899,308)	(133,736)	(87,265)	(1,120,309)	(2,163,579)	11,701	(2,151,878)
Administrative expenses	(161,917)	(164,587)	(50,118)	763	(213,942)	(375,859)	(8,042)	(383,901)
Other operating expenses, net	(2,084)	1,622	2,203	(3,959)	(134)	(2,218)	(202)	(2,420)
<b>Operating profit</b>	<b>378,087</b>	<b>529,629</b>	<b>75,871</b>	<b>(92,448)</b>	<b>513,052</b>	<b>891,139</b>	<b>(11,136)</b>	<b>880,003</b>
Exchange difference, net	(155,753)	(47,023)	7,124	-	(39,899)	(195,652)	11,472	(184,180)
Finance income	2,156	213,387	173,860	(382,060)	5,187	7,343	819	8,162
Finance costs	(164,037)	(261,049)	(5,335)	336	(266,048)	(430,085)	(12,930)	(443,015)
<b>Profit before income tax</b>	<b>60,453</b>	<b>434,944</b>	<b>251,520</b>	<b>(474,172)</b>	<b>212,292</b>	<b>272,745</b>	<b>(11,775)</b>	<b>260,970</b>
Income tax expense	(25,187)	(76,745)	(21,172)	27,462	(70,455)	(95,642)	(7,655)	(103,297)
<b>Profit for the year</b>	<b>35,266</b>	<b>358,199</b>	<b>230,348</b>	<b>(446,710)</b>	<b>141,837</b>	<b>177,103</b>	<b>(19,430)</b>	<b>157,673</b>
<b>Attributable to:</b>								
Owner of the parent	35,266	358,199	230,348	(446,710)	141,837	177,103	(37,848)	139,255
Non-controlling interests	-	-	-	-	-	-	18,418	18,418
<b>Profit for the year</b>	<b>35,266</b>	<b>358,199</b>	<b>230,348</b>	<b>(446,710)</b>	<b>141,837</b>	<b>177,103</b>	<b>(19,430)</b>	<b>157,673</b>

## Notes to the combined financial statements

	Pharma				Total Pharma	Total segments S/(000)	Combination adjustments and intercompany eliminations S/(000)	Combined S/(000)
	Food retail S/(000)	Pharmacies S/(000)	Manufacturing Distribution and Marketing S/(000)	Adjustments and intercompany eliminations S/(000)				
<b>For the nine-month periods ended September 30, 2020</b>								
<b>Revenue</b>								
External income	4,984,328	3,902,844	1,353,874	-	5,256,718	10,241,046	-	10,241,046
Inter-segment	7,970	22,910	495,668	(496,087)	22,491	30,461	(30,461)	-
<b>Total revenue</b>	<b>4,992,298</b>	<b>3,925,754</b>	<b>1,849,542</b>	<b>(496,087)</b>	<b>5,279,209</b>	<b>10,271,507</b>	<b>(30,461)</b>	<b>10,241,046</b>
Cost of sales	(3,708,998)	(2,532,413)	(1,124,514)	-	(3,656,927)	(7,365,925)	-	(7,365,925)
Inter-segment	-	(18,861)	(496,636)	498,512	(16,985)	(16,985)	16,985	-
<b>Gross profit</b>	<b>1,283,300</b>	<b>1,374,480</b>	<b>228,392</b>	<b>2,425</b>	<b>1,605,297</b>	<b>2,888,597</b>	<b>(13,476)</b>	<b>2,875,121</b>
Loss from joint venture	(2,195)	-	-	-	-	(2,195)	-	(2,195)
Loss on valuation at fair value of investment	(5,192)	-	-	-	-	(5,192)	-	(5,192)
Selling expenses	(877,384)	(784,782)	(130,635)	(32,000)	(947,417)	(1,824,801)	10,175	(1,814,626)
Administrative expenses	(120,117)	(145,150)	(54,716)	826	(199,040)	(319,157)	(111)	(319,268)
Other operating expenses, net	754	1,853	1,102	-	2,955	3,709	(569)	3,140
<b>Operating profit</b>	<b>279,166</b>	<b>446,401</b>	<b>44,143</b>	<b>(28,749)</b>	<b>461,795</b>	<b>740,961</b>	<b>(3,981)</b>	<b>736,980</b>
Exchange difference, net	(65,304)	(33,962)	50	-	(33,912)	(99,216)	360	(98,856)
Finance income	1,949	71,191	64,025	(126,858)	8,358	10,307	(2,992)	7,315
Finance costs	(108,548)	(137,848)	(13,159)	7,112	(143,895)	(252,443)	3,517	(248,926)
<b>Profit before income tax</b>	<b>107,263</b>	<b>345,782</b>	<b>95,059</b>	<b>(148,495)</b>	<b>292,346</b>	<b>399,609</b>	<b>(3,096)</b>	<b>396,513</b>
Income tax expense	(40,803)	(87,947)	(17,632)	8,044	(97,535)	(138,338)	114	(138,224)
<b>Profit for the year</b>	<b>66,460</b>	<b>257,835</b>	<b>77,427</b>	<b>(140,451)</b>	<b>194,811</b>	<b>261,271</b>	<b>(2,982)</b>	<b>258,289</b>
<b>Attributable to:</b>								
owner of the parent	66,460	257,835	77,427	(140,451)	194,811	261,271	(28,282)	232,989
Non-controlling interests	-	-	-	-	-	-	25,300	25,300
<b>Profit for the year</b>	<b>66,460</b>	<b>257,835</b>	<b>77,427</b>	<b>(140,451)</b>	<b>194,811</b>	<b>261,271</b>	<b>(2,982)</b>	<b>258,289</b>

## Notes to the combined financial statements

### Geographic information –

As of September 30, 2021 and December 31, 2020, the operations of all companies are mainly carried out in Peru, their income from foreign clients being not significant, and they do not maintain significant assets located in other countries to that date.

### 25. Fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

When a financial instrument is traded in an active and liquid market, its quoted market price in an actual transaction provides the best evidence of its fair value. When a quoted market price is not available, or may not be indicative of the fair value of the financial instrument, other estimation techniques may be used to determine such fair value, including the current market value of another financial instrument that is substantially similar, discounted cash flow analysis or other techniques applicable, all of which are significantly affected by the assumptions used. Although Management uses its best judgment in estimating the fair value of these financial instruments, there are inherent weaknesses in any estimation technique. As a result, the fair value may not be indicative of the net realizable or settlement value.

The following methods and assumptions were used to estimate the fair value of the main financial instruments:

- (a) Financial instruments whose fair value are similar to book value  
Assets and liabilities that are liquid or have short maturities (less than three months), such as cash and short-term deposits, trade and other receivables, trade and another payables and other current liabilities, approximate to their carrying amounts largely due to the short-term maturities of these instruments.
- (b) Fixed-rate financial instruments  
The fair value of financial assets and liabilities at fixed interest rates and amortized cost is determined by comparing market interest rates at their initial recognition to current market rates related to similar financial instruments. The estimated fair value of interest-bearing deposits is determined through discounted cash flows by using market interest rates in the prevailing currency with similar maturities and credit risks.
- (c) Investment at fair value through equity  
Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available. Fair value of unquoted available-for-sale financial assets is estimated using a discounted cash flow technique.

## Notes to the combined financial statements

### Fair value hierarchy

The Companies use the following hierarchy to record or disclose, as required by the IFRS, the fair value of the financial instruments and investment properties recorded in the combined statements of financial position:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The companies do not hold financial instruments whose fair value was determined through level 3, nor were there inter-level transfers during the nine -month periods ended September 30, 2021 and 2020. The Companies holds the following financial instruments at fair value:

- Available-for-sale investments which fair value was determined under level 1 hierarchy.
- Derivative instrument which fair value was determined under level 2 hierarchy.
- Bonds issued, and debts and loans that accrue interests, whose exposure fair values were determined through the Level 2 hierarchy.

### 26. Subsequent events

- a) The Company's Management and its Subsidiaries continue monitoring the evolution of the situation and the guidance of national and international authorities, since events beyond Management's control may arise that require modifying the established business plan. Further spread of COVID-19 and subsequent measures taken to limit the spread of the disease could affect the ability to conduct business in the normal way and therefore affect financial condition and results of operations.
- b) At the General Shareholders' Meeting of InRetail Pharma S.A. on October 6, 2021, it was approved the distribution of dividends was agreed for an amount of S / 35,000,000.
- c) At the General Shareholders' Meeting of October 1, 2021, the merger of Albis S.A.C. with Mifarma S.A.C. in which the latter acts as absorbent, therefore, Albis S.A.C. it is stretched without the need to dissolve or liquidate.
- d) On October 4, 2021, the Company acquired 99.99 percent of the shares of InDigital S.A.C. and IR Digital S.A.C. for an amount of S/60,154,000.