

**Supermercados Peruanos S.A. and Subsidiaries, InRetail
Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C.
and InDigital XP S.A.C.**

Interim combined financial statements as of September 30, 2023 and
December 31, 2022 and for the nine month period ended September
30, 2023 and 2022

Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.

Interim combined statements of financial position

As of September 30, 2023 and December 31, 2022

	Note	2023	2022		Note	2023	2022
		S/(000)	S/(000)			S/(000)	S/(000)
Assets				Liabilities and equity			
Current assets				Current liabilities			
Cash and short-term deposits	4	731,916	714,651	Trade payables	13	3,824,807	4,135,322
Investment at fair value through profit or loss		34,482	-	Other payables		451,906	522,135
Trade receivables, net	5	712,863	760,477	Accounts payable to related parties	21(b)	101,346	104,504
Other receivables, net		170,686	197,059	Interest-bearing loans and borrowings	15	745,048	746,880
Accounts receivables from related parties	21(b)	61,691	78,352	Lease liability	14(c)	327,700	317,016
Inventories, net	6	2,601,880	2,608,889	Current income tax, net	16(b)	77,566	13,864
Prepayments	8	42,465	19,799	Deferred revenue	22	37,300	18,935
Taxes recoverable		161,216	215,401	Total current liabilities		5,565,673	5,858,656
Total current assets		4,517,199	4,594,628	Non-current liabilities			
Non-current assets				Other payables		32,553	3,873
Taxes recoverable		17,910	14,920	Accounts payable to related parties	21(b)	81,373	150,831
Other receivables, net		214,273	178,090	Interest-bearing loans and borrowings	15	5,077,901	4,929,140
Derivative financial instrument	9	73,200	114,084	Lease liability	14(c)	1,672,647	1,576,137
Investment at fair value through equity	7	44,929	47,915	Deferred revenue	22	29,192	30,630
Income tax related to Special Purpose Entity		7,600	4,580	Deferred income tax liabilities, net	16(a)	481,821	483,519
Property, furniture and equipment, net	10	4,639,950	4,665,680	Reserves for employee retirement pension funds		24,357	23,761
Right-of-use assets, net	14(b)	1,771,652	1,687,415	Total non-current liabilities		7,399,844	7,197,891
Investment properties	11	197,649	224,677	Total liabilities		12,965,517	13,056,547
Intangible assets, net	12	3,920,902	3,943,092	Equity			
Deferred income tax assets, net	16(a)	323,601	239,123	Capital stock	17	371,607	371,607
Other assets		2,435	2,499	Capital premium		241,954	241,954
Total non-current assets		11,214,101	11,122,075	Treasury shares		(9)	(9)
				Additional paid in capital		706,427	706,427
				Other reserve		821,498	821,498
				Unrealized results from foreign currency translation		2,919	2,999
				Unrealized results on derivative financial instrument		(70,140)	(79,673)
				Unrealized results on investment at fair value through equity		8,292	10,397
				Unrealized results from actuarial reserve for retirement		474	474
				Legal Reserve		97,629	153,565
				Retained earnings		584,988	430,747
				Total equity		2,765,639	2,659,986
				Non-controlling interests		144	170
Total assets		15,731,300	15,716,703	Total liabilities and equity		15,731,300	15,716,703

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

**Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries,
Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.**

Interim combined income statements

For the nine month period ended September 30, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Net sales of goods		14,508,341	13,584,788
Rental income		147,672	132,257
Rendering of services		242,912	198,581
Revenue		14,898,925	13,915,626
Cost of sales	19	(10,878,843)	(10,189,557)
Gross profit		4,020,082	3,726,069
Gain (loss) on valuation at fair value of investment properties	11	2,293	(2,178)
Selling expenses	19	(2,490,360)	(2,420,175)
Administrative expenses	19	(419,543)	(386,204)
Other operating income, net		23,691	39,335
Operating profit		1,136,163	956,847
Financial income	20	20,831	18,588
Financial expenses	20	(377,623)	(337,696)
Exchange difference, net		10,041	9,899
Profit before income tax		789,412	647,638
Income tax expense	16	(279,471)	(230,729)
Net profit		509,941	416,909
Attributable to:			
Owners of the parent		509,913	409,408
Non-controlling interests		28	7,501
Net profit		509,941	416,909

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

Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.

Interim combined statements of comprehensive income

For the nine month period ended September 30, 2023 and 2022

	2023	2022
	S/(000)	S/(000)
Net profit	509,941	416,909
Other comprehensive income		
Unrealized loss on available-for-sale investments	(2,986)	(2,538)
Income tax effect	881	749
Total other comprehensive income of available for sale investment	<u>(2,105)</u>	<u>(1,789)</u>
Unrealized gain in derivative financial instrument	13,270	5,318
Income tax effect	(3,737)	(1,559)
Total other comprehensive income derivative financial instruments	<u>9,533</u>	<u>3,759</u>
Unrealized loss results from foreign currency translation	(80)	(353)
Total other income result from foreign currency translation	<u>(80)</u>	<u>(353)</u>
Other comprehensive income for the period, net of income tax effects	7,348	1,617
Total comprehensive income for the period	<u>517,289</u>	<u>418,526</u>
Attributable to:		
Owners of the parent	517,261	411,025
Non-controlling interests	28	7,501
Total comprehensive income for the period	<u>517,289</u>	<u>418,526</u>

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

Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.

Interim combined statements of changes in equity

For the nine month period ended September 30, 2023 and 2022

	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)
Balance as of January 1, 2022	369,551	706,427	181,507	(9)	821,498	(108,902)	12,180	3,561	643	91,569	373,313	2,451,338	54,851	2,506,189
Profit for the period	-	-	-	-	-	-	-	-	-	-	409,408	409,408	7,501	416,909
Other comprehensive income	-	-	-	-	-	3,759	(1,789)	(353)	-	-	-	1,617	-	1,617
Total comprehensive income	-	-	-	-	-	3,759	(1,789)	(353)	-	-	409,408	411,025	7,501	418,526
Dividends	-	-	-	-	-	-	-	-	-	-	(461,618)	(461,618)	(29,533)	(491,151)
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	90,491	(90,491)	-	-	-
Effect of change in participation in Subsidiary	2,056	-	60,447	-	-	(7,076)	1,817	531	96	4,476	(179)	62,168	(62,168)	-
Other	-	-	-	-	-	-	-	(580)	-	-	582	2	-	2
Balance as of September 30, 2022	371,607	706,427	241,954	(9)	821,498	(112,219)	12,208	3,159	739	186,536	231,015	2,462,915	(29,349)	2,433,566
Balance as of January 1, 2023	371,607	706,427	241,954	(9)	821,498	(79,673)	10,397	2,999	474	153,565	430,747	2,659,986	170	2,660,156
Profit for the period	-	-	-	-	-	-	-	-	-	-	509,913	509,913	28	509,941
Other comprehensive income	-	-	-	-	-	9,533	(2,105)	(80)	-	-	-	7,348	-	7,348
Total comprehensive income	-	-	-	-	-	9,533	(2,105)	(80)	-	-	509,913	517,261	28	517,289
Dividends	-	-	-	-	-	-	-	-	-	-	(411,687)	(411,687)	(54)	(411,741)
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	(55,936)	55,936	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	79	79	-	79
Balance as of September 30, 2023	371,607	706,427	241,954	(9)	821,498	(70,140)	8,292	2,919	474	97,629	584,988	2,765,639	144	2,765,783

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

**Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries,
Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.**

Interim combined statements of cash flows

For the nine month period ended September 30, 2023 and 2022

	2023	2022
	S/(000)	S/(000)
Operating activities		
Revenue	14,874,196	13,773,448
Payments to suppliers of goods and services	(12,344,263)	(11,610,143)
Payments to employees for salaries and social benefits	(1,088,645)	(1,100,128)
Taxes paid	(325,658)	(382,494)
Other collections, net	19,277	31,114
Net cash flows from operating activities	1,134,907	711,797
Investing activities		
Sales of property, furniture and equipment	70,851	1,295
Sales of investment at fair value through profit or loss	-	75,235
Sales of investments properties	29,771	-
Acquisition of subsidiary, net of cash acquired	(7,346)	-
Purchase of investment at fair value through profit or loss	(33,085)	(36,966)
Purchase of property, furniture and equipment, net of acquisitions through leasing	(227,414)	(503,269)
Purchase and development of intangible assets	(35,958)	(48,259)
Purchase of investment properties, net of acquisitions through leasing	(263)	(1,380)
Net cash flows used in investing activities	(203,444)	(513,344)
Financing activities		
Proceeds from interest-bearing loans and borrowings	1,952,246	1,827,962
Payment of interest-bearing loans and borrowings	(1,845,390)	(1,141,516)
Interest payment	(227,115)	(199,267)
Payment of lease liability	(278,537)	(242,167)
Interest payment of lease liability	(103,096)	(88,565)
Dividends payment	(411,687)	(461,618)
Dividends payment to non controlling interest	(54)	(29,533)
Rent payments and key money paid in advance	(565)	(169)
Net cash flows used in financing activities	(914,198)	(334,873)
Net increase (decrease) of cash and short-term deposits	17,265	(136,420)
Cash and short-term deposits at the beginning of the period	714,651	717,812
Cash and short-term deposits at the end of the period	731,916	581,392
Non-cash transactions		
Fixed assets purchased through other non financial obligation	62,410	95,412
Addition of the period of right-of-use asset	436,020	313,822

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

Notes to the combined financial statements

Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.

Notes to the interim combined financial statements

As of September 30, 2023 and December 31, 2022

1. Identification and business activities

(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, 2023, the representative shares of capital stock of Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C. are maintained in trust in this entity.

Supermercados Peruanos S.A., InRetail Pharma S.A., Agora Servicios Digitales S.A.C. and InDigital XP S.A.C. were incorporated in June 1979, August 1996, June 2019 and October 2019, respectively, in Lima, Peru. As of September 30, 2023 and December 31, 2022, those companies are subsidiaries of InRetail Perú Corp., which is part of Intercorp Perú Corp. InRetail Perú Corp. indirectly the following percentages of ownership in these companies:

	Participation (%)	
	As of September 30, 2023	As of December 31, 2022
Supermercados Peruanos S.A.	99.98	99.98
InRetail Pharma S.A.	100.00	100.00
Agora Servicios Digitales S.A.C.	100.00	100.00
InDigital XP S.A.C.	100.00	100.00

(b) Business activities

The following is a description of the Companies activities:

- Supermercados Peruanos S.A. is dedicated to the commercialization of food, consumer and other products. As of September 30, 2023 and December 31, 2022, has a chain of stores operating under "Plaza Veá", "Plaza Veá Super", "Plaza Veá Express", "Vivanda", "Mass" and "Makro" brands, which are located in Lima and provinces. Supermercados Peruanos S.A. holds 100 percent of: (i) Desarrolladora de Strip Centers S.A.C., (ii) Plaza Veá Oriente S.A.C. (iii) Makro Supermayorista S.A., (iv) Operadora de Servicios Logísticos S.A.C., (v) Administración Food Regional S.A.C., (vi) Compañía Hard Discount S.A.C., (vii) Compañía Food Retail S.A.C., (viii) Supermercados Sur Perú S.A.C. and (ix) JOKR Perú S.A.C.

Notes to the combined financial statements

- InRetail Pharma S.A. is dedicated to the commercialization of pharmaceutical products, cosmetic and consumer products, through its “Inkafarma” and “Mifarma” pharmacy chains. It is also dedicated, to the Distribution of pharmaceutical and consumer products. As of September 30, 2023 and December 31, 2022, it operates in Peru, Ecuador and Bolivia. InRetail Pharma S.A. holds 100 percent of: (i) Farmacias Peruanas S.A.C., (ii) Mifarma S.A.C., (iii) Química Suiza S.A.C. (iv) Boticas IP S.A.C., (v) FP Servicios Generales S.A.C. and (vi) Quicorp Group.

In the General Shareholder’s Meeting of InRetail Pharma S.A. and Droguería InRetail Pharma S.A.C., dated August 03, 2022, the merger of both companies was agreed, as mentioned before. Droguería InRetail Pharma S.A.C. was the entity absorbed, without the need to be dissolved or liquidated.

- Agora Servicios Digitales S.A.C., established in June 2019, manages and operates mainly digital payment and other services through of a digital platform. The legal address of the Company, where its administrative offices are located is Morelli N 181, San Borja, Lima, Peru.
- InDigital XP S.A.C. established in October 2019, manages, operates and provides digital commerce services to the Group's subsidiaries. The legal address of the Company, where its administrative offices are located is Morelli N 139, San Borja, Lima, Peru.

The following is a summary of the main data of the financial statements of Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C. as of September 30, 2023 and December 31, 2022, and for the nine -month period ended September 30, 2023 and 2022:

	Total assets		Total liabilities		Total equity		Net, profit and loss	
	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of September 30, 2022
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Consolidated statements of financial position								
Supermercados Peruanos S.A. and Subsidiaries	8,377,400	8,319,023	7,552,567	7,333,796	824,833	985,227	162,115	192,323
InRetail Pharma S.A. and Subsidiaries	6,019,181	6,147,134	5,390,856	5,621,010	628,325	526,124	398,430	290,524
Agora Servicios Digitales S.A.C.	118,932	69,886	79,662	36,213	39,270	33,673	(42,782)	(58,047)
InDigital XP S.A.C.	17,292	16,421	5,810	5,983	11,482	10,438	1,045	4,476
Centro Logístico y Fabricación S.A.C.	-	50	-	-	-	50	(8)	(97)

The combined financial statements as of September 30, 2023 were approved by management of InRetail Perú Corp. on November 13, 2023.

Notes to 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, 2023 and December 31, 2022.

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, 2022.

(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.).

Notes to the combined financial statements

- (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, 2022, except for the adoption of the new standards and interpretations as of January 1, 2022.

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 IAS 8 “Accounting policies, changes in estimates and errors”: Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting period beginning on or after January 1, 2023 and apply to changes in accounting Policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is allowed as long as this fact is disclosed.

- (ii) Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 “Making Materiality Judgements”, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their material accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual period beginning on or after January 1, 2023, with earlier application permitted. Since the amendments to the IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Notes to the combined financial statements

- (iii) Deferred tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting period beginning on or after January 1, 2023 and an entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

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

Notes to the combined financial statements

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, 2023, the end of period exchange rates in the market for transactions in US Dollars were S/3.790 per US\$1 bid and S/3.797 per US\$1 ask, in Swiss franc were S/4.161 per Fr1 bid and S/4.198 per Fr1 ask, in Euros were S/3.829 per €1 bid and S/4.195 per € ask (S/3.808 and S/3.820 per US\$1 bid and ask as of December 31, 2022).

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, 2023 and December 31, 2022, the end of period exchange rates at the market for transactions of the different currency in relation to the Sol are as following:

Exchange rate per Soles	2023	2022
U. S. Dollars (US\$)	0.263	0.262
Bolivian Peso (B\$)	1.833	1.822
Swiss franc (Fr)	0.238	-
Euros (€)	0.238	-

As of September 30, 2023 and December 31, 2022, the companies held the following foreign currency assets and liabilities:

	As of September 30, 2023				As of December 31, 2022	
	US\$(000)	B\$(000)	€ (000)	Fr (000)	US\$(000)	B\$ (000)
Assets						
Cash and short-term deposits	67,032	17,215	-	-	79,119	9,075
Investments at fair value through profit or loss	9,081	-	-	-	-	-
Investments at fair value through equity	11,855	-	-	-	12,583	-
Trade receivables, net	70,795	31,795	-	-	74,229	21,867
Other accounts receivables, net	9,107	3,796	-	-	16,814	4,688
Accounts receivable from related parties	1,287	-	-	-	358	-
Total assets	169,157	52,806	-	-	183,104	35,630
Liabilities						
Trade payables	(154,633)	(10,220)	(3,289)	(580)	(147,355)	(10,254)
Other payables	(9,651)	(3,923)	-	-	(9,416)	(5,450)
Accounts payable to related parties	(2,866)	-	-	-	(546)	-
Lease liability	(158,863)	(2,943)	-	-	(258,117)	(288)
Interest - bearing loans and borrowings	(591,247)	-	-	-	(589,724)	-
Total Liabilities	(917,260)	(17,086)	(3,289)	(580)	(1,005,159)	(15,992)
Hedge amount	600,000	-	-	-	600,000	-
Net (liability) asset position	(148,103)	35,720	(3,289)	(580)	(222,055)	19,638

- (a) As of September 30, 2023 and December 31, 2022, 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 written over its "Senior Secured Notes", and intercompany loans, which were considered effective hedging instruments.

Notes to the combined financial statements

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 and will be effective until the cancelation of the “Senior Secured Notes” and Intercompany loans. See further detail in Note 9.

- (b) For the nine-month period ended as of September 30, 2023 and 2022, the Company and its Subsidiaries have incurred in the following results for exchange difference:

	2023 S/(000)	2022 S/(000)
Exchange difference generated by hedged assets and liabilities	(13,800)	(8,400)
Compensation of exchange difference for hedging derivative	13,800	8,400
Exchange difference generated by unhedged assets and liabilities	10,041	9,899
Net gain	10,041	9,899

4. Cash and short-term deposits

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

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Cash	50,825	84,988
Current accounts (b)	464,959	437,455
Time deposits and others (c)	81,162	60,699
Remittances in transit	134,970	131,509
Total	731,916	714,651

- (b) The Companies maintain current accounts in local banks in local currency of each country and in US Dollars, that do not accrue interest and are freely available.
- (c) As of September 30, 2023, time deposits and saving accounts 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 0.15 and 7.70 percent annual in Soles and 0.15 percent annual in US Dollars (between 0.10 and 7.80 percent annual in Soles, and between 0.01 and 4.30 percent annual in US Dollars as of December 31, 2022).

Notes to the combined financial statements

5. Trade receivables, net

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

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Trade accounts receivable (c)	651,157	659,408
Credit card operations (d)	106,095	134,784
Rent receivable (e)	3,492	4,390
Others	3,265	6,212
Total	764,009	804,794
Provision for doubtful accounts (f)	(51,146)	(44,317)
Total	712,863	760,477

(b) Trade receivables are denominated in local currency of each country and in 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 of InRetail Pharma Group for the last day of the month, held by credit card operators and originated from the sales of goods with credit cards in the different stores.

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

(f) The movements in the provision for doubtful accounts receivable for the nine-month period ended September 30, 2023 and 2022, were as follows:

	2023 S/(000)	2022 S/(000)
Balance at the beginning of the year	44,317	46,362
Acquisition of subsidiary	8	-
Provision recognized as year expense, Note 19 (a)	9,686	8,041
Recoveries, Note 19 (a)	(2,398)	(1,795)
Write-off and recoveries	(328)	(4,610)
Exchange difference	(119)	(95)
Other	(20)	-
Balance at the end of the period	51,146	47,903
Balance as of December 31, 2022		44,317

Notes to the combined financial statements

As of September 30, 2023 and December 31, 2022, the amount of trade receivables past due but not impaired amounted to approximately S/124,208,000 and S/98,672,000, 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, 2023 and December 31, 2022 appropriately covers the credit risk of this item at those dates.

6. Inventories, net

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Goods, Note 19 (a)	2,411,476	2,392,555
Raw material, Note 19 (a)	3,107	2,707
In transit inventories (b)	221,568	241,645
Miscellaneous supplies	5,618	6,349
Miscellaneous supplies for manufacturing, Note 19 (a)	1,758	860
Total	2,643,527	2,644,116
Minus		
Provision for impairment of inventories (c)	(41,647)	(35,227)
Total	2,601,880	2,608,889

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

(c) The changes in the provision for inventory impairment for the nine-month period ended as of September 30, 2023 and 2022 were as follows:

	2023	2022
	S/(000)	S/(000)
Balance at the beginning of the year	35,227	21,370
Provision of the period, Note 19 (a)	31,255	11,943
Recovery	(24,901)	(6,593)
Write-off	-	(250)
Foreign currency translation	66	2
Balance at the end of the period	41,647	26,472
Balance as of December 31, 2022		35,227

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.

Notes to the combined financial statements

7. Investment at fair value through equity

As of September 30, 2023, Supermercados Peruanos S.A. maintains investments at fair value through equity for an amount of US\$11,855,000 equivalent to S/44,929,000 (As of December 31, 2022, US\$12,583,000 equivalent to S/47,915,000).

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

As of September 30, 2023 and 2022, the unrealized result net of deferred tax is S/8,292,000 and S/12,208,000 respectively and is presented in the combined statement of changes in equity.

8. Prepayments

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

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Insurance	4,628	4,566
Prepaid tax	6,858	874
Others	30,979	14,359
Total	42,465	19,799

9. Derivatives financial instruments

As of September 30, 2023 and December 31, 2022, this item is comprised of seven contracts, three principal Call Spreads and four Range Principal Only Swaps designed 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)	2023 S/(000)	2022 S/(000)
Citibank N.A. (a)	138,000	March 2028	1.04	523,986	24,185	27,288
Citibank N.A. (a)	100,000	March 2028	2.70	379,700	5,623	16,762
Citibank N.A. (a)	50,000	March 2028	2.70	189,850	2,600	8,181
Citibank N.A. (a)	138,000	March 2028	-	523,986	28,363	32,164
Citibank N.A. (a)	100,000	March 2028	1.50	379,700	5,623	16,762
Citibank N.A. (a)	50,000	March 2028	1.50	189,850	2,600	8,181
Citibank N.A. (a)	24,000	March 2028	1.04	91,128	4,206	4,746
Total					73,200	114,084

(a) In March 2021, InRetail Perú corp. through its Subsidiaries, InRetail Pharma S.A., Supermercados Peruanos S.A. and InRetail Consumer (SPE), 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.

On September 16 and 17, 2021, InRetail Pharma S.A. and Supermercados Peruanos S.A. decided to exchange 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

Notes to the combined financial statements

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.

This exchange of the “Call Spread” for the “Range Only Principal Swaps” allows the hedging objective to be met, therefore, the time value of the instrument exchange at the date of the transaction of S/99,070,000 is recognize in results on a straight-line basis until the maturity of the hedge. As a result of this transaction, a total net expense of S/11,364,000 was generated as of September 30, 2023 (S/11,239,000 as of September 30, 2022). See Note 20 (a).

The exchange 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 of September 30, 2023 and December 31, 2022, the Call Spreads cover US\$300,000,000 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 and the Range Only Principal Swap US\$300,000,000 of the exposure in foreign currency of the principal of the issues and protects exchange rate variations between S/3.70 and S/6.00 per US\$1.00. The premium of the Call Spreads of Supermercados Peruanos S.A. and InRetail Consumer S.A. and the premium of the Range Only Principal Swap of Supermercados Peruanos S.A. and InRetail Pharma S.A. were financed in terms equal to those of the issues. 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).

Notes to the combined financial statements

10. Property, furniture and equipment, net

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Cost		
Initial balance	6,690,629	6,063,173
Acquisition of subsidiary	2,143	-
Additions (b)	289,824	835,398
Disposals and/or sales (c)	(155,042)	(228,963)
Reclasification	16,957	-
Transfer from investment properties	-	24,115
Foreign currency translation	1,646	(3,094)
Final balance	6,846,157	6,690,629
Accumulated depreciation		
Initial balance	2,024,949	1,934,356
Acquisition of subsidiary	680	-
Additions, Note 19 (a)	268,559	301,964
Disposals and/or sales	(106,726)	(209,056)
Reclasification	16,957	-
Foreign currency translation	1,788	(2,315)
Final balance	2,206,207	2,024,949
Net book value	4,639,950	4,665,680

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

Additionally, in March, April and October 2022, Supermercados Peruanos S.A. acquired the certificate of participation held by Intercorp Perú Ltd., InRetail Shopping Malls, and Patrimonio en Fideicomiso Holding II (related entity) for a net value of S/30,365,000, S/49,912,000 and S/8,532,000 corresponding to land located in the district of San Martín de Porres and Puente Piedra; and in June 2022, InRetail Pharma S.A. acquired a land located in the district of Punta Negra, for an amount of S/98,549,000.

(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, 2023, the cost and corresponding accumulated depreciation of assets acquired through finance leases was approximately S/782,204,000 and S/365,535,000, respectively (S/747,984,000 and S/327,403,000 respectively, as of December 31, 2022).

Notes to the combined financial statements

- (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, 2023 and 2022, was recorded as follows in the income statement:

	2023 S/(000)	2022 S/(000)
Cost of sales, Note 19 (a)	2,037	4,743
Sales expenses, Note 19 (a)	247,456	194,134
Administrative expenses, Note 19 (a)	19,066	16,146
Balance as of September 30	268,559	215,023
Balance as of December 31, 2022		301,964

11. Investment properties

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

	As of September 30, 2023 S/. (000)	As of December 31, 2022 S/. (000)
Balance at the beginning of the year	224,677	241,632
Additions	263	1,380
Disposals	(29,584)	-
Transfer to property, furniture and equipment	-	(10)
Adjustment on valuation	2,293	(2,178)
Total	197,649	240,824
		224,677

- (b) As of September 30, 2023 and December 31, 2022, investment properties include seven properties located in Lima, Moquegua, Tacna and Tumbes held to earn income.
- (c) As of September 30, 2023 and December 31, 2022, 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, 2023	As of December 31, 2022
	S/(000)	S/(000)
Cost		
Initial balance	1,859,882	1,829,465
Additions (c)	35,958	71,387
Disposal and/or sales	(78,872)	(40,751)
Foreign currency translation	(187)	(219)
Final balance	1,816,781	1,859,882
Accumulated amortization		
Initial balance	547,995	494,950
Additions, Note 19 (a)	58,031	93,564
Disposals and/or sales	(78,758)	(40,313)
Foreign currency translation	(184)	(206)
Final balance	527,084	547,995
Goodwill (d)		
Initial balance	2,631,205	2,631,205
Additions	-	-
Final balance	2,631,205	2,631,205
Net book value	3,920,902	3,943,092

(b) As of September 30, 2023 and December 31, 2022, this caption mainly includes approximately S/373,054,000 corresponding to the Inkafarma brand, S/395,355,000 to the Mifarma brand, S/205,593,000 to the Makro brand, S/17,791,000 to the Química Suiza brand, and S/15,911,000 to the Ninet brand.

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-usage calculations using a discounted cash flow model.

(c) As of September 30, 2023 and December 31, 2022, additions correspond mainly to: (i) disbursements made for the acquisition of licenses and development of improvements for SAP, Power BI-Commercial, improvement and support of the Agora App; (ii) disbursements made for e-commerce projects, digital squads and software development and licenses for new stores of the InRetail Consumer Group.

Notes to the combined financial statements

- (d) As of September 30, 2023 and December 31, 2022, this caption mainly includes the goodwill, as a result of the acquisition of the Quicorp Group S/1,272,634,000, InRetail Pharma S.A. S/709,472,000, Makro Supermayorista S.A. S/628,578,000, Agora Servicios Digitales S.A.C. and InDigital XP S.A.C. S/20,521,000. 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, 2023 and 2022, was recorded as follows in the income statement:

	2023 S/(000)	2022 S/(000)
Cost of Sales, Note 19 (a)	-	4
Sales expenses, Note 19 (a)	23,305	40,825
Administrative expenses, Note 19 (a)	34,726	18,681
Balance as of September 30	58,031	59,510
Balance as of December 31, 2022		93,564

13. Trade payables

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

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Bills payable for purchase of goods	3,416,360	3,642,115
Bills payable for commercial services	244,301	344,342
Provision for services and maintenance	164,146	148,865
Total	3,824,807	4,135,322

- (b) This caption mainly includes obligations to non-related local and foreign suppliers, denominated in local currency, Swiss franc, Euros 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, 2023 and December 31, 2022, is as follows:

	Land S/(000)	Buildings, infrastructure and facilities S/(000)	Vehicles S/(000)	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Cost					
Initial balance	3,511	2,647,715	1,513	2,652,739	2,235,020
Additions	-	434,759	1,261	436,020	614,968
Cancellation of contract (i)	-	(51,448)	(1,627)	(53,075)	(195,119)
Reclasification	-	18,098	-	18,098	-
Foreign currency translation	-	(232)	(21)	(253)	(2,130)
Final balance	3,511	3,048,892	1,126	3,053,529	2,652,739
Accumulated depreciation					
Initial balance	237	964,227	860	965,324	739,545
Additions, Note 19 (a)	42	312,754	300	313,096	393,098
Cancellation of contract (i)	-	(13,120)	(1,370)	(14,490)	(166,509)
Transfer	-	(88)	-	(88)	-
Reclasification	-	18,098	-	18,098	-
Foreign currency translation	-	(40)	(23)	(63)	(810)
Final balance	279	1,281,831	(233)	1,281,877	965,324
Net book value	3,232	1,767,061	1,359	1,771,652	1,687,415

- (i) Corresponds mainly to the derecognition of expired contracts, amounting to S/14,490,000 as of September 30, 2023 (S/166,509,000 as of December 31, 2022).

Depreciation expense for the nine-month period ended September 30, 2023 and 2022, was recorded as follows in the combined income statement:

	2023 S/(000)	2022 S/(000)
Cost of sales, Note 19 (a)	1,804	1,409
Sales expenses, Note 19 (a)	304,096	266,232
Administrative expenses, Note 19 (a)	7,196	7,042
Balance as of September 30	313,096	274,683
Balance as of December 31, 2022		393,098

Notes to the combined financial statements

- (c) The movement of the lease liability caption, as of September 30, 2023 and December 31, 2022, is as follows:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Initial balance	1,893,153	1,708,994
Additions	436,020	614,968
Increase for accrued interest, Note 20	103,096	122,175
Amortization	(381,633)	(465,514)
Cancellation of contract	(40,874)	(30,704)
Payments made at the beginning of the contract	(565)	(206)
Prepaid rent	6,441	(4,998)
Transfer	88	-
Exchange rate	(15,189)	(50,208)
Foreign currency translation	(190)	(1,354)
Final balance	2,000,347	1,893,153
Current	327,694	317,016
Non-current	1,672,653	1,576,137
Total	2,000,347	1,893,153

Additionally, in the nine-month period ended as of September 30, 2023 and 2022, interest related to the lease liability of S/103,096,000 and S/88,565,000 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)	2023	2022	2023	2022	2023	2022
				S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)		
Notes Senior Unsecured											
Senior Secured Notes (b)	PEN	4.900	2028	-	555,000	550,800	550,093	-	-	550,800	550,093
Senior Secured Notes (b)	USD	3.250	2028	600,000	-	2,146,932	2,157,136	-	-	2,146,932	2,157,136
Senior Notes Unsecured (d)	PEN	6.438	2025	-	385,800	385,091	384,786	-	-	385,091	384,786
				<u>600,000</u>	<u>940,800</u>	<u>3,082,823</u>	<u>3,092,015</u>	<u>-</u>	<u>-</u>	<u>3,082,823</u>	<u>3,092,015</u>
Leasing											
Related entities											
Banco Internacional del Perú-Interbank	PEN	3.990	2026	-	101,963	101,928	101,903	-	-	101,928	101,903
Non-related entities											
Banco Continental	PEN	4.950	2024	-	18,150	1,688	4,641	1,688	3,960	-	681
Banco de Crédito del Perú	PEN	Between 5.250 and 5.620	2023-2026	-	32,192	15,202	20,563	5,260	6,650	9,942	13,913
Banco de crédito del Perú	PEN	10.320	2028	-	1,419	1,325	-	250	-	1,075	-
				<u>-</u>	<u>153,724</u>	<u>120,143</u>	<u>127,107</u>	<u>7,198</u>	<u>10,610</u>	<u>112,945</u>	<u>116,497</u>
Overdraft											
Banco Internacional del Perú-Interbank	PEN	-	2023	-	8	8	-	8	-	-	-
				<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the combined financial statements

Type of obligation	Original currency	Interest rate %	Final maturity	Original amount US\$ (000)	Total		Current		Non-current		
					2023	2022	2023	2022	2023	2022	
					S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
Loans (h)											
Related entities											
Banco Internacional del Perú-Interbank	PEN	Between 3.990 and 7.990	2026 and 2027	-	298,037	290,216	295,901	24,872	12,371	265,344	283,530
Banco Internacional del Perú-Interbank	PEN	9.390	2023	-	20,000	-	20,000	-	20,000	-	-
Banco Internacional del Perú-Interbank (g)	PEN	3.750	2026	-	220,000	218,953	218,592	-	-	218,953	218,592
Non-related entities											
Banco Continental (e)	PEN	Between 2.450 and 8.540	2025 and 2026	-	370,000	313,705	194,631	129,500	52,000	184,205	142,631
Banco Continental	PEN	8.490	2024	-	62,000	62,000	-	62,000	-	-	-
Banco Continental	PEN	8.640	2023	-	25,000	25,000	-	25,000	-	-	-
Banco Citibank	PEN	8.800	2024	-	80,000	80,000	-	80,000	-	-	-
Banco Pichincha	PEN	8.650	2023	-	49,000	49,000	-	49,000	-	-	-
Banco de Crédito del Perú	PEN	9.060	2023	-	25,000	25,000	-	25,000	-	-	-
Banco GNB	PEN	9.070	2023	-	29,000	29,000	-	29,000	-	-	-
Scotiabank	PEN	Between 8.450 and 8.780	2024	-	63,000	63,000	-	63,000	-	-	-
Scotiabank (d)	PEN	Between 3.990 and 9.100	2023 and 2027	-	1,155,000	929,740	919,250	193,211	329,568	736,529	589,682
Banco GNB	PEN	8.260	2023	-	20,000	-	20,000	-	20,000	-	-
Banco Scotiabank (f)	PEN	3.750	2026	-	330,000	328,431	327,890	-	-	328,431	327,890
BBVA Banco Continental	PEN	9.300	2023	-	20,000	-	20,000	-	20,000	-	-
Banco Scotiabank	PEN	Between 8.700 and 10.060	2023	-	85,000	-	130,000	-	130,000	-	-
Banco Pichincha	USD	7.750	2023	3,000	-	-	11,460	-	11,460	-	-
Banco Scotiabank	PEN	Between 9.580 and 10.240	2023	-	51,000	-	51,000	-	51,000	-	-
Banco de Crédito del Perú	PEN	9.260	2023	-	11,000	11,000	20,000	11,000	20,000	-	-
BBVA Banco Continental	PEN	9.620	2023	-	15,000	-	30,000	-	30,000	-	-
				3,000	2,928,037	2,425,045	2,258,724	691,583	696,399	1,733,462	1,562,325
Derivative financial instruments financing, Note 9											
Citibank N.A.	USD	3.176	2028	8,374	-	22,693	27,480	4,780	4,648	17,913	22,832
Citibank N.A.	PEN	Between 8.442 and 8.665	2028	-	88,076	62,294	73,303	12,009	11,011	50,285	62,292
Citibank N.A.	USD	3.176	2028	1,251	-	3,946	4,780	831	809	3,115	3,971
Citibank N.A.	PEN	Between 8.442 and 8.665	2028	-	48,931	34,607	40,724	6,671	6,117	27,936	34,607
				9,625	137,007	123,540	146,287	24,291	22,585	99,249	123,702
Other obligations to third parties (i)											
Hewlett Packard S.A.	USD	Between 1.560 and 5.870	2023 and 2028	6,915	-	16,259	13,585	4,609	4,966	11,650	8,619
Hewlett Packard S.A.	USD	Between 0.280 and 5.920	2026 and 2028	19,361	-	52,145	35,959	16,041	11,578	36,104	24,381
Inversiones Nueva Capital Perú S.A.	USD	Between 2.310 and 6.920	2025 and 2026	138	-	302	406	134	135	168	271
Inversiones Nueva Capital Perú S.A.	USD	1.830	2025	313	-	1,189	-	530	-	659	-
Nuevo Capital Leasing Perú S.A.C.	USD	5.280	2025	663	-	1,495	1,937	654	607	841	1,330
Nuevo Capital Leasing Perú S.A.C.	USD			27,390	-	71,390	51,887	21,968	17,286	49,422	34,601
Total				640,015	4,159,576	5,822,949	5,676,020	745,048	746,880	5,077,901	4,929,140

Notes to the combined financial statements

- (b) In March 2021, InRetail Consumer (SPE) issued Senior Secured Notes for US\$600,000,000 (equivalent to S/2,278,200,000 as of September 30, 2023) and S/555,000,000 abroad (Luxembourg); said obligations were recorded in the consolidated financial statements at amortized cost at an effective annual interest rate of 3.446 and 5.104, respectively, after considering the corresponding initial charges of around US\$4,572,000 equivalent to around S/17,358,000 as of September 30, 2023 (US\$5,305,000 equivalent to around S/20,264,000 as of December 31, 2022) and S/4,200,000 as of September 30, 2023 (S/4,907,000 as of December 31, 2022), respectively.

Additionally, it is presented net of US\$30,000,000 equivalent to S/113,910,000 as of September 30, 2023 (US\$30,000,000 equivalent to S/114,600,000 as of December 31, 2022) corresponding to the notes of its own issuance maintained by its subsidiary InRetail Pharma S.A.

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, 2023 and December 31, 2022.

- (c) 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/709,000 as of September 30, 2023 (S/1,014,000 as of December 31, 2022).

As a result of this note, InRetail Pharma S.A. must comply, until their maturity and full payment, with certain obligations and covenants.

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, 2023 and December 31, 2022. Likewise, 100 percent of the "Senior Notes Unsecured" is guaranteed by the shares of InRetail Pharma S.A. and Subsidiaries.

- (d) In July and August 2023, Supermercados Peruanos S.A. received six loans from Banco Scotiabank S.A.A. for S/167,000,000, accruing nominal interest between 9.10, 9.04, 8.78 and 8.45 percent per year, maturing in October 2023 and February 2024; that were used for working capital.

Additionally, in June 2023, the Company received two loans from Banco Scotiabank S.A.A. for S/100,000,000 and S/150,000,000, accruing nominal interest of 4.45 and 7.76 percent per year, maturing in June 2026 and May 2027, which have been used for working capital.

During 2021, the Company received an additional loan from Scotiabank Perú S.A.A. for S/551,000,000, which accrues a nominal interest of 3.99 percent per annum, maturing in 2026; 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/150,000,000 and S/100,000,000, at nominal rate of 4.45 percent per annum and with maturities between 2025 and 2026, respectively. As of September 30, 2023 and December 31, 2022, the outstanding balances are represented net of their structuring commission.

Notes to the combined financial statements

- (e) In June 2023, Supermercados Peruanos S.A. received a loan for S/150,000,000 accruing a nominal interest of 8.540 percent per year with maturity in the year 2026.

During 2021 and 2020, Supermercados Peruanos S.A. received loans for S/100,000,000 and S/120,000,000 accruing a nominal interest of 2.450 and 4.150 percent per year with maturities in the year 2026 and 2025.

- (f) 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/1,569,000 as of September 30, 2023 (S/2,110,000 as of December 31, 2022).
- (g) 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/1,047,000 as of September 30, 2023 (S/1,408,000 as of December 31, 2022).
- (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., Nuevo Capital Leasing Perú S.A.C and Inversiones Nueva Capital S.A. to purchase computer equipment. Said contracts do not have any specific guarantee.
- (j) Interest-bearing loans and borrowings are payable as follows:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
2023	330,749	746,880
2024	485,831	141,123
2025	936,219	804,927
2026	1,294,200	1,204,822
2027	68,320	46,944
2028 onwards	2,707,630	2,731,324
Total	5,822,949	5,676,020

- (k) During the nine-month period ended September 30, 2023 and 2022, 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, 2023 and December 31, 2022, 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, 2023 and December 31, 2022, as well as the combined statements of comprehensive income for the nine - month period ended September 30, 2023 and 2022 are shown below:

Statements of financial position	As of September 30, 2023		As of December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
	S/(000)	S/(000)	S/(000)	S/(000)
InRetail Pharma S.A.	82,141	-	55,929	-
Química Suiza S.A.C.	-	44,543	-	45,886
Vantive S.A.C.	106	-	95	-
Quicorp S.A.	-	-	17	-
Quifatex S.A.	8,866	-	9,053	-
Vantive Cía Ltda.	293	-	283	-
Farmacias Peruanas S.A.C.	13,605	-	10,582	-
Quimiza Ltda.	656	-	858	-
Mifarma S.A.C.	49,272	-	45,537	-
Jorsa de la Selva S.A.C.	3,565	-	2,792	-
Operadora de Servicios Logísticos S.A.C.	5,033	-	4,986	-
Supermercados Peruanos S.A.	-	58,510	-	63,192
Plaza Vea Oriente S.A.C.	5,812	-	6,232	-
Compañía Food Retail S.A.C.	60,285	-	47,981	-
Administración Food Regional S.A.C.	3,084	-	4,419	-
Makro Supermayorista S.A.	-	18,017	-	17,364
Jokr Perú S.A.C.	314	-	-	-
Agora Servicios Digitales S.A.C.	651	-	422	-
InDigital XP S.A.C.	240	-	242	-
Centro Logístico y Fabricación S.A.C.	-	-	1	-
Compañía Hard Discount S.A.C.	47,379	-	32,372	-
Adjustment combination	12,367	360,751	(6,226)	357,077
Total	323,601	481,821	239,123	483,519

Statements of comprehensive income	For the nine-month period ended September 30 2023	
	2023	2022
	S/(000)	S/(000)
Current	(370,249)	(297,972)
Deferred	90,778	67,243
Income tax expense	(279,471)	(230,729)

- (b) As of September 30, 2023 the provision for current income tax payable, amounts to approximately S/77,566,000 (S/13,864,000 as of December 31, 2022).

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, 2023	As of December 31, 2022		As of September 30, 2023	As of December 31, 2022
				S/. (000)	S/. (000)
Supermercados Peruanos S.A. and Subsidiaries (*)	331,419,384	331,419,384	1.05	347,990	347,990
InRetail Pharma S.A. and Subsidiaries	15,839,379	13,783,379	1.00	15,840	13,784

(*) As of September 30, 2023 and 2022, 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, 2023 and December 31, 2022, 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 2023 and 2022, it was agreed to distribute dividends of S/411,741,000 and S/491,151,000, respectively.

Notes to the combined financial statements

18. Tax Situation

- (a) The Companies domiciled in Peru, Ecuador and Bolivia are subject to the tax regime of each country and calculate the income tax based on their individual financial statements. As of September 30, 2023 and December 31, 2022, the income tax rate is:

Country	%
Perú	29.5
Ecuador	25.0
Bolivia	25.0

- (b) In accordance with current legal provisions; In some countries, as of September 30, 2023 and December 31, 2022, cash dividends in favor of non-domiciled shareholders are subject to income tax at the following rates:

	Tax rate	
	2023	2022
	%	%
Perú (i)	5.0	5.0
Ecuador (ii)	10.0	10.0
Bolivia	12.5	12.5

- (i) By Legislative Decree No. 1261, published on December 10, 2016, the 5 percent withholding rate applicable to dividends and any other form of profit distribution from Peruvian sources was modified. The aforementioned rate is applicable to the distribution of dividends or profits adopted or made available, whichever occurs first, as of January 1, 2017. The aforementioned rate does not apply to accumulated income or other liable to generate taxable dividends obtained between January 1, 2015 and December 31, 2016 – in which case a 6.8 percent withholding rate is applied or to accumulated income as of December 31, 2014 – in which case a 4.1 percent withholding rate is applied.
- (ii) The Internal Tax Regime Act indicates that, in general, dividends distributed after income tax are not subject to withholding, unless the beneficial owner is an Ecuadorian natural person – in which case a withholding tax (10 or 14 percent, depending on the applied corporate rate) is applied. In addition, when the income tax rate applied by the company is 25 percent or less, the withholding percentage applicable to the dividends distributed to companies domiciled in tax havens is 10 percent. Resolution No. NAC-DGERCGC20-0000013, published in February 2020, introduced other cases subject to withholding tax at source on distributed dividends.
- (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.

Notes to the combined financial statements

- (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 a consequence of the application of the regulation in force, there will not be any significant contingencies for the Companies as of September 30, 2023 and December 31, 2022.
- (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.

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

	Income Tax	Value added tax
Albis S.A.C.	From 2018 to 2021	From 2019 to 2021
Boticas del Oriente S.A.C.	From 2018 to 2021	From 2019 to 2021
Boticas Torres de Limatambo S.A.C.	2018	-
Droguería La Victoria S.A.C.	2018	-
Eckerd Amazonía S.A.C.	From 2018 to 2021	From 2019 to 2021
InRetail Pharma S.A.	From 2019 to 2022	From 2019 to 2023
Jorsa de la Selva S.A.C.	From 2018 to 2022	From 2019 to 2023
Quicorp S.A.	From 2018 to 2022	From 2019 to 2023
Mifarma S.A.C.	From 2018 to 2022	From 2019 to 2023
Quifatex S.A.	From 2019 to 2022	From 2019 to 2023
Química Suiza Comercial S.A.C.	2018	-
Química Suiza S.A.C.	From 2018 to 2022	From 2019 to 2023
Quimiza Ltda.	From 2015 to 2022	From 2015 to 2023
Superfarma Mayorista S.A.C.	2018	-
Supermercados Peruanos S.A.	From 2015 and 2017 to 2022	From 2019 to 2023
Plaza Veá Oriente S.A.C.	From 2018 to 2022	From 2019 to 2023
Plaza Veá Sur S.A.C.	From 2018 to 2020	From 2019 to 2020
Desarrolladora de Strip Center S.A.C.	From 2018 to 2022	From 2019 to 2023
Farmacías Peruanas S.A.	2018	-
Vanttive Cia Ltda.	From 2017 to 2021	From 2017 to 2023
Vanttive S.A.C.	From 2018 to 2022	From 2019 to 2023
Farmacías Peruanas S.A.C.	From 2020 to 2022	From 2020 to 2023
Droguería InRetail Pharma S.A.C.	From 2019 to 2022	From 2019 to 2023
Makro Supermayorista S.A.	From 2018 to 2022	From 2019 to 2023
InRetail Foods S.A.C.	From 2020 to 2021	From 2020 to 2021
Operadora de Servicios Logísticos S.A.C.	From 2020 to 2022	From 2020 to 2023
FP Servicios Generales S.A.C.	From 2021 to 2022	From 2021 to 2023
Boticas IP S.A.C.	From 2021 to 2022	From 2021 to 2023
Agora Servicios Digitales S.A.C.	from 2019 to 2022	From 2019 to 2023
InDigital XP S.A.C.	from 2019 to 2022	From 2019 to 2023
Compañía Hard Discount S.A.C.	From 2021 to 2022	From 2021 to 2023
Centro Logístico y de Fabricación S.A.C.	From 2021 to 2022	From 2021 to 2023
Compañía Food Retail S.A.C.	From 2021 to 2022	From 2021 to 2022
Administración Food Regional S.A.C.	From 2021 to 2022	From 2021 to 2023
Inmobiliaria Food Retail S.A.C.	From 2021 to 2022	From 2021 to 2023
Jokr Perú S.A.C.	From 2021 to 2022	From 2021 to 2023

Notes to the combined financial statements

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, 2023 and December 31, 2022.

- (f) As of September 30, 2023 and December 31, 2022, estimated losses from previous period for Subsidiaries for tax purposes are the following:

	2023	2022
	S/ (000)	S/ (000)
Agora Servicios Digitales S.A.C.	178,041	139,513
Compañía Hard Discount S.A.C.	58,890	35,035
Total	236,931	174,548

According to the Income Tax Act and its amendments, 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.

Agora Servicios Digitales S.A.C. and Compañía Hard Discount S.A.C. have chosen method (i).

Notes to the combined financial statements

19. Operating expenses

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

	2023	2022
	S/(000)	S/(000)
Cost of sales	10,878,843	10,189,557
Selling expenses	2,490,360	2,420,175
Administrative expenses	419,543	386,204
Total	13,788,746	12,995,936

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

	2023			
	Cost of sales	Selling expenses	Administrative expenses	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Initial balance of goods, Note 6 (a)	2,392,555	-	-	2,392,555
Initial balance of raw material, Note 6 (a)	2,707	-	-	2,707
Initial balance of miscellaneous supplies, Note 6 (a)	860	-	-	860
Purchase of goods	10,804,461	-	-	10,804,461
Final balance of goods, Note 6 (a)	(2,411,476)	-	-	(2,411,476)
Final balance of raw material, Note 6 (a)	(3,107)	-	-	(3,107)
Final balance of miscellaneous supplies, Note 6 (a)	(1,758)	-	-	(1,758)
Impairment of inventories, Note 6 (c)	31,255	-	-	31,255
Cost of services	59,366	-	-	59,366
Personnel expenses	-	896,955	192,286	1,089,241
Depreciation, Note 10 (f)	2,037	247,456	19,066	268,559
Depreciation of right-of uses asset, Note 14 (b)	1,804	304,096	7,196	313,096
Amortization, Note 12 (e)	-	23,305	34,726	58,031
Services provided by third parties (b)	-	654,849	118,980	773,829
Advertising	-	135,949	853	136,802
Packing and packaging	-	26,372	478	26,850
Rental of premises	-	18,011	11,844	29,855
Low-value asset leases	139	8,809	6,260	15,208
Taxes	-	34,731	20,257	54,988
Provision for doubtful trade receivables, Note 5 (f)	-	9,395	291	9,686
Recovery of doubtful trade receivables, Note 5 (f)	-	(2,398)	-	(2,398)
Provision for doubtful other account receivables	-	2,127	-	2,127
Recovery of doubtful other account receivables	-	(2,616)	(29)	(2,645)
Insurance	-	18,320	2,390	20,710
Other charges (c)	-	114,999	4,945	119,944
Total	10,878,843	2,490,360	419,543	13,788,746

Notes to the combined financial statements

	2022			
	Cost of sales	Selling expenses	Administrative expenses	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Initial balance of goods,	2,321,077	-	-	2,321,077
Initial balance of raw material	879	-	-	879
Initial balance of miscellaneous supplies	874	-	-	874
Purchase of goods	10,260,684	-	-	10,260,684
Final balance of goods	(2,457,142)	-	-	(2,457,142)
Final balance raw materials	(1,633)	-	-	(1,633)
Final balance of miscellaneous supplies	(984)	-	-	(984)
Impairment of inventories, Note 6 (c)	11,943	-	-	11,943
Cost of services	47,641	-	-	47,641
Personnel expenses	-	898,883	199,564	1,098,447
Depreciation, Note 10 (f)	4,743	194,134	16,146	215,023
Depreciation of right-of uses asset, Note 14 (b)	1,409	266,232	7,042	274,683
Amortization, Note 12 (e)	4	40,825	18,681	59,510
Services provided by third parties (b)	-	606,593	87,482	694,075
Advertising	-	140,921	37	140,958
Packing and packaging	-	29,791	533	30,324
Rental of premises	-	27,354	4,514	31,868
Low-value asset leases	62	32,189	8,488	40,739
Taxes	-	30,998	21,438	52,436
Provision for doubtful trade receivables, Note 5 (f)	-	7,562	479	8,041
Recovery of doubtful trade receivables, Note 5 (f)	-	(1,747)	(48)	(1,795)
Provision for doubtful others account receivables	-	355	1,796	2,151
Recovery of doubtful other account receivables	-	(105)	-	(105)
Insurance	-	15,765	2,107	17,872
Other charges (c)	-	130,425	17,945	148,370
Total	10,189,557	2,420,175	386,204	12,995,936

(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:

	2023 S/(000)	2022 S/(000)
Finance income		
Interest and others	3,818	12,869
Interest on cash	15,721	4,634
Dividends	1,199	983
Interest from loans to related parties	93	102
Total	20,831	18,588
Finance cost		
Interest on loans, borrowings and bonds payable	207,222	178,573
Interest on lease liabilities, Note 14 (c)	103,096	88,565
Accrual of the cost of structuring of financial obligations	6,998	6,835
Interest on the financing of "Call Spread"	7,503	8,719
Premium accrual "Call Spread"	28,992	29,184
Interest on loans to related parties	142	181
Accrued of value over time of the exchange of Derivative financial instruments, (c)	11,364	11,239
Other financial costs	12,306	14,400
Total	377,623	337,696

(b) As of September 30, 2023 and December 31, 2022, there are interest payable for these obligations for approximately S/36,959,000 and S/49,349,000, respectively, which are recorded in the "Other payables" caption of the combined statements of financial position.

(c) As of September 30, 2023 and 2022, it corresponds to the transfer of other comprehensive income to result of period, related to the early settlement of the "Call Spread". See Note 9(a).

21. Transactions with related parties

(a) The following table provides the total amount of transactions with related parties for the relevant financial period ended September 30, 2023 and 2022:

	2023 S/(000)	2022 S/(000)
Income		
Sales	21,832	16,850
Rental income	25,562	18,435
Sales of fixed assets	58,563	-
Sales of investment properties	29,771	-
Services income	14,395	12,230
Collection services	5,626	3,772
Interest income	6,350	1,073
Other	29,241	26,844
Total	191,340	79,204
Expenses		
Renting of premises and land	4,707	6,321
Reimbursement of expenses	31,107	42,896
Commissions	33,324	20,980
Interest	142	164
Other	13,578	4,955
Total	82,858	75,316

Notes to the combined financial statements

- (b) As a result of the transactions with related companies, the Companies recorded the following balances of receivables and payables as of September 30, 2023 and December 31, 2022:

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Receivables		
Financiera Oh! S.A.	28,428	30,006
Banco Internacional del Perú S.A.A. – Interbank	1,506	4,852
Homecenters Peruanos S.A.	6,846	9,106
Tiendas Peruanas S.A.	3,792	6,827
IR Management S.R.L.	36	3,675
Home Centers Oriente S.A.C.	1,628	1,686
Interseguro Cía.	154	55
Cineplex S.A.	3,550	4,443
San Borja Global Opportunities S.A.C.	7,418	-
Real Plaza S.R.L.	560	759
Pinapp USA LLC	314	478
Servicios Compartidos de Restaurantes S.A.C.	6	478
San Miguel Global Opportunities S.A.C.	-	7,377
Other	7,453	8,610
Total	61,691	78,352

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Payables		
PF Interproperties Perú (g)	54,541	49,888
InRetail Shopping Mall (h)	11,060	47,993
Homecenters Peruanos S.A (g)	23,844	42,930
Financiera Oh! (d)	40,219	41,316
Tiendas Peruanas S.A	2,670	6,613
IR Management S.R.L.	7,969	7,921
Interproperties Holding II	8,417	8,532
Banco Internacional del Perú S.A.A. – Interbank:		
Credit lines and other	54	707
Guarantee deposit (f)	3,113	2,919
Real Plaza S.R.L.	3,246	1,916
Inmobiliaria Milenia S.A.	1,110	945
Intercorp Retail Inc.	-	656
Inmobiliaria Puerta del Sol S.A.	645	14
Chelsea National Corp.	7,066	-
Interseguro Cia de Seguros S.A.	579	178
Intercorp Peru Ltd. (e)	15,383	27,733
Other	2,803	15,074
Total	182,719	255,335
Remunerations payable to key management	-	-
Total	182,719	255,335
Current portion	101,346	104,504
Non-current portion	81,373	150,831
Total	182,719	255,335

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.

Notes to the combined financial statements

- (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 period ended September 30, 2023 and 2022, 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 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, 2023 and December 31, 2022, Supermercados Peruanos S.A. holds accounts payable to Financiera Oh! S.A. for approximately S/20,991,000 and S/47,316,000 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.

- (e) On March, 2022, Supermercados Peruanos S.A. acquired the participation certificate held by Intercorp Perú Ltd. (related company) for a total amount of S/30,766,000, which will be paid in four installments, maturing in January 2024.

As of September 30, 2023, the Company made the payment of S/15,383,000 (as of December 31, 2022, S/3,077,000).

- (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, 2023 and December 31, 2022. As of September 30, 2023 and December 31, 2022, the net present value of the balances related to the guarantee deposits amounted to S/3,113,000 and S/2,919,000, respectively.
- (g) As of September 30, 2023 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/34,575,000 and S/16,408,000, respectively (S/47,933,000 and S/36,745,000 as of December 31, 2022), 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 a long-term liability.
- (h) On April 4, 2022, Supermercados Peruanos S.A. acquired the participation certificates held by InRetail Shopping Malls (related entity) representative of land, for a value of S/50,519,000 and collected S/36,933,000 and is presented in the Financial Statement of Cash flow, maintaining a payable balance of S/11,060,000.

On October 4, 2022, the Company acquired the participation certificates held by Patrimonio en Fideicomiso D.S. N°093-2002-EF Interproperties Holding II (related entity) representative of land denominated "Zapallal", for a value of S/8,532,000. This balance was paid fully during the 2022 year.

Notes to the combined financial statements

22. Deferred revenue

The table below presents the components of this caption:

	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
Other operating leases as lessor	2,220	19,086
Loyalty program	14,040	15,277
Other deferred revenue	50,232	15,202
Total	66,492	49,565
Current portion	37,300	18,935
Non-current portion	29,192	30,630
Total	66,492	49,565

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, 2023, the balance is S/6,400,000 (S/7,295,000 as of December 31, 2022). During 2023, S/467,000 has been recognized as accrued amount as an income (S/317,000, during 2022).

23. Commitments and contingencies

Commitments:

- (a) As of September 30, 2023, the Company and its Subsidiaries agreed with various financial entities to issue joint and irrevocable surety letters for amounts approximately S/59,216,000, US\$4,997,000, and B\$206,000 (S/52,072,000, US\$4,472,000 and B\$277,000 as of December 31, 2022) and letters of credit for amounts ascending approximately US\$50,994,000 (US\$44,007,000 and €84,000 as of December 31, 2022), for the fulfillment of the payment for the purchase of merchandise from foreign suppliers and commitment to faithful fulfillment of the contract.
- (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. In March 2021, the issue of US\$400,000,000 was paid in full.

In March 2021, InRetail Consumer (Special Purpose Entity) issued Senior Secured Notes for US\$600,000,000 and S/555,000,000, which are guaranteed by the intercompany loans with Supermercados Peruanos S.A. and InRetail Pharma S.A.

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., Quifatex S.A., Quimiza Ltd., Boticas IP S.A.C. and Vanttive S.A.C. maintain various civil, labor and tax legal processes for a total amount of approximately S/64,727,000 as of September 30, 2023 (S/70,058,000 as of December 31, 2022). In Management's opinion and its legal advisors, such legal

Notes to the combined financial statements

processes must be resolved favorably for these components; consequently, it is not necessary to recognize additional related liabilities as of September 30, 2023 and December 31, 2022.

- (b) Eckerd Amazonia S.A.C. is in the process of claiming 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/17,942,000. In Management's opinion and its legal advisors, these contingencies are considered as "Possible" and significant liabilities will not arise as a result of these as of September 30, 2023 and 2022. In July 2021, the tax court issued an unfavorable resolution to the Company for which a payment of S/17,942,000 has been made and recognized an expense of S/9,636,000, the Company will continue with the claim.
- (c) 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, 2023 and December 31, 2022.

24. Business segments

For management purposes, the Companies are organized into business units based on their products and services and they have three reportable segments i) Food Retail, ii) Pharmacies and iii) Digital. 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 period ended September 30, 2023 and 2022:

	Pharma						Total segments S/(000)	Combination adjustments and intercompany eliminations S/(000)	Combined S/(000)
	Food retail S/(000)	Pharmacies S/(000)	Distribution S/(000)	Adjustments and intercompany eliminations S/(000)	Total Pharma S/(000)	Digital S/(000)			
For the nine month period ended September 30, 2023									
Revenue									
External income	8,250,082	4,805,197	1,813,757	-	6,618,954	29,889	14,898,925	-	14,898,925
Inter-segment	7,750	70,859	485,258	(535,423)	20,694	39,668	68,112	(68,112)	-
Total revenue	8,257,832	4,876,056	2,299,015	(535,423)	6,639,648	69,557	14,967,037	(68,112)	14,898,925
Cost of sales	(6,314,452)	(2,961,197)	(1,563,487)	-	(4,524,684)	(39,707)	(10,878,843)	-	(10,878,843)
Inter-segment	-	(66,432)	(482,636)	528,325	(20,743)	(1,856)	(22,599)	22,599	-
Gross profit	1,943,380	1,848,427	252,892	(7,098)	2,094,221	27,994	4,065,595	(45,513)	4,020,082
Gain on valuation at fair value of investment	2,294	-	-	-	-	-	2,294	(1)	2,293
Selling expenses	(1,305,543)	(1,017,900)	(131,722)	(4,967)	(1,154,589)	(60,139)	(2,520,271)	29,911	(2,490,360)
Administrative expenses	(172,604)	(195,228)	(44,431)	1,447	(238,212)	(10,053)	(420,869)	1,326	(419,543)
Other operating income, net	18,237	4,828	1,561	-	6,389	436	25,062	(1,371)	23,691
Operating profit	485,764	640,127	78,300	(10,618)	707,809	(41,762)	1,151,811	(15,648)	1,136,163
Exchange difference, net	4,425	9,311	(108)	-	9,203	(293)	13,335	(3,294)	10,041
Finance income	3,598	27,046	1,289	(16,135)	12,200	1,077	16,875	3,956	20,831
Finance costs	(235,918)	(132,089)	(12,386)	1,724	(142,751)	(57)	(378,726)	1,103	(377,623)
Profit before income tax	257,869	544,395	67,095	(25,029)	586,461	(41,035)	803,295	(13,883)	789,412
Income tax expense	(95,754)	(167,256)	(21,743)	968	(188,031)	(702)	(284,487)	5,016	(279,471)
Profit for the year	162,115	377,139	45,352	(24,061)	398,430	(41,737)	518,808	(8,867)	509,941
Attributable to:									
Owner of the parent	162,115	377,139	45,352	(24,061)	398,430	(41,737)	518,808	(8,895)	509,913
Non-controlling interests	-	-	-	-	-	-	-	28	28
Profit for the year	162,115	377,139	45,352	(24,061)	398,430	(41,737)	518,808	(8,867)	509,941

Notes to the combined financial statements

	Pharma					Digital S/(000)	Total segments S/(000)	Combination adjustments and intercompany S/(000)	Combined S/(000)
	Food retail S/(000)	Pharmacies S/(000)	Distribution S/(000)	Adjustments and intercompany eliminations S/(000)	Total Pharma				
For the nine month period ended June 30, 2022									
Revenue									
External income	7,575,146	4,631,980	1,683,034	-	6,315,014	25,466	13,915,626	-	13,915,626
Inter-segment	8,780	53,180	484,953	(513,804)	24,329	12,253	45,362	(45,362)	-
Total revenue	7,583,926	4,685,160	2,167,987	(513,804)	6,339,343	37,719	13,960,988	(45,362)	13,915,626
Cost of sales	(5,790,800)	(2,951,527)	(1,437,609)	-	(4,389,136)	(9,621)	(10,189,557)	-	(10,189,557)
Inter-segment	-	(35,552)	(481,549)	499,078	(18,023)	(2,373)	(20,396)	20,396	-
Gross profit	1,793,126	1,698,081	248,829	(14,726)	1,932,184	25,725	3,751,035	(24,966)	3,726,069
Gain on valuation at fair value of investment	(2,178)	-	-	-	-	-	(2,178)	-	(2,178)
Selling expenses	(1,207,296)	(1,005,408)	(137,422)	(14,057)	(1,156,887)	(69,706)	(2,433,889)	13,714	(2,420,175)
Administrative expenses	(155,522)	(178,475)	(51,543)	848	(229,170)	(7,556)	(392,248)	6,044	(386,204)
Other operating income, net	22,514	15,001	2,447	-	17,448	832	40,794	(1,459)	39,335
Operating profit	450,644	529,199	62,311	(27,935)	563,575	(50,705)	963,514	(6,667)	956,847
Exchange difference, net	9,333	9,223	2,091	71	11,385	(225)	20,493	(10,594)	9,899
Finance income	10,979	7,864	1,400	(279)	8,985	118	20,082	(1,494)	18,588
Finance costs	(185,960)	(139,459)	(13,431)	345	(152,545)	(218)	(338,723)	1,027	(337,696)
Profit before income tax	284,996	406,827	52,371	(27,798)	431,400	(51,030)	665,366	(17,728)	647,638
Income tax expense	(92,673)	(129,118)	(19,521)	7,763	(140,876)	(2,541)	(236,090)	5,361	(230,729)
Profit for the year	192,323	277,709	32,850	(20,035)	290,524	(53,571)	429,276	(12,367)	416,909
Attributable to:									
Owner of the parent	192,323	277,709	32,850	(20,035)	290,524	(53,571)	429,276	(19,868)	409,408
Non-controlling interests	-	-	-	-	-	-	-	7,501	7,501
Profit for the year	192,323	277,709	32,850	(20,035)	290,524	(53,571)	429,276	(12,367)	416,909

Notes to the combined financial statements

Geographic information –

As of September 30, 2023 and December 31, 2022, 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 period ended September 30, 2023 and 2022. The Companies holds the following financial instruments at fair value:

- Available-for-sale investments whose fair value was determined under level 1 hierarchy.
- Derivative instrument whose 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

From October 1, 2023, to the date of presentation of this report, no significant event has occurred that affects the financial statements, in addition to what is reported in the notes to the consolidated financial statements.