

**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 December 31, 2023 and
December 31, 2022 and for the twelve month period ended December
31, 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 December 31, 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 | 803,376 | 714,651 | Trade payables | 13 | 4,193,200 | 4,135,322 |
| Investment at fair value through profit or loss | | 33,445 | - | Other payables | | 502,406 | 522,135 |
| Trade receivables, net | 5 | 786,266 | 760,477 | Accounts payable to related parties | 21(b) | 104,609 | 104,504 |
| Other receivables, net | | 181,884 | 197,059 | Interest-bearing loans and borrowings | 15 | 443,296 | 746,880 |
| Accounts receivables from related parties | 21(b) | 74,556 | 78,352 | Lease liability | 14(c) | 331,433 | 317,016 |
| Inventories, net | 6 | 2,535,110 | 2,608,889 | Current income tax, net | 16(b) | 81,847 | 13,864 |
| Prepayments | 8 | 23,656 | 19,799 | Deferred revenue | 22 | 20,341 | 18,935 |
| Taxes recoverable | | 154,998 | 215,401 | Total current liabilities | | 5,677,132 | 5,858,656 |
| Total current assets | | 4,593,291 | 4,594,628 | Non-current liabilities | | | |
| Non-current assets | | | | Other payables | | 31,809 | 3,873 |
| Taxes recoverable | | 20,280 | 14,920 | Accounts payable to related parties | 21(b) | 82,226 | 150,831 |
| Other receivables, net | | 237,712 | 178,090 | Interest-bearing loans and borrowings | 15 | 4,983,905 | 4,929,140 |
| Derivative financial instrument | 9 | 63,871 | 114,084 | Lease liability | 14(c) | 1,722,886 | 1,576,137 |
| Investment at fair value through equity | 7 | 51,350 | 47,915 | Deferred revenue | 22 | 28,438 | 30,630 |
| Income tax related to Special Purpose Entity | | 9,139 | 4,580 | Deferred income tax liabilities, net | 16(a) | 489,742 | 483,519 |
| Property, furniture and equipment, net | 10 | 4,795,483 | 4,665,680 | Reserves for employee retirement pension funds | | 23,362 | 23,761 |
| Right -of- use assets, net | 14(b) | 1,866,455 | 1,687,415 | Total non-current liabilities | | 7,362,368 | 7,197,891 |
| Investment properties | 11 | 196,877 | 224,677 | Total liabilities | | 13,039,500 | 13,056,547 |
| Intangible assets, net | 12 | 3,916,087 | 3,943,092 | Equity | | | |
| Deferred income tax assets, net | 16(a) | 312,948 | 239,123 | Capital stock | 17 | 371,607 | 371,607 |
| Other assets | | 2,407 | 2,499 | Capital premium | | 241,954 | 241,954 |
| Total non-current assets | | 11,472,609 | 11,122,075 | Treasury shares | | (9) | (9) |
| Total assets | | 16,065,900 | 15,716,703 | Additional paid in capital | | 706,427 | 706,427 |
| | | | | Other reserve | | 821,498 | 821,498 |
| | | | | Unrealized results from foreign currency translation | | 3,335 | 2,999 |
| | | | | Unrealized results on derivative financial instrument | | (30,944) | (79,673) |
| | | | | Unrealized results on investment at fair value through equity | | 12,819 | 10,397 |
| | | | | Unrealized results from actuarial reserve for retirement | | 376 | 474 |
| | | | | Legal Reserve | | 97,629 | 153,565 |
| | | | | Retained earnings | | 801,527 | 430,747 |
| | | | | Total equity | | 3,026,219 | 2,659,986 |
| | | | | Non-controlling interests | | 181 | 170 |
| | | | | Total liabilities and equity | | 16,065,900 | 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 twelve month period ended December 31, 2023 and 2022

| | Note | 2023 S/(000) | 2022 S/(000) |
|---|------|-------------------|-------------------|
| Net sales of goods | | 19,653,649 | 18,691,308 |
| Rental income | | 194,409 | 170,710 |
| Rendering of services | | 325,736 | 297,909 |
| Revenue | | 20,173,794 | 19,159,927 |
| Cost of sales | 19 | (14,717,716) | (14,023,662) |
| Gross profit | | 5,456,078 | 5,136,265 |
| Gain (loss) on valuation at fair value of investment properties | 11 | 953 | (6,593) |
| Selling expenses | 19 | (3,336,608) | (3,296,343) |
| Administrative expenses | 19 | (582,765) | (525,371) |
| Other operating income, net | | 36,738 | 41,912 |
| Operating profit | | 1,574,396 | 1,349,870 |
| Financial income | 20 | 28,796 | 24,967 |
| Financial expenses | 20 | (507,559) | (462,490) |
| Exchange difference, net | | 23,746 | 49,468 |
| Profit before income tax | | 1,119,379 | 961,815 |
| Income tax expense | 16 | (392,879) | (344,585) |
| Net profit | | 726,500 | 617,230 |
| Attributable to: | | | |
| Owners of the parent | | 726,451 | 609,709 |
| Non-controlling interests | | 49 | 7,521 |
| Net profit | | 726,500 | 617,230 |

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 twelve month period ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|----------------|----------------|
| | S/(000) | S/(000) |
| Net profit | 726,500 | 617,230 |
| Other comprehensive income | | |
| Unrealized gain (loss) on available-for-sale investments | 3,435 | (5,106) |
| Income tax effect | (1,013) | 1,506 |
| Total other comprehensive income of available for sale investment | 2,422 | (3,600) |
| Unrealized gain in derivative financial instrument | 67,972 | 50,223 |
| Income tax effect | (19,239) | (13,915) |
| Total other comprehensive income derivative financial instruments | 48,733 | 36,308 |
| Unrealized gain (loss) results from foreign currency translation | 336 | (513) |
| Total other income result from foreign currency translation | 336 | (513) |
| Unrealized loss from actuarial reserve for retirement | (98) | (265) |
| Total other comprehensive income from actuarial reserve retirement | (98) | (265) |
| Other comprehensive income for the period, net of income tax effects | 51,393 | 31,930 |
| Total comprehensive income for the period | 777,893 | 649,160 |
| Attributable to: | | |
| Owners of the parent | 777,840 | 641,636 |
| Non-controlling interests | 53 | 7,524 |
| Total comprehensive income for the period | 777,893 | 649,160 |

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 twelve month period ended December 31, 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 | - | - | - | - | - | - | - | - | - | - | 609,709 | 609,709 | 7,521 | 617,230 |
| Other comprehensive income | - | - | - | - | - | 36,305 | (3,600) | (513) | (265) | - | - | 31,927 | 3 | 31,930 |
| Total comprehensive income | - | - | - | - | - | 36,305 | (3,600) | (513) | (265) | - | 609,709 | 641,636 | 7,524 | 649,160 |
| Dividends | - | - | - | - | - | - | - | - | - | - | (465,675) | (465,675) | (29,520) | (495,195) |
| Transfer to legal reserve | - | - | - | - | - | - | - | - | - | 57,520 | (57,520) | - | - | - |
| Effect of change in participation in Subsidiary | 2,056 | - | 60,447 | - | - | (7,076) | 1,817 | 531 | 96 | 4,476 | (29,662) | 32,685 | (32,685) | - |
| Other | - | - | - | - | - | - | - | (580) | - | - | 582 | 2 | - | 2 |
| Balance as of December 31, 2022 | 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 |
| 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 | - | - | - | - | - | - | - | - | - | - | 726,451 | 726,451 | 49 | 726,500 |
| Other comprehensive income | - | - | - | - | - | 48,729 | 2,422 | 336 | (98) | - | - | 51,389 | 4 | 51,393 |
| Total comprehensive income | - | - | - | - | - | 48,729 | 2,422 | 336 | (98) | - | 726,451 | 777,840 | 53 | 777,893 |
| Dividends | - | - | - | - | - | - | - | - | - | - | (411,687) | (411,687) | (42) | (411,729) |
| Transfer to legal reserve | - | - | - | - | - | - | - | - | - | (55,936) | 55,936 | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | 80 | 80 | - | 80 |
| Balance as of December 31, 2023 | 371,607 | 706,427 | 241,954 | (9) | 821,498 | (30,944) | 12,819 | 3,335 | 376 | 97,629 | 801,527 | 3,026,219 | 181 | 3,026,400 |

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 twelve month period ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|--------------------|------------------|
| | S/(000) | S/(000) |
| Operating activities | | |
| Revenue | 20,012,086 | 18,885,117 |
| Payments to suppliers of goods and services | (16,097,152) | (15,197,376) |
| Payments to employees for salaries and social benefits | (1,476,787) | (1,499,710) |
| Taxes paid | (448,082) | (464,891) |
| Other collections, net | 23,819 | 48,944 |
| Net cash flows from operating activities | 2,013,884 | 1,772,084 |
| Investing activities | | |
| Sales of property, furniture and equipment | 70,640 | 19,615 |
| Sales of investment at fair value through profit or loss | 710 | 75,235 |
| Sales of investments properties | 29,771 | - |
| Purchase of investment at fair value through profit or loss | (33,048) | (36,966) |
| Purchase of property, furniture and equipment, net of acquisitions through leasing | (488,499) | (780,542) |
| Purchase and development of intangible assets | (53,914) | (71,387) |
| Purchase of investment properties, net of acquisitions through leasing | (831) | (13,756) |
| Net cash flows used in investing activities | (475,171) | (807,801) |
| Financing activities | | |
| Proceeds from interest-bearing loans and borrowings | 2,178,246 | 2,625,952 |
| Payment of interest-bearing loans and borrowings | (2,407,812) | (2,378,159) |
| Interest payment | (293,610) | (254,322) |
| Payment of lease liability | (371,893) | (343,339) |
| Interest payment of lease liability | (142,151) | (122,175) |
| Dividends payment | (411,687) | (465,675) |
| Dividends payment to non controlling interest | (42) | (29,520) |
| Rent payments and key money paid in advance | (1,039) | (206) |
| Net cash flows used in financing activities | (1,449,988) | (967,444) |
| Net increase (decrease) of cash and short-term deposits | 88,725 | (3,161) |
| 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 | 803,376 | 714,651 |
| Non-cash transactions | | |
| Fixed assets purchased through other non financial obligation | 48,617 | 54,856 |
| Addition of the period of right-of-use asset | 622,295 | 614,968 |

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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 2023 and December 31, 2022, and for the twelve -month period ended December 31, 2023 and 2022:

| | Total assets | | Total liabilities | | Total equity | | Net, profit and loss | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As of December 31, 2023 | As of December 31, 2022 | As of December 31, 2023 | As of December 31, 2022 | As of December 31, 2023 | As of December 31, 2022 | As of December 31, 2023 | As of December 31, 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 | 8,591,700 | 8,319,023 | 7,542,032 | 7,333,796 | 1,049,668 | 985,227 | 288,884 | 311,541 |
| InRetail Pharma S.A. and Subsidiaries | 6,093,410 | 6,147,134 | 5,384,389 | 5,621,010 | 709,021 | 526,124 | 506,953 | 402,307 |
| Agora Servicios Digitales S.A.C. | 102,456 | 69,886 | 64,218 | 36,213 | 38,238 | 33,673 | (57,670) | (76,533) |
| InDigital XP S.A.C. | 19,614 | 16,421 | 8,147 | 5,983 | 11,467 | 10,438 | 1,029 | 4,819 |
| Centro Logístico y Fabricación S.A.C. | - | 50 | - | - | - | 50 | (8) | (98) |

The combined financial statements as of December 31, 2023 were approved by management of InRetail Perú Corp. on February 28, 2024.

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 December 31, 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 December 31, 2023, the end of period exchange rates in the market for transactions in US Dollars were S/3.705 per US\$1 bid and S/3.713 per US\$1 ask, in Swiss franc were S/4.065 per Fr1 bid and S/5.084 per Fr1 ask, in Euros were S/3.972 per €1 bid and S/4.378 per € ask (S/3.808 and S/3.820 per US\$1 bid and ask, S/3.809 and S/4.351 per Fr1.00 for bid and ask, S/3.869 and S/4.360 per €1.00 for 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 December 31, 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\$) | 0.269 | 0.262 |
| Bolivian Peso (B\$) | 1.874 | 1.822 |
| Swiss franc (Fr) | 0.197 | 0.230 |
| Euros (€) | 0.228 | 0.229 |

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

| | As of December 31, 2023 | | | | As of December 31, 2022 | | | |
|--|-------------------------|-----------------|----------------|--------------|-------------------------|-----------------|----------------|--------------|
| | US\$(000) | B\$(000) | €(000) | Fr(000) | US\$(000) | B\$(000) | €(000) | Fr(000) |
| Assets | | | | | | | | |
| Cash and short-term deposits | 71,108 | 17,663 | - | - | 79,119 | 9,075 | - | - |
| Investments at fair value through profit or loss | 9,007 | - | - | - | - | - | - | - |
| Investments at fair value through equity | 13,860 | - | - | - | 12,583 | - | - | - |
| Trade receivables, net | 69,619 | 32,622 | - | - | 74,229 | 21,867 | - | - |
| Other accounts receivables, net | 26,716 | 2,245 | - | - | 16,814 | 4,688 | - | - |
| Accounts receivable from related parties | 2,050 | - | - | - | 358 | - | - | - |
| Total assets | 192,360 | 52,530 | - | - | 183,104 | 35,630 | - | - |
| Liabilities | | | | | | | | |
| Trade payables | (148,386) | (8,617) | (3,440) | (514) | (147,355) | (10,254) | (3,484) | (521) |
| Other payables | (14,501) | (5,642) | - | - | (9,416) | (5,450) | - | - |
| Accounts payable to related parties | (2,973) | - | - | - | (546) | - | - | - |
| Lease liability | (211,777) | (2,927) | - | - | (258,117) | (288) | - | - |
| Interest - bearing loans and borrowings | (589,977) | - | - | - | (589,724) | - | - | - |
| Total Liabilities | (967,614) | (17,186) | (3,440) | (514) | (1,005,159) | (15,992) | (3,484) | (521) |
| Hedge amount | 600,000 | - | - | - | 600,000 | - | - | - |
| Net (liability) asset position | (175,254) | 35,344 | (3,440) | (514) | (222,055) | 19,638 | (3,484) | (521) |

- (a) As of December 31, 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 twelve-month period ended as of December 31, 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 | 64,200 | 106,800 |
| Compensation of exchange difference for hedging derivative | (64,200) | (106,800) |
| Exchange difference generated by unhedged assets and liabilities | 23,746 | 49,468 |
| Net gain | 23,746 | 49,468 |

4. Cash and short-term deposits

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

| | As of December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|------------------------------|---------------------------------------|---------------------------------------|
| Cash | 45,667 | 84,988 |
| Current accounts (b) | 505,432 | 437,455 |
| Time deposits and others (c) | 76,353 | 60,699 |
| Remittances in transit | 175,924 | 131,509 |
| Total | 803,376 | 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 December 31, 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 7.50 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 December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Trade accounts receivable (c) | 652,934 | 659,408 |
| Credit card operations (d) | 168,443 | 134,784 |
| Rent receivable (e) | 3,723 | 4,390 |
| Others | 10,215 | 6,212 |
| Total | 835,315 | 804,794 |
| Provision for doubtful accounts (f) | (49,049) | (44,317) |
| Total | 786,266 | 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 twelve-month period ended December 31, 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) | 10,292 | 8,230 |
| Recoveries, Note 19 (a) | (4,382) | (2,917) |
| Write-off and recoveries | (715) | (6,482) |
| Exchange difference | (21) | (872) |
| Other | (450) | (4) |
| Balance at the end of the period | 49,049 | 44,317 |

Notes to the combined financial statements

As of December 31, 2023 and December 31, 2022, the amount of trade receivables past due but not impaired amounted to approximately S/126,933,000 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 December 31, 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 December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|---|---------------------------------------|---------------------------------------|
| Goods, Note 19 (a) | 2,368,529 | 2,392,555 |
| Raw material, Note 19 (a) | 661 | 2,707 |
| In transit inventories (b) | 200,320 | 241,645 |
| Miscellaneous supplies | 7,267 | 6,349 |
| Miscellaneous supplies for manufacturing, Note 19 (a) | 1,548 | 860 |
| Total | 2,578,325 | 2,644,116 |
| Minus | | |
| Provision for impairment of inventories (c) | (43,215) | (35,227) |
| Total | 2,535,110 | 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 twelve-month period ended as of December 31, 2023 and 2022 were as follows:

| | 2023 S/(000) | 2022 S/(000) |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 35,227 | 21,370 |
| Provision of the period, Note 19 (a) | 14,246 | 20,854 |
| Recovery | (5,563) | (6,593) |
| Foreign currency translation | (695) | (404) |
| Balance at the end of the period | 43,215 | 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 December 31, 2023, Supermercados Peruanos S.A. maintains investments at fair value through equity for an amount of US\$13,860,000 equivalent to S/51,350,000 (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 December 31, 2023 and 2022, the unrealized result net of deferred tax is S/12,819,000 and S/10,397,000 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 December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|--------------|---------------------------------------|---------------------------------------|
| Insurance | 2,014 | 4,566 |
| Prepaid tax | 767 | 874 |
| Others | 20,875 | 14,359 |
| Total | 23,656 | 19,799 |

9. Derivatives financial instruments

As of December 31, 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 | 512,394 | 23,781 | 27,288 |
| Citibank N.A. (a) | 100,000 | March 2028 | 2.70 | 371,300 | 2,889 | 16,762 |
| Citibank N.A. (a) | 50,000 | March 2028 | 2.70 | 185,650 | 1,225 | 8,181 |
| Citibank N.A. (a) | 138,000 | March 2028 | - | 512,394 | 27,725 | 32,164 |
| Citibank N.A. (a) | 100,000 | March 2028 | 1.50 | 371,300 | 2,889 | 16,762 |
| Citibank N.A. (a) | 50,000 | March 2028 | 1.50 | 185,650 | 1,225 | 8,181 |
| Citibank N.A. (a) | 24,000 | March 2028 | 1.04 | 89,112 | 4,137 | 4,746 |
| Total | | | | | 63,871 | 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.

Notes to the combined financial statements

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 intercompany loans. They fixed the exchange rate at S/4.1045 and S/4.1100 per US\$1.00 and these instruments protect variations in 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 recognized 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/15,914,000 was generated as of December 31, 2023 (S/15,069,000 as of December 31, 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 December 31, 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 protect 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 protect 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 December 31, 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) | 537,116 | 835,398 |
| Disposals and/or sales (c) | (194,117) | (228,963) |
| Reclasification | 16,957 | - |
| Transfer from investment properties | - | 24,115 |
| Foreign currency translation | 333 | (3,094) |
| Final balance | 7,053,061 | 6,690,629 |
| Accumulated depreciation | | |
| Initial balance | 2,024,949 | 1,934,356 |
| Acquisition of subsidiary | 680 | - |
| Additions, Note 19 (a) | 359,122 | 301,964 |
| Disposals and/or sales (c) | (144,872) | (209,056) |
| Reclasification | 16,957 | - |
| Foreign currency translation | 742 | (2,315) |
| Final balance | 2,257,578 | 2,024,949 |
| Net book value | 4,795,483 | 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.

In June 2023, the Supermercados Peruanos Group sold the building of the Santa Clara store to related company for amount of S/29,300,000.

(d) As of December 31, 2023, the cost and corresponding accumulated depreciation of assets acquired through finance leases was approximately S/766,395,000 and S/363,398,000, 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 twelve-month period ended December 31, 2023 and 2022, was recorded as follows in the income statement:

| | 2023 S/(000) | 2022 S/(000) |
|--------------------------------------|------------------------|------------------------|
| Cost of sales, Note 19 (a) | 2,746 | 2,933 |
| Sales expenses, Note 19 (a) | 332,517 | 276,878 |
| Administrative expenses, Note 19 (a) | 23,859 | 22,153 |
| Balance as of December 31 | 359,122 | 301,964 |

11. Investment properties

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

| | As of December 31, 2023 S/. (000) | As of December 31, 2022 S/. (000) |
|---|---|---|
| Balance at the beginning of the year | 224,677 | 241,632 |
| Additions | 831 | 13,756 |
| Disposals (d) | (29,584) | (3) |
| Transfer to property, furniture and equipment | - | (24,115) |
| Adjustment on valuation | 953 | (6,593) |
| Total | 196,877 | 224,677 |

- (b) As of December 31, 2023 and December 31, 2022, investment properties include seven properties located in Lima, Moquegua, Tacna and Tumbes held to earn income.
- (c) As of December 31, 2023 and December 31, 2022, Management of the Companies performed an evaluation of their investment properties, and has not found any indication of impairment.
- (d) In August 2023, the Supermercados Peruanos Group sold to related company the building of the Lurin store for amount of S/48,873,000.

Notes to the combined financial statements

12. Intangible assets, net

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

| | As of December 31, 2023 | As of December 31, 2022 |
|---------------------------------|----------------------------|----------------------------|
| | S/(000) | S/(000) |
| Cost | | |
| Initial balance | 1,859,882 | 1,829,465 |
| Additions (c) | 53,914 | 71,387 |
| Disposal and/or sales | (80,128) | (40,751) |
| Foreign currency translation | (293) | (219) |
| Final balance | 1,830,518 | 1,859,882 |
| Accumulated amortization | | |
| Initial balance | 547,995 | 494,950 |
| Additions, Note 19 (a) | 77,276 | 93,564 |
| Disposals and/or sales | (79,252) | (40,313) |
| Foreign currency translation | (286) | (206) |
| Final balance | 545,636 | 547,995 |
| Goodwill (d) | | |
| Initial balance | 2,631,205 | 2,631,205 |
| Additions | - | - |
| Final balance | 2,631,205 | 2,631,205 |
| Net book value | 3,916,087 | 3,943,092 |

(b) As of December 31, 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, S/15,911,000 to the “Ninet” brand and S/17,040,000 to the other “InRetail Pharma” 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 December 31, 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 December 31, 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.

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 twelve-month period ended December 31, 2023 and 2022, was recorded as follows in the income statement:

| | 2023 S/(000) | 2022 S/(000) |
|--------------------------------------|------------------------|------------------------|
| Cost of Sales, Note 19 (a) | 4 | 8 |
| Sales expenses, Note 19 (a) | 28,138 | 65,273 |
| Administrative expenses, Note 19 (a) | 49,134 | 28,283 |
| Balance as of December 31 | 77,276 | 93,564 |

13. Trade payables

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

| | As of December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|--|---|---|
| Bills payable for purchase of goods | 3,647,315 | 3,642,115 |
| Bills payable for commercial services | 401,649 | 344,342 |
| Provision for services and maintenance | 144,236 | 148,865 |
| Total | 4,193,200 | 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 2 to 5 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 twelve-month period ended as of December 31, 2023 and December 31, 2022, is as follows:

| | Land S/(000) | Buildings, infrastructure and facilities S/(000) | Vehicles S/(000) | As of December 31, 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 | - | 619,902 | 2,393 | 622,295 | 614,968 |
| Cancellation of contracts (i) | - | (267,992) | (1,631) | (269,623) | (195,119) |
| Reclasification | - | 18,098 | - | 18,098 | - |
| Foreign currency translation | - | (1,159) | (36) | (1,195) | (2,130) |
| Final balance | 3,511 | 3,016,564 | 2,239 | 3,022,314 | 2,652,739 |
| Accumulated depreciation | | | | | |
| Initial balance | 237 | 964,227 | 860 | 965,324 | 739,545 |
| Additions, Note 19 (a) | 42 | 393,445 | 611 | 394,098 | 393,098 |
| Cancellation of contracts (i) | - | (219,628) | (1,374) | (221,002) | (166,509) |
| Transfer | - | (88) | - | (88) | - |
| Reclasification | - | 18,098 | - | 18,098 | - |
| Foreign currency translation | - | (547) | (24) | (571) | (810) |
| Final balance | 279 | 1,155,507 | 73 | 1,155,859 | 965,324 |
| Net book value | 3,232 | 1,861,057 | 2,166 | 1,866,455 | 1,687,415 |

- (i) Corresponds mainly to the derecognition of expired contracts, amounting to S/221,002,000 as of December 31, 2023 (S/166,509,000 as of December 31, 2022).

Depreciation expense for the twelve-month period ended December 31, 2023 and 2022, was recorded as follows in the combined income statement:

| | 2023 S/(000) | 2022 S/(000) |
|--------------------------------------|-----------------|-----------------|
| Cost of sales, Note 19 (a) | 2,523 | 1,647 |
| Sales expenses, Note 19 (a) | 381,911 | 382,015 |
| Administrative expenses, Note 19 (a) | 9,664 | 9,436 |
| Balance as of December 31 | 394,098 | 393,098 |

Notes to the combined financial statements

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

| | As of December 31, 2023 | As of December 31, 2022 |
|--|-----------------------------------|-----------------------------------|
| | S/(000) | S/(000) |
| Initial balance | 1,893,153 | 1,708,994 |
| Additions | 622,295 | 614,968 |
| Increase for accrued interest, Note 20 | 142,151 | 122,175 |
| Amortization | (514,044) | (465,514) |
| Cancellation of contract | (52,657) | (30,704) |
| Payments made at the beginning of the contract | (1,039) | (206) |
| Prepaid rent | 4,247 | (4,998) |
| Transfer | (578) | - |
| Exchange rate | (38,543) | (50,208) |
| Foreign currency translation | (666) | (1,354) |
| Final balance | 2,054,319 | 1,893,153 |
| Current | 331,433 | 317,016 |
| Non-current | 1,722,886 | 1,576,137 |
| Total | 2,054,319 | 1,893,153 |

Additionally, in the twelve-month period ended as of December 31, 2023 and 2022, interest related to the lease liability of S/142,151,000 and S/122,175,000 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) | S/(000) | S/(000) |
| Notes Senior Unsecured | | | | | | | | | | | |
| Senior Secured Notes (b) | PEN | 4.900 | 2028 | - | 555,000 | 551,035 | 550,093 | - | - | 551,035 | 550,093 |
| Senior Secured Notes (b) | USD | 3.250 | 2028 | 600,000 | - | 2,100,022 | 2,157,136 | - | - | 2,100,022 | 2,157,136 |
| Senior Notes Unsecured (c) | PEN | 6.438 | 2025 | - | 385,800 | 385,197 | 384,786 | - | - | 385,197 | 384,786 |
| | | | | 600,000 | 940,800 | 3,036,254 | 3,092,015 | - | - | 3,036,254 | 3,092,015 |
| Leasing | | | | | | | | | | | |
| Related entities | | | | | | | | | | | |
| Banco Internacional del Perú-Interbank | PEN | 3.990 | 2026 | - | 101,963 | 101,936 | 101,903 | - | - | 101,936 | 101,903 |
| Non-related entities | | | | | | | | | | | |
| Banco Continental | PEN | 4.950 | 2024 | - | 18,150 | 679 | 4,641 | 679 | 3,960 | - | 681 |
| Banco de Crédito del Perú | PEN | 5.620 | 2026 | - | 26,027 | 13,914 | 20,563 | 5,333 | 6,650 | 8,581 | 13,913 |
| Banco de Crédito del Perú | PEN | 10.320 | 2028 | - | 1,462 | 1,265 | - | 257 | - | 1,008 | - |
| | | | | - | 147,602 | 117,794 | 127,107 | 6,269 | 10,610 | 111,525 | 116,497 |
| Overdraft | | | | | | | | | | | |
| Banco Internacional del Perú-Interbank | PEN | - | 2024 | - | 9 | 9 | - | 9 | - | - | - |
| | | | | - | 9 | 9 | - | 9 | - | - | - |
| Loans (h) | | | | | | | | | | | |
| Related entities | | | | | | | | | | | |
| Banco Internacional del Perú-Interbank | PEN | Between 3.990 and 7.990 | 2026 y 2027 | - | 298,037 | 284,150 | 295,901 | 24,870 | 12,371 | 259,280 | 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 | 219,086 | 218,592 | - | - | 219,086 | 218,592 |
| Non-related entities | | | | | | | | | | | |
| Banco Continental (e) | PEN | Between 2.450 and 8.540 | 2025 and 2026 | - | 370,000 | 286,105 | 194,631 | 113,750 | 52,000 | 172,355 | 142,631 |
| Banco Continental | PEN | 8.490 | 2024 | - | 62,000 | 62,000 | - | 62,000 | - | - | - |
| Banco Citibank | PEN | 8.800 | 2024 | - | 33,000 | 33,000 | - | 33,000 | - | - | - |
| Banco Scotiabank | PEN | 8.450 | 2024 | - | 35,000 | 35,000 | - | 35,000 | - | - | - |
| Banco Scotiabank (d) | PEN | Between 4.450 and 8.360 | 2024 and 2027 | - | 1,085,000 | 837,715 | 919,250 | 123,211 | 329,568 | 714,504 | 589,682 |
| Banco GNB | PEN | 8.260 | 2023 | - | 20,000 | - | 20,000 | - | 20,000 | - | - |
| Banco Scotiabank (f) | PEN | 3.750 | 2026 | - | 330,000 | 328,631 | 327,890 | - | - | 328,631 | 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 | - | 130,000 | - | 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 | Between 8.600 and 9.050 | 2023 | - | 20,000 | - | 20,000 | - | 20,000 | - | - |
| BBVA Banco Continental | PEN | Between 8.710 and 9.620 | 2023 | - | 30,000 | - | 30,000 | - | 30,000 | - | - |
| | | | | 3,000 | 2,724,037 | 2,085,687 | 2,258,724 | 391,831 | 696,399 | 1,693,856 | 1,562,325 |

Notes to the combined financial statements

| 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) |
| Derivative financial instruments financing, Note 9 | | | | | | | | | | | |
| Citibank N.A. | USD | 3.176 | 2028 | 8,374 | - | 22,191 | 27,480 | 4,675 | 4,648 | 17,516 | 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 | - | 3,859 | 4,780 | 813 | 809 | 3,046 | 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 | 122,951 | 146,287 | 24,168 | 22,585 | 98,783 | 123,702 |
| Other obligations to third parties (i) | | | | | | | | | | | |
| Hewlett Packard S.A. | USD | Between 1.560 and 5.870 | 2027 and 2028 | 6,596 | - | 15,093 | 13,585 | 4,301 | 4,966 | 10,792 | 8,619 |
| Hewlett Packard S.A. | USD | Between 0.280 and 5.920 | 2024 and 2028 | 14,883 | - | 46,830 | 35,959 | 15,438 | 11,578 | 31,392 | 24,381 |
| Inversiones Nueva Capital Perú S.A. | USD | Between 2.310 and 6.920 | 2025 and 2026 | 138 | - | 264 | 406 | 137 | 135 | 127 | 271 |
| Inversiones Nueva Capital Perú S.A. | USD | 1.830 | 2025 | 313 | - | 1,032 | - | 516 | - | 516 | - |
| Nuevo Capital Leasing Perú S.A.C. | USD | 5.280 | 2025 | 663 | - | 1,287 | 1,937 | 627 | 607 | 660 | 1,330 |
| | | | | 22,593 | - | 64,506 | 51,887 | 21,019 | 17,286 | 43,487 | 34,601 |
| Total | | | | 635,218 | 3,949,455 | 5,427,201 | 5,676,020 | 443,296 | 746,880 | 4,983,905 | 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/2,227,800,000 as of December 31, 2023) and S/555,000,000 abroad (Luxembourg). These 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 approximately US\$4,414,000 equivalent to around S/16,388,000 as of December 31, 2023 (US\$5,305,000 equivalent to around S/20,264,000 as of December 31, 2022) and S/3,965,000 as of December 31, 2023 (S/4,907,000 as of December 31, 2022), respectively.

Additionally, it is presented net of US\$30,000,000 equivalent to S/111,390,000 as of December 31, 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 December 31, 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/603,000 as of December 31, 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 December 31, 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 October and December 2023, Supermercados Peruanos S.A. received two loans from Banco Scotiabank S.A.A. for S/34,000,000, accruing nominal interest between 8.11 and 8.36 percent per year, maturing in March and April 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 8.60 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 December 31, 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/1,369,000 as of December 31, 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/914,000 as of December 31, 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 December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|--------------|---------------------------------------|---------------------------------------|
| 2023 | - | 746,880 |
| 2024 | 443,297 | 141,123 |
| 2025 | 954,782 | 804,927 |
| 2026 | 1,294,349 | 1,204,822 |
| 2027 | 68,166 | 46,944 |
| 2028 onwards | 2,666,607 | 2,731,324 |
| Total | 5,427,201 | 5,676,020 |

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

| Statements of financial position | As of December 31, 2023 | | As of December 31, 2022 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | Assets | Liabilities | Assets | Liabilities |
| | S/(000) | S/(000) | S/(000) | S/(000) |
| InRetail Pharma S.A. | 69,655 | - | 55,929 | - |
| Química Suiza S.A.C. | - | 43,674 | - | 45,886 |
| Vanttive S.A.C. | - | - | 95 | - |
| Quicorp S.A. | - | - | 17 | - |
| Quifatex S.A. | 7,876 | - | 9,053 | - |
| Vanttive Cía Ltda. | 130 | - | 283 | - |
| Farmacías Peruanas S.A.C. | 15,966 | - | 10,582 | - |
| Quimiza Ltda. | 953 | - | 858 | - |
| Mifarma S.A.C. | 46,812 | - | 45,537 | - |
| Jorsa de la Selva S.A.C. | 3,685 | - | 2,792 | - |
| Operadora de Servicios Logísticos S.A.C. | 5,834 | - | 4,986 | - |
| Supermercados Peruanos S.A. | - | 83,326 | - | 63,192 |
| Plaza Veá Oriente S.A.C. | 6,166 | - | 6,232 | - |
| Compañía Food Retail S.A.C. | 64,323 | - | 47,981 | - |
| Administración Food Regional S.A.C. | 4,292 | - | 4,419 | - |
| Makro Supermayorista S.A. | - | 19,078 | - | 17,364 |
| Jokr Peru S.A.C. | 15,242 | - | - | - |
| Agora Servicios Digitales S.A.C. | 539 | - | 422 | - |
| InDigital XP S.A.C. | 121 | - | 242 | - |
| Centro Logístico y Fabricación S.A.C. | - | - | 1 | - |
| Compañía Hard Discount S.A.C. | 45,285 | - | 32,372 | - |
| Adjustment combination | (5,013) | 343,664 | (6,226) | 357,077 |
| Total | 312,948 | 489,742 | 239,123 | 483,519 |

| Statements of comprehensive income | For the twelve-month period ended December 31 2023 | |
|------------------------------------|--|------------------|
| | 2023 | 2022 |
| | S/(000) | S/(000) |
| Current | (481,022) | (420,130) |
| Deferred | 88,143 | 75,545 |
| Income tax expense | (392,879) | (344,585) |

- (b) As of December 31, 2023 the provision for current income tax payable, amounts to approximately S/81,847,000 (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 December 31, 2023 | As of December 31, 2022 | | As of December 31, 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 December 31, 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 December 31, 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/411,729,000 and S/495,195,000, 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 December 31, 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 December 31, 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-DGERCGC20-00000013, 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 December 31, 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 2019 to 2021 | From 2020 to 2021 |
| Boticas del Oriente S.A.C. | From 2019 to 2021 | From 2020 to 2021 |
| Eckerd Amazonía S.A.C. | From 2019 to 2021 | From 2020 to 2021 |
| InRetail Pharma S.A. | From 2019 to 2023 | From 2020 to 2023 |
| Jorsa de la Selva S.A.C. | From 2019 to 2023 | From 2020 to 2023 |
| Quicorp S.A. | From 2019 to 2023 | From 2020 to 2023 |
| Mifarma S.A.C. | From 2019 to 2023 | From 2020 to 2023 |
| Quifatex S.A. | From 2020 to 2023 | From 2020 to 2023 |
| Química Suiza S.A.C. | From 2020 to 2023 | From 2020 to 2023 |
| Quimiza Ltda. | From 2015 to 2023 | From 2015 to 2023 |
| Supermercados Peruanos S.A. | From 2015 and 2019 to 2023 | From 2020 to 2023 |
| Plaza Vea Oriente S.A.C. | From 2019 to 2023 | From 2020 to 2023 |
| Plaza Vea Sur S.A.C. | From 2019 to 2020 | 2020 |
| Desarrolladora de Strip Center S.A.C. | From 2019 to 2023 | From 2020 to 2023 |
| Vanttive Cía Ltda. | From 2020 to 2023 | From 2020 to 2023 |
| Vanttive S.A.C. | From 2019 to 2023 | From 2020 to 2023 |
| Farmacías Peruanas S.A.C. | From 2020 to 2023 | From 2020 to 2023 |
| Droguería InRetail Pharma S.A.C. | From 2019 to 2022 | From 2020 to 2022 |
| Makro Supermayorista S.A. | From 2019 to 2023 | From 2020 to 2023 |
| InRetail Foods S.A.C. | From 2020 to 2021 | From 2020 to 2021 |
| Operadora de Servicios Logísticos S.A.C. | From 2021 to 2023 | From 2021 to 2023 |
| FP Servicios Generales S.A.C. | From 2021 to 2023 | From 2021 to 2023 |
| Boticas IP S.A.C. | From 2021 to 2023 | From 2021 to 2023 |
| Agora Servicios Digitales S.A.C. (antes InDigital S.A.C.) | from 2019 to 2023 | From 2020 to 2023 |
| InDigital XP S.A.C. (antes IR Digital S.A.C.) | from 2019 to 2023 | From 2020 to 2023 |
| Compañía Hard Discount S.A.C. | From 2021 to 2023 | From 2021 to 2023 |
| Centro Logístico y de Fabricación S.A.C. | From 2021 to 2023 | From 2021 to 2023 |
| Compañía Food Retail S.A.C. | From 2021 to 2023 | From 2021 to 2022 |
| Administración Food Regional S.A.C | From 2021 to 2023 | From 2021 to 2023 |
| Inmobiliaria Food Retail S.A.C (antes Electro OH) | From 2021 to 2023 | From 2021 to 2023 |
| Jokr Perú S.A.C. | From 2021 to 2023 | 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 December 31, 2023 and December 31, 2022.

- (f) As of December 31, 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. | 191,628 | 139,513 |
| Compañía Hard Discount S.A.C. | 47,155 | 35,035 |
| Total | 238,783 | 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 | 14,717,716 | 14,023,662 |
| Selling expenses | 3,336,608 | 3,296,343 |
| Administrative expenses | 582,765 | 525,371 |
| Total | 18,637,089 | 17,845,376 |

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 | 14,577,571 | - | - | 14,577,571 |
| Final balance of goods, Note 6 (a) | (2,368,529) | - | - | (2,368,529) |
| Final balance of raw material, Note 6 (a) | (661) | - | - | (661) |
| Final balance of miscellaneous supplies, Note 6 (a) | (1,548) | - | - | (1,548) |
| Impairment of inventories, Note 6 (c) | 14,246 | - | - | 14,246 |
| Cost of services | 94,850 | - | - | 94,850 |
| Personnel expenses | - | 1,213,731 | 262,657 | 1,476,388 |
| Depreciation, Note 10 (f) | 2,746 | 332,517 | 23,859 | 359,122 |
| Depreciation of right-of uses asset, Note 14 (b) | 2,523 | 381,911 | 9,664 | 394,098 |
| Amortization, Note 12 (e) | 4 | 28,138 | 49,134 | 77,276 |
| Services provided by third parties (b) | - | 885,611 | 172,071 | 1,057,682 |
| Advertising | - | 193,021 | 1,632 | 194,653 |
| Packing and packaging | - | 35,574 | 273 | 35,847 |
| Rental of premises | - | 19,314 | 15,662 | 34,976 |
| Low-value asset leases | 377 | 13,410 | 8,202 | 21,989 |
| Taxes | - | 47,125 | 24,647 | 71,772 |
| Provision for doubtful trade receivables, Note 5 (f) | - | 9,937 | 355 | 10,292 |
| Recovery of doubtful trade receivables, Note 5 (f) | - | (4,382) | - | (4,382) |
| Provision for doubtful other account receivables | - | 2,955 | - | 2,955 |
| Recovery of doubtful other account receivables | - | (2,626) | (29) | (2,655) |
| Insurance | - | 25,856 | 3,034 | 28,890 |
| Other charges (c) | - | 154,516 | 11,604 | 166,120 |
| Total | 14,717,716 | 3,336,608 | 582,765 | 18,637,089 |

Notes to the combined financial statements

| | 2022 | | | Total |
|--|-------------------|------------------|-------------------------|-------------------|
| | Cost of sales | Selling expenses | Administrative expenses | |
| | 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 | 14,006,278 | - | - | 14,006,278 |
| Final balance of goods, Note 6 (a) | (2,392,555) | - | - | (2,392,555) |
| Final balance raw materials, Note 6 (a) | (2,707) | - | - | (2,707) |
| Final balance of miscellaneous supplies, Note 6 (a) | (860) | - | - | (860) |
| Impairment of inventories, Note 6 (c) | 20,854 | - | - | 20,854 |
| Cost of services | 65,156 | - | - | 65,156 |
| Personnel expenses | - | 1,219,243 | 272,730 | 1,491,973 |
| Depreciation, Note 10 (f) | 2,933 | 276,878 | 22,153 | 301,964 |
| Depreciation of right-of uses asset, Note 14 (b) | 1,647 | 382,015 | 9,436 | 393,098 |
| Amortization, Note 12 (e) | 8 | 65,273 | 28,283 | 93,564 |
| Services provided by third parties (b) | - | 820,940 | 111,976 | 932,916 |
| Advertising | - | 187,790 | 39 | 187,829 |
| Packing and packaging | - | 42,190 | 786 | 42,976 |
| Rental of premises | - | 32,265 | 9,882 | 42,147 |
| Low-value asset leases | 78 | 24,836 | 9,402 | 34,316 |
| Taxes | - | 42,377 | 29,040 | 71,417 |
| Provision for doubtful trade receivables, Note 5 (f) | - | 7,856 | 374 | 8,230 |
| Recovery of doubtful trade receivables, Note 5 (f) | - | (2,037) | (880) | (2,917) |
| Provision for doubtful others account receivables | - | 1,293 | 2,994 | 4,287 |
| Recovery of doubtful other account receivables | - | (890) | - | (890) |
| Insurance | - | 22,418 | 2,820 | 25,238 |
| Other charges (c) | - | 173,896 | 26,336 | 200,232 |
| Total | 14,023,662 | 3,296,343 | 525,371 | 17,845,376 |

(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 | 6,842 | 15,414 |
| Interest on cash | 20,653 | 8,352 |
| Dividends | 1,185 | 983 |
| Interest from loans to related parties | 117 | 218 |
| Total | 28,797 | 24,967 |
| Finance cost | | |
| Interest on loans, borrowings and bonds payable | 271,446 | 248,482 |
| Interest on lease liabilities, Note 14 (c) | 142,151 | 122,175 |
| Accrual of the cost of structuring of financial obligations | 9,491 | 9,183 |
| Interest on the financing of "Call Spread" | 9,774 | 11,406 |
| Premium accrual "Call Spread" | 38,794 | 39,072 |
| Interest on loans to related parties | 186 | 262 |
| Accrued of value over time of the exchange of Derivative financial instruments (c) | 15,194 | 15,069 |
| Other financial costs | 20,523 | 16,841 |
| Total | 507,559 | 462,490 |

(b) As of December 31, 2023 and December 31, 2022, there are interest payable for these obligations for approximately S/52,932,000 and S/49,349,000, respectively, which are recorded in the "Other payables" caption of the combined statements of financial position.

(c) As of December 31, 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 December 31, 2023 and 2022:

| | 2023 S/(000) | 2022 S/(000) |
|--------------------------------|-----------------|-----------------|
| Income | | |
| Sales | 34,751 | 31,272 |
| Rental income | 60,613 | 31,790 |
| Sales of fixed assets | 29,771 | - |
| Sales of investment properties | 50,493 | 45,366 |
| Services income | 21,967 | 0 |
| Collection services | 7,222 | 3,813 |
| Interest income | 8,873 | 2,402 |
| Other | 31,974 | 26,135 |
| Total | 276,290 | 183,011 |
| Expenses | | |
| Renting of premises and land | 6,812 | 11,767 |
| Reimbursement of expenses | 83,656 | 58,527 |
| Commissions | 50,221 | 41,513 |
| Interest | 20,346 | 0 |
| Other | 18,114 | 5,422 |
| Total | 184,136 | 117,229 |

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 December 31, 2023 and December 31, 2022:

| | As of December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|--|---------------------------------------|---------------------------------------|
| Receivables | | |
| Financiera Oh! S.A. | 32,865 | 30,006 |
| Homecenters Peruanos S.A. | 11,100 | 9,106 |
| Tiendas Peruanas S.A. | 8,903 | 6,827 |
| San Borja Global Opportunities S.A.C. | 5,785 | - |
| Almacenes Guru S.A.C. | 3,830 | - |
| Cineplex S.A. | 2,440 | 4,443 |
| Banco Internacional del Perú S.A.A. – Interbank | 1,693 | 4,852 |
| Home Centers Oriente S.A.C. | 1,493 | 1,686 |
| Chelsea National Corp. | 1,471 | - |
| Real Plaza S.R.L. | 686 | 759 |
| Interseguro Cía. | 138 | 55 |
| IR Management S.R.L. | 88 | 3,675 |
| Pinapp USA LLC. | 74 | 478 |
| Servicios Compartidos de Restaurantes S.A.C. | 6 | 478 |
| San Miguel Global Opportunities S.A.C. | - | 7,377 |
| Other | 3,984 | 8,610 |
| Total | 74,556 | 78,352 |
| | As of December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
| Payables | | |
| PF Interproperties Perú (g) | 54,446 | 49,888 |
| InRetail Shopping Mall (h) | 11,060 | 47,993 |
| Homecenters Peruanos S.A (g) | 23,476 | 42,930 |
| Financiera Oh! (d) | 43,500 | 41,316 |
| Tiendas Peruanas S.A | 4,487 | 6,613 |
| IR Management S.R.L. | 5,095 | 7,921 |
| Interproperties Holding II | 8,533 | 8,532 |
| Banco Internacional del Perú S.A.A. – Interbank: | | |
| Credit lines and other | 138 | 707 |
| Guarantee deposit (f) | 3,201 | 2,919 |
| Real Plaza S.R.L. | 3,923 | 1,916 |
| Inmobiliaria Milenia S.A. | 1,859 | 945 |
| Intercorp Retail Inc. | - | 656 |
| Inmobiliaria Puerta del Sol S.A. | 138 | 14 |
| Almacenes Guru S.A.C. | 1,137 | - |
| Chelsea National Corp. | 6,910 | - |
| Interseguro Cía de Seguros S.A. | 670 | 178 |
| Intercorp Peru Ltd. (e) | 15,926 | 27,733 |
| Other | 2,336 | 15,074 |
| Total | 186,835 | 255,335 |
| Remunerations payable to key management | - | - |
| Total | 186,835 | 255,335 |
| Current portion | 104,609 | 104,504 |
| Non-current portion | 82,226 | 150,831 |
| Total | 186,835 | 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 twelve month period ended December 31, 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, the Supermercados Peruanos Group 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 December 31, 2023 and December 31, 2022, Supermercados Peruanos S.A. holds accounts payable to Financiera Oh! S.A. for approximately S/22,877,000 and S/27,625,000 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 December 31, 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 December 31, 2023 and December 31, 2022. As of December 31, 2023 and December 31, 2022, the net present value of the balances related to the guarantee deposits amounted to S/3,201,000 and S/2,919,000, respectively.
- (g) As of December 31, 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/46,748,000 and S/17,594,000, 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" and "Tarapoto". 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 year 2022.

Notes to the combined financial statements

22. Deferred revenue

The table below presents the components of this caption:

| | As of December 31, 2023 S/(000) | As of December 31, 2022 S/(000) |
|----------------------------------|---------------------------------------|---------------------------------------|
| Other operating leases as lessor | 15,822 | 19,086 |
| Loyalty program | 17,740 | 15,277 |
| Other deferred revenue | 15,217 | 15,202 |
| Total | 48,779 | 49,565 |
| Current portion | 20,341 | 18,935 |
| Non-current portion | 28,438 | 30,630 |
| Total | 48,779 | 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 December 31, 2023, the balance is S/6,873,000 (S/7,295,000 as of December 31, 2022). During 2023, S/422,000 has been recognized as accrued amount as an income (S/317,000, during 2022).

23. Commitments and contingencies

Commitments:

- (a) As of December 31, 2023, the Company and its Subsidiaries agreed with various financial entities to issue joint and irrevocable surety letters for amounts approximately S/62,622,000, US\$5,018,000, €150,000 and B\$179,000 (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\$45,772,000 and €106,000 (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.

Notes to the combined financial statements

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/62,171,000 as of December 31, 2023 (S/70,058,000 as of December 31, 2022). 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 December 31, 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 December 31, 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/9,636,0000, the Company will continue with the claim.
- (c) Supermercados Peruanos S.A. has been audited for the years 2004 to 2010, 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 December 31, 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 twelve -month period ended December 31, 2023 and 2022:

| | Pharma | | | | | Digital S/(000) | 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) | | | | |
| For the twelve month period ended December 31, 2023 | | | | | | | | | |
| Revenue | | | | | | | | | |
| External income | 11,366,411 | 6,370,548 | 2,393,331 | - | 8,763,879 | 43,504 | 20,173,794 | - | 20,173,794 |
| Inter-segment | 11,616 | 140,984 | 579,494 | (693,291) | 27,187 | 53,733 | 92,536 | (92,536) | - |
| Total revenue | 11,378,027 | 6,511,532 | 2,972,825 | (693,291) | 8,791,066 | 97,237 | 20,266,330 | (92,536) | 20,173,794 |
| Cost of sales | (8,680,823) | (3,913,514) | (2,088,083) | - | (6,001,597) | (35,296) | (14,717,716) | - | (14,717,716) |
| Inter-segment | - | (125,860) | (563,827) | 671,129 | (18,558) | (23,848) | (42,406) | 42,406 | - |
| Gross profit | 2,697,204 | 2,472,158 | 320,915 | (22,162) | 2,770,911 | 38,093 | 5,506,208 | (50,130) | 5,456,078 |
| Gain on valuation at fair value of investment | 953 | - | - | - | - | - | 953 | - | 953 |
| Selling expenses | (1,764,209) | (1,362,966) | (170,584) | 5,283 | (1,528,267) | (75,869) | (3,368,345) | 31,737 | (3,336,608) |
| Administrative expenses | (240,427) | (264,784) | (58,914) | 1,690 | (322,008) | (20,446) | (582,881) | 116 | (582,765) |
| Other operating income, net | 37,929 | (3,133) | 2,061 | 1 | (1,071) | 1,188 | 38,046 | (1,309) | 36,737 |
| Operating profit | 731,450 | 841,275 | 93,478 | (15,188) | 919,565 | (57,034) | 1,593,981 | (19,586) | 1,574,395 |
| Exchange difference, net | 16,869 | 18,742 | (2,666) | (325) | 15,751 | (384) | 32,236 | (8,490) | 23,746 |
| Finance income | 4,809 | 31,584 | 2,364 | (17,525) | 16,423 | 1,633 | 22,865 | 5,932 | 28,797 |
| Finance costs | (320,360) | (174,862) | (17,539) | 3,154 | (189,247) | (124) | (509,731) | 2,172 | (507,559) |
| Profit before income tax | 432,768 | 716,739 | 75,637 | (29,884) | 762,492 | (55,909) | 1,139,351 | (19,972) | 1,119,379 |
| Income tax expense | (143,884) | (227,030) | (28,745) | 236 | (255,539) | (732) | (400,155) | 7,276 | (392,879) |
| Profit for the year | 288,884 | 489,709 | 46,892 | (29,648) | 506,953 | (56,641) | 739,196 | (12,696) | 726,500 |
| Attributable to: | | | | | | | | | |
| Owner of the parent | 288,884 | 489,709 | 46,892 | (29,648) | 506,953 | (56,641) | 739,196 | (12,745) | 726,451 |
| Non-controlling interests | - | - | - | - | - | - | - | 49 | 49 |
| Profit for the year | 288,884 | 489,709 | 46,892 | (29,648) | 506,953 | (56,641) | 739,196 | (12,696) | 726,500 |

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 twelve month period ended December 31, 2022 | | | | | | | | | |
| Revenue | | | | | | | | | |
| External income | 10,501,466 | 6,273,854 | 2,354,317 | - | 8,628,171 | 30,290 | 19,159,927 | - | 19,159,927 |
| Inter-segment | 13,188 | 53,299 | 658,825 | (672,043) | 40,081 | 25,495 | 78,764 | (78,764) | - |
| Total revenue | 10,514,654 | 6,327,153 | 3,013,142 | (672,043) | 8,668,252 | 55,785 | 19,238,691 | (78,764) | 19,159,927 |
| Cost of sales | (8,010,599) | (3,971,045) | (2,024,885) | - | (5,995,930) | (17,133) | (14,023,662) | - | (14,023,662) |
| Inter-segment | - | (44,275) | (650,757) | 667,117 | (27,915) | (2,585) | (30,500) | 30,500 | - |
| Gross profit | 2,504,055 | 2,311,833 | 337,500 | (4,926) | 2,644,407 | 36,067 | 5,184,529 | (48,264) | 5,136,265 |
| Gain on valuation at fair value of investment | (6,593) | - | - | - | - | - | (6,593) | - | (6,593) |
| Selling expenses | (1,655,816) | (1,356,158) | (184,307) | (34,918) | (1,575,383) | (92,761) | (3,323,960) | 27,617 | (3,296,343) |
| Administrative expenses | (190,395) | (255,931) | (69,992) | 3,417 | (322,506) | (12,492) | (525,393) | 22 | (525,371) |
| Other operating income, net | 15,936 | 21,086 | 3,319 | 2,293 | 26,698 | 96 | 42,730 | (818) | 41,912 |
| Operating profit | 667,187 | 720,830 | 86,520 | (34,134) | 773,216 | (69,090) | 1,371,313 | (21,443) | 1,349,870 |
| Exchange difference, net | 47,485 | 19,498 | (620) | (31) | 18,847 | (367) | 65,965 | (16,497) | 49,468 |
| Finance income | 11,933 | 11,872 | 2,273 | (352) | 13,793 | 316 | 26,042 | (1,075) | 24,967 |
| Finance costs | (260,315) | (189,637) | (17,781) | 3,032 | (204,386) | (107) | (464,808) | 2,318 | (462,490) |
| Profit before income tax | 466,290 | 562,563 | 70,392 | (31,485) | 601,470 | (69,248) | 998,512 | (36,697) | 961,815 |
| Income tax expense | (154,749) | (182,912) | (28,339) | 12,088 | (199,163) | (2,466) | (356,378) | 11,793 | (344,585) |
| Profit for the year | 311,541 | 379,651 | 42,053 | (19,397) | 402,307 | (71,714) | 642,134 | (24,904) | 617,230 |
| Attributable to: | | | | | | | | | |
| Owner of the parent | 311,541 | 379,651 | 42,053 | (19,397) | 402,307 | (71,714) | 642,134 | (32,425) | 609,709 |
| Non-controlling interests | - | - | - | - | - | - | - | 7,521 | 7,521 |
| Profit for the year | 311,541 | 379,651 | 42,053 | (19,397) | 402,307 | (71,714) | 642,134 | (24,904) | 617,230 |

Notes to the combined financial statements

Geographic information –

As of December 31, 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 twelve month period ended December 31, 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 January 1, 2024, to the date of this report's presentation, no significant event have occurred that would affect the financial statements beyond what is reported in the notes to the consolidated financial statements.