

InRetail Pharma S.A. and Subsidiaries

Interim consolidated financial statements as of September 30, 2024 (non-audited) and December 31, 2023 (audited) and for the nine-month period ended September 30, 2024 and 2023

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Interim consolidated statements of financial position

As of September 30, 2024 (unaudited) and December 31, 2023 (audited)

| | Note | 2024 S/(000) | 2023 S/(000) | | Note | 2024 S/(000) | 2023 S/(000) |
|---|-------|------------------|------------------|---|-------|------------------|------------------|
| Assets | | | | Liabilities and equity | | | |
| Current assets | | | | Current liabilities | | | |
| Cash and short-term deposits | 4 | 374,372 | 345,122 | Trade payables | 11 | 1,965,976 | 1,808,027 |
| Trade receivables, net | 5 | 562,482 | 634,098 | Other payables | | 230,653 | 248,395 |
| Other receivables, net | | 107,185 | 82,858 | Accounts payable to related parties | 19(b) | 17,722 | 34,659 |
| Accounts receivables from related parties | 19(b) | 12,555 | 26,814 | Interest-bearing loans and borrowings | 13 | 299,157 | 23,646 |
| Inventories, net | 6 | 1,315,189 | 1,252,749 | Lease liability | 12(c) | 234,393 | 230,389 |
| Taxes recoverable | | 80,862 | 40,674 | Current income tax | 14(b) | 3,493 | 81,847 |
| Prepayments | | 17,562 | 11,976 | Total current liabilities | | 2,751,394 | 2,426,963 |
| Total current assets | | 2,470,207 | 2,394,291 | | | | |
| Non-current assets | | | | Non-current liabilities | | | |
| Other receivables, net | | 52,299 | 51,788 | Other payables | | 31,379 | 34,202 |
| Investments at fair value through equity | 7 | 104,167 | 99,335 | Accounts payable to related parties | 19(b) | 1,327,084 | 1,325,023 |
| Derivative financial instruments | 8 | 24,776 | 31,839 | Interest-bearing loans and borrowings | 13 | 697,069 | 994,554 |
| Property, furniture and equipment, net | 9 | 1,078,259 | 891,653 | Lease liability | 12(c) | 475,932 | 431,972 |
| Right-of-use assets, net | 12(b) | 682,697 | 635,246 | Reserves for employee retirement pension funds | | 23,639 | 23,362 |
| Intangible assets, net | 10 | 1,815,489 | 1,823,240 | Derivative financial instruments | 8 | 10,500 | - |
| Deferred income tax assets, net | 14(a) | 161,523 | 176,159 | Deferred income tax liabilities, net | 14(a) | 158,629 | 160,861 |
| Other assets | | 2,407 | 2,407 | Total non-current liabilities | | 2,724,232 | 2,969,974 |
| Total non-current assets | | 3,921,617 | 3,711,667 | Total liabilities | | 5,475,626 | 5,396,937 |
| Total assets | | 6,391,824 | 6,105,958 | Equity | | | |
| | | | | Capital stock | 15(a) | 15,840 | 15,840 |
| | | | | Capital premium | 15(b) | 482,835 | 482,835 |
| | | | | Other reserves | | 3,168 | 3,168 |
| | | | | Unrealized results from derivative financial instruments | | (13,377) | (15,080) |
| | | | | Unrealized results from valuation of investment at fair value | | (5,103) | (8,552) |
| | | | | Unrealized results from actuarial reserve for retirement | | 376 | 376 |
| | | | | Unrealized results from foreign currency translation | | 3,303 | 3,337 |
| | | | | Retained earnings | | 429,156 | 227,097 |
| | | | | Total equity | | 916,198 | 709,021 |
| | | | | Total liabilities and equity | | 6,391,824 | 6,105,958 |

The accompanying notes are an integral part of these consolidated statements.

InRetail Pharma S.A. and Subsidiaries

Interim consolidated Income statements

For the nine-month period ended September 30, 2024 and 2023

| | Note | 2024 S/(000) | 2023 S/(000) |
|---|-------|------------------|------------------|
| Net sales of goods | | 6,293,395 | 6,356,345 |
| Rental income | | 95,103 | 88,253 |
| Rendering of services | | 215,308 | 195,050 |
| Revenue | | 6,603,806 | 6,639,648 |
| Cost of sales | 17 | (4,464,304) | (4,545,427) |
| Gross profit | | 2,139,502 | 2,094,221 |
| Selling expenses | 17 | (1,161,107) | (1,154,589) |
| Administrative expenses | 17 | (232,203) | (238,212) |
| Other operating income, net | | 10,845 | 6,389 |
| Operating profit | | 757,037 | 707,809 |
| Financial income | | 9,835 | 12,200 |
| Financial expenses | 18 | (140,672) | (142,751) |
| Exchange difference, net | | (676) | 9,203 |
| Profit before income tax | | 625,524 | 586,461 |
| Income tax expense | 14(a) | (198,465) | (188,031) |
| Net profit | | 427,059 | 398,430 |
| Earnings per share: | | | |
| Basic and diluted profit for the period | 20 | 26.962 | 25.154 |

All items above are related to continuing operations.

The accompanying notes are an integral part of these consolidated statements.

InRetail Pharma S.A. and Subsidiaries

Interim consolidated statements of comprehensive income
For the nine-month period ended September 30, 2024 and 2023

| | 2024 | 2023 |
|---|----------------|----------------|
| | S/(000) | S/(000) |
| Profit for the period | 427,059 | 398,430 |
| Other comprehensive income | | |
| Unrealized gain (loss) on investments at fair value through equity | 4,892 | (800) |
| Income tax effect | (1,443) | 236 |
| Total other comprehensive income from investments at fair value through equity | 3,449 | (564) |
| Unrealized gain from derivative financial instrument | 2,414 | 6,262 |
| Income tax effect | (711) | (1,847) |
| Total comprehensive income from derivative financial instruments | 1,703 | 4,415 |
| Unrealized loss from foreign currency translation | (34) | - |
| Total comprehensive income from foreign currency translation | (34) | - |
| Other comprehensive income for the period, net of income tax effects | 5,118 | 3,851 |
| Total comprehensive income for the period | 432,177 | 402,281 |

The accompanying notes are an integral part of these consolidated statements.

InRetail Pharma S.A. and Subsidiaries

Interim consolidated statements of change in equity

For the nine-month period ended September 30, 2024 and 2023

| | Capital stock | Capital premium | Other reserves | Unrealized results from derivative financial instrument | Unrealized results from investment at fair value through equity | Unrealized results from actuarial reserve for retirement | Unrealized results from foreign currency translation | Retained earnings | Total equity |
|---|----------------------|------------------------|-----------------------|--|--|---|---|--------------------------|---------------------|
| | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) |
| Balance as of January 1, 2023 | 15,840 | 482,835 | 3,168 | (38,001) | (11,337) | 474 | 3,001 | 70,144 | 526,124 |
| Profit for the period | - | - | - | - | - | - | - | 398,430 | 398,430 |
| Other comprehensive income | - | - | - | 4,415 | (564) | - | (80) | - | 3,771 |
| Total comprehensive income | - | - | - | 4,415 | (564) | - | (80) | 398,430 | 402,201 |
| Dividends paid | - | - | - | - | - | - | - | (300,000) | (300,000) |
| Other | - | - | - | - | - | - | - | - | - |
| Balance as of September 30, 2023 | 15,840 | 482,835 | 3,168 | (33,586) | (11,901) | 474 | 2,921 | 168,574 | 628,325 |
| Balance as of January 1, 2024 | 15,840 | 482,835 | 3,168 | (15,080) | (8,552) | 376 | 3,337 | 227,097 | 709,021 |
| Profit for the period | - | - | - | - | - | - | - | 427,059 | 427,059 |
| Other comprehensive income | - | - | - | 1,703 | 3,449 | - | (34) | - | 5,118 |
| Total comprehensive income | - | - | - | 1,703 | 3,449 | - | (34) | 427,059 | 432,177 |
| Dividends paid | - | - | - | - | - | - | - | (225,000) | (225,000) |
| Other | - | - | - | - | - | - | - | - | - |
| Balance as of September 30, 2024 | 15,840 | 482,835 | 3,168 | (13,377) | (5,103) | 376 | 3,303 | 429,156 | 916,198 |

The accompanying notes are an integral part of these consolidated statements.

InRetail Pharma S.A. and Subsidiaries

Interim consolidated statements of cash flows

For the nine-month period ended September 30, 2024 and 2023

| | Note | 2024 S/(000) | 2023 S/(000) |
|--|-------|------------------|------------------|
| Operating activities | | | |
| Revenue | | 6,671,458 | 6,654,953 |
| Payment of goods and services to suppliers | | (4,833,455) | (5,001,830) |
| Payment of salaries and social benefits to employees | | (664,376) | (640,352) |
| Taxes paid | | (289,879) | (135,459) |
| Other (payment) collections, net | | (11,622) | 33,416 |
| Net cash flows from operating activities | | 872,126 | 910,728 |
| Investing activities | | | |
| Sales of property, furniture and equipment | | 742 | 668 |
| Purchase of property, furniture and equipment, net of acquisitions through leasing contracts | | (275,544) | (51,182) |
| Purchase and development of intangible assets | | (16,543) | (19,297) |
| Other payment related to investment activities | | (8,336) | - |
| Net cash flows used in investing activities | | (299,681) | (69,811) |
| Financing activities | | | |
| Proceeds from interest-bearing loans and borrowings, net of structuring cost | | 760,000 | 130,550 |
| Payment of interest-bearing loans and borrowings | | (400,613) | (429,030) |
| Payment of Senior Notes | 13(b) | (385,800) | - |
| Payment of lease liability | 12 | (213,114) | (203,592) |
| Interest payment of lease liability | 12 | (36,555) | (31,485) |
| Payment of dividends | | (225,000) | (300,000) |
| Interest paid | | (42,113) | (46,370) |
| Net cash flows used in financing activities | | (543,195) | (879,927) |
| Net increase (decrease) of cash and short-term deposits | | 29,250 | (39,010) |
| Cash and short-term deposits at the beginning of the period | | 345,122 | 347,282 |
| Cash and short-term deposits at the end of the period | | 374,372 | 308,272 |
| Non-cash transactions | | | |
| Fixed assets purchased through leasing and other financial obligations | | 4,916 | 40,350 |
| Addition of right-of-use assets | | 296,285 | 265,926 |

The accompanying notes are an integral part of these consolidated statements

Notes to the interim consolidated financial statements (continued)

InRetail Pharma S.A. and Subsidiaries

Notes to the interim condensed consolidated financial statements

As of September 30, 2024 and December 31, 2023 and for the nine-month period ended September 30, 2024 and 2023

1. Identification, business activity, reorganization process and disposal subsidiaries

(a) Identification

InRetail Pharma S.A. (hereinafter “the Company”), was incorporated on August 2, 1996. As of September 30, 2024 and December 31, 2023, the Company is a subsidiary of InRetail Perú Corp. which holds 100.00 percent of the Company’s capital stock. Likewise, InRetail Perú Corp. is a subsidiary of Intercorp Retail Inc., which is one of the entities of the Intercorp Perú Group operating in Peru and abroad.

The Company’s legal address, where its administrative offices operate, is Av. Defensores del Morro N ° 1277, Chorrillos, Lima, Republic of Peru.

(b) Business activity

The Company and its Subsidiaries, Farmacias Peruanas S.A.C., Mifarma S.A.C., Química Suiza S.A.C., Boticas IP S.A.C., Jorsa de la Selva S.A.C., FP Servicios Generales S.A.C. and Quicorp S.A. and Subsidiaries (hereinafter and together “InRetail Pharma Group”) are mainly dedicated to operating pharmacies and to the distribution of pharmaceutical products. The InRetail Pharma Group operations are focused in Peru.

(c) Reorganization process

During 2023, several corporate reorganization processes were performed, which involved Boticas IP S.A.C., Vantive S.A.C. and Química Suiza S.A.C. in order to present a more efficient and organized structure. However, considering that said subsidiaries were controlled, directly and indirectly, by the Company and/or its shareholders since previous years, such reorganization processes had no impact on the consolidated financial statements as of September 30, 2024 and December 31, 2023.

(d) Disposal of Quimiza Ltda.

On February 24, 2024, InRetail Pharma Group sold its shareholder interest in its Bolivian subsidiary Quimiza Ltda. for approximately US\$500,000 (equivalent to S/1,869,000), to a non-related entity.

The accompanying interim consolidated financial statements as of September 30, 2024 and for the nine-month period ended September 30, 2024 and 2023 were approved by the Board of Directors on November 12, 2024.

Notes to the interim consolidated financial statements (continued)

2. Subsidiary activities

The Company and its Subsidiaries (hereinafter the "InRetail Pharma Group") are dedicated to national and international commercialization, distribution and marketing, of pharmaceutical products, consumer products and other products through its "Inkafarma" and "Mifarma" pharmacy chains. The company and its subsidiaries operate 2,405 stores as of September 30, 2024 (2,309 stores as of December 31, 2023) and have operations in Peru and Ecuador as of September 30, 2024 (as of December 31, 2023, Peru, Ecuador and Bolivia).

The description of the activities of the main Subsidiaries of the Company is as follows:

- (a) Boticas IP S.A.C. began operations in November 2021. Its economic activity is the purchase and sale of pharmaceutical products, personal care and other products for the protection and recovery of health.
- (b) Farmacias Peruanas S.A.C. started operations in August 2020. Its economic activity is to provide business, administrative and logistical services for the companies of the Pharma group.

(c) Mifarma S.A.C.

It is a subsidiary of InRetail Pharma S.A., it was incorporated on November 22, 2005. The legal address of the subsidiary is Calle Víctor Alzamora N ° 147, Urb. Santa Catalina, Lima, Peru.

It is dedicated to retail of pharmaceutical products, cosmetics, perfumery, hygiene and personal care and other products for the protection and recovery of health.

The company maintains 99.99 percent of the equity of Jorsa de la Selva S.A.C.:

- Jorsa de la Selva S.A.C.

It is a legal entity, subsidiary of Albis S.A.C., dedicated mainly to the commercialization of pharmaceutical products, cosmetics, perfumery, hygiene, personal care and other products for the protection and recovery of health. The Company's legal address is located at Av. Elías Aguirre 1107, Loreto, Peru.

(d) Química Suiza S.A.C.

Incorporated in Peru on March 6, 1939 and its legal address is located at Av. Defensores del Morro N°1277, Chorrillos, Lima, Perú. It is a subsidiary of InRetail Pharma S.A. It is dedicated to the import, representation and commercialization of pharmaceutical products, food, cosmetic, chemical, liquor and consumer products in general. Additionally, it obtains commissions for the intermediation in the sale of raw materials on behalf of foreign suppliers.

The company held until November 1, 2023 99.99 percent of Vanttive:

- Vanttive S.A.C.

It was incorporated in Peru on July 11, 2012. It is a direct subsidiary of Química Suiza S.A.C., a company incorporated in Peru, which owns 99.99 percent of its capital stock of the Company. Its Legal address is located in Av. Carlos Villarán N ° 105, La Victoria, Lima, Perú.

At the General Shareholders' Meeting of November 2, 2023, the merger of the Company with Boticas IP S.A.C. was agreed, in which the latter would act as the absorbing company. Therefore, Vanttive S.A.C. extinguished without the need to be dissolved or liquidated.

Notes to the interim consolidated financial statements (continued)

(e) Quicorp S.A. is a Holding incorporated in Peru in September 2010.

The Company holds 99.99 percent of the equity of the following Companies:

i. Quifatex S.A. S.A.C.

It was incorporated on May 26, 1978 in the city of Quito, Ecuador. The registered office is located at Av. 10 de Agosto 10640 y Manuel Zambrano, Quito, Ecuador. It is controlled and supervised by the Superintendence of Corporations in the Republic of Ecuador.

It is dedicated to the commercialization, distribution, representation, import, and export of pharmaceutical, nutritional, chemical, cosmetic, food, veterinary, insecticidal, fertilizing products and liquors and well as tools and machinery in general.

The company maintains 99.99 percent of the equity of Vanttive Cía. Ltda.

- Vanttive Cía. Ltda.

It was incorporated on July 17, 2003 in the city of Quito, Ecuador. The registered office is located at Av. 10 de Agosto 10640 y Manuel Zambrano, Quito, Ecuador. It is controlled and supervised by the Superintendence of Corporations in the Republic of Ecuador.

It is dedicated to the import, export, commercialization, distribution, and intermediation of specialized pharmaceutical products.

ii. Quimiza Ltda.

It was incorporated on August 26, 1978. It is a distributor in the cities of Tarija, Oruro, and Potosí, as well as a distribution center in Santa Cruz, Bolivia. In addition, it has offices, agencies, and branches in other districts of the country. Currently, it has four offices in the cities of Santa Cruz (main office), La Paz, Cochabamba, and Sucre.

On February 20, 2024, the Company was sold to an unrelated Company.

3. Basis of preparation and presentation, changes in the accounting policies of the Pharma group

(a) Interim financial statements

The consolidated financial statements of the InRetail Pharma Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB), effective as of September 30, 2024 and December 31, 2023, respectively.

The interim financial statements of the InRetail Pharma Group have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited annual information.

Notes to the interim consolidated financial statements (continued)

The consolidated 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 and derivative financial instruments. The consolidated financial statements are presented in Soles and all values are rounded to the nearest thousand (S/(000)), except when otherwise indicated.

The functional currency of the subsidiaries domiciled in Ecuador and Bolivia are the local currency in those countries. These currencies do not belong to hyperinflationary economies. All transactions are measured in the functional currency.

The result and the financial position of all the Group companies (none of which has the currency for a hyperinflationary economy), that have a functional currency other than the InRetail Pharma S.A.'s presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented (including comparatives) shall be translated at the closing exchange rate at the date of the statement of financial position;
- Income and expenses for each statement presenting profit or loss and other comprehensive income (including comparatives) shall be translated at the average exchange rates for the corresponding year;
- Equity accounts shall be translated at the exchange rates at the date of the transactions; and
- All resulting exchange differences shall be recognized in other comprehensive income as profit or loss on translation.

At the date of this report, all the entities consolidated into the accompanying financial statements are legal subsidiaries of InRetail Pharma S.A.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, see Note 2.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the InRetail Pharma Group obtains control, and continues 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 non-controlling interests have been determined in proportion to the participation of minority shareholders in the net equity and the results of the subsidiaries in which they hold shares, and they are presented separately in the consolidated statement of financial position and the consolidated statement of comprehensive income.

Losses in a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of the subsidiary, without a loss of control, is accounted as an equity transaction.

The accounting policies followed in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements as of December 31, 2023.

Notes to the interim consolidated financial statements (continued)

(c) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim combined financial statements are consistent with those followed in the preparation of the Companies annual combined financial statements for the year ended December 31, 2023, except for the adoption of the new standards and interpretations as of January 1, 2024.

The standards, amendments and improvements to the standards that are issued, and effective up to the date of issuance of the accompanying consolidated financial statements, are disclosed below:

- (i) Amendment to IFRS 16: "Lease liability on a sale with a subsequent lease" – In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses when measuring the lease liability that arises in a sale-leaseback transaction, to ensure that the seller-lessee does not recognize any amount of the gain or loss, which relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and should be applied retrospectively to subsequent sale and lease transactions entered into after the initial application date of IFRS 16. Early application is allowed and that fact must be disclosed.

- (ii) Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current"

In January 2020, the IASB issued amendments of IAS 1 to paragraphs 69–76 of with the purpose of specifying the requisites for the classification of liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer a settlement arrangement.
- That a right to defer must exist at the end of the reporting period.
- That liability classification unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- (iii) Supplier Financing Agreements - Modifications to IAS 7 and IFRS 7.

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier financing arrangements and require additional information about such arrangements to be disclosed. The objective of the disclosure requirements imposed by the amendments is to help users of financial statements have a better understanding of the effects of supplier financing arrangements on liabilities, cash flows and exposure to liquidity risk of an entity.

The amendments will be effective for annual periods beginning on or after January 1, 2024. An early application is permitted as long as this fact is disclosed.

Notes to the interim consolidated financial statements (continued)

- (iv) International Sustainability Financial Reporting Standards and Climate Disclosures On June 26, 2023, the International Sustainability Standards Board officially released its first IFRS Sustainability standards, ushering in a new era in international corporate reporting.

Both IFRS S1 and IFRS S2 are effective for annual periods beginning on or after January 1, 2024.

There is a climate-first transition option, which allows an entity to provide only climate-related information in its first year of application of IFRS S1 and IFRS S2.

Although these new standards are effective from January 1, 2024 at an international level, at the country level, the organizations that regulate the Peruvian local market have been evaluating the applicability and validity of these new IFRS. However, the Company has been dedicating efforts to planning to obtain extensive and timely information, with the objective of presenting users of the financial statements with the necessary information in accordance with established standards.

In the Management's opinion, these standards will not have a significant impact on the consolidated financial statements of the InRetail Pharma Group.

4. Cash and short-term deposits

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

| | As of September 30, 2024 | As of December 31, 2023 |
|----------------------|-------------------------------------|------------------------------------|
| | S/(000) | S/(000) |
| Cash (b) | 8,815 | 7,738 |
| Current accounts (c) | 238,739 | 227,191 |
| Other deposits (d) | 61,201 | 24,252 |
| Cash in transit | 65,617 | 85,941 |
| Total | 374,372 | 345,122 |

- (b) Comprises mainly of cash held by subsidiaries in the premises of their store chains and in the vaults of a security company, corresponding to sales during the last days of the period.
- (c) The company and its Subsidiaries maintain current accounts in local banks in the currency of each country and US Dollars. They do not accrue interest and are freely available.
- (d) As of September 30, 2024, time deposits and savings account are freely available, are kept in Soles in local financial institutions with a maturity of up to one month from their constitution and accrue interest of 0.35 y 4.50 percent per year in Soles and 0.15 percent in US Dollars (saving account 0.35 percent per year in Soles and 0.15 percent in US Dollars as of December 31, 2023).

Notes to the interim consolidated financial statements (continued)

5. Trade receivables, net

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

| | As of September 30, 2024 | As of December 31, 2023 |
|-------------------------------------|-------------------------------------|------------------------------------|
| | S/(000) | S/(000) |
| Trade accounts receivable (b) | 566,061 | 633,301 |
| Credit card operators (c) | 41,184 | 41,939 |
| Total | 607,245 | 675,240 |
| Provision for doubtful accounts (d) | (44,763) | (41,142) |
| Total | 562,482 | 634,098 |

(b) Trade receivables are denominated in the currency of each country and US Dollars, have current maturity and do not bear interest.

(c) Corresponds mainly to pending deposits in favor of InRetail Pharma Group for the last days of the month, held by credit card operators and originated from the sale of goods with credit cards in the different stores of InRetail Pharma Group.

(d) The movement in the provision for doubtful accounts receivables for the nine-month period ended September 30, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---------------|---------------|
| | S/(000) | S/(000) |
| Balance at the beginning of the period | 41,142 | 36,844 |
| Provision recognized as expense, Note 17 (a) | 5,874 | 9,395 |
| Recoveries, Note 17 (a) | (1,171) | (2,368) |
| Write-offs | (315) | (320) |
| Divestment of subsidiary | (788) | - |
| Foreign currency translation | 21 | (119) |
| Balance at the end of the period | 44,763 | 43,432 |
| Balance as of December 31, 2023 | | 41,142 |

As of September 30, 2024 and December 31, 2023, the amount of overdue account receivables but non-impaired amounted to approximately S/109,417,000 and S/114,752,000, respectively.

In the opinion of Management of the InRetail Pharma Group, the provision for doubtful accounts receivables as of September 30, 2024 and December 31, 2023, appropriately covers the credit risk of this item at those dates.

Notes to the interim consolidated financial statements (continued)

6. Inventories, net

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

| | As of September 30, 2024 | As of December 31, 2023 |
|---|-------------------------------------|------------------------------------|
| | S/(000) | S/(000) |
| Goods, Note 17 (a) | 1,250,755 | 1,202,799 |
| In transit inventories (b) | 89,379 | 84,539 |
| Raw material, Note 17 (a) | 131 | 661 |
| Miscellaneous supplies | 6,888 | 4,659 |
| Miscellaneous supplies for manufacturing, Note 17 (a) | 616 | 1,548 |
| Total | 1,347,769 | 1,294,206 |
| Minus | | |
| Provision for impairment of inventories (c) | (32,580) | (41,457) |
| Total | 1,315,189 | 1,252,749 |

(b) Corresponds to goods and miscellaneous supplies imported by the Company and its Subsidiaries in order to satisfy customers' demand in its pharmacies.

(c) The movement in the provision for inventory impairment for the nine-month period ended September 30, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---------------|---------------|
| | S/(000) | S/(000) |
| Balance at the beginning of the period | 41,457 | 29,664 |
| Provision of the period, Note 17 (a) | 14,193 | 30,105 |
| Recovery, Note 17 (a) | (20,018) | (19,338) |
| Divestment of subsidiary | (2,990) | - |
| Foreign currency translation | (62) | 69 |
| Balance at the end of the period | 32,580 | 40,500 |
| Balance as of December 31, 2023 | | 41,457 |

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 of the Company and its Subsidiaries.

7. Investments at fair value through equity

The Company maintains financial investments corresponding to bonds issued by InRetail Consumer, maturing in 2028 and accruing annual interest of 3.25 percent. As of September 30, 2024, these financial instruments amount to US\$28,130,000 equivalent to S/104,167,000 (as of December 31, 2023, US\$26,811,000 equivalent to S/99,335,000).

Notes to the interim consolidated financial statements (continued)

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

As of September 30, 2024 and 2023, the unrealized result net of deferred tax is a loss of S/5,103,000 and S/11,901,000 respectively and is presented in the consolidated statement of changes in equity.

8. Derivatives financial instruments

As of September 30, 2024 and December 31, 2023, this item comprises of three contracts of derivative financial instruments (currency). These contracts were designated to hedge cash flows and were recorded at its fair value. The detail of this operation is are follows:

| Counterparty | Nominal value US\$(000) | Due | Pay fix at % | Book value of the hedged item S/(000) | 2024 | | 2023 |
|-------------------|----------------------------|--------|--------------------|--|---------------------------------|--------------------------------------|---------------------------------|
| | | | | | Fair value assets S/(000) | Fair value liabilities S/(000) | Fair value assets S/(000) |
| Citibank N.A. (a) | 138,000 | Mar-28 | - | 512,532 | 24,776 | - | 27,725 |
| Citibank N.A. (a) | 100,000 | Mar-28 | 1.50 | 371,400 | - | 6,843 | 2,889 |
| Citibank N.A. (a) | 50,000 | Mar-28 | 1.50 | 185,700 | - | 3,657 | 1,225 |
| Total | | | | | 24,776 | 10,500 | 31,839 |

- (a) In March 2021, InRetail Pharma S.A., decided to hedge the foreign currency exposure of its US\$288,000,000, Intercompany loan with InRetail Consumer (a related Special Purpose Entity) through a Call Spread structure, these instruments cover 100 percent of the exposure in foreign currency of the principal of the issues and protects exchange rate variations between S/3.70 and S/4.20 per US\$1.00.

On September 16, 2021, InRetail Pharma S.A. decided to exchange US\$150,000,000 of its Call Spread with two Range Only Principal Swaps of US\$100,000,000 and US\$50,000,000, on the intercompany loan. This fixed the exchange rate at S/4.1045 and S/4.1100 per US\$1.00, respectively. These instruments aim to protect against variations in the exchange rate between S/3.70 and S/6.00 per US\$1.00, which for the purposes of IFRS 9, are classified as effective hedging instruments.

The 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 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/5,707,000 was generated as of September 30, 2024 (S/5,686,000 as of September 30, 2023). See Note 18.

From the date of receipt of the loan from the related entity, for the purposes of IFRS 9, it was classified as an effective hedging instruments, see Note 19 (c).

Notes to the interim consolidated financial statements (continued)

9. Property, furniture and equipment, net

(a) The table below presents the movement and composition of this item:

| | Land | Building, infrastructure and facilities | Furniture and fixture | Vehicles | Miscellaneous equipment | Work in progress | Total 2024 | Total 2023 |
|---------------------------------|----------------|---|--------------------------|--------------|----------------------------|---------------------|------------------|------------------|
| | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) | S/(000) |
| Cost | | | | | | | | |
| Initial balance | 356,845 | 539,325 | 177,435 | 1,504 | 387,658 | 115,962 | 1,578,729 | 1,413,981 |
| Additions (b) | - | 8,380 | 13,694 | 51 | 20,401 | 237,934 | 280,460 | 204,860 |
| Sales (c) | - | - | (99) | (466) | (4,162) | - | (4,727) | (8,099) |
| Disposal (c) | - | (608) | (1,217) | - | (4,074) | - | (5,899) | (32,346) |
| Divestment of subsidiary | - | (1,983) | (741) | - | (4,009) | - | (6,733) | - |
| Transfer | - | 15,005 | 175 | - | 153 | (15,333) | - | - |
| Foreign currency translation | - | 39 | 18 | 1 | 105 | 1 | 164 | 333 |
| Final balance | 356,845 | 560,158 | 189,265 | 1,090 | 396,072 | 338,564 | 1,841,994 | 1,578,729 |
| Accumulated depreciation | | | | | | | | |
| Initial balance | - | 312,825 | 107,061 | 1,093 | 266,097 | - | 687,076 | 591,753 |
| Additions (d) | - | 37,312 | 19,541 | 91 | 35,839 | - | 92,783 | 134,615 |
| Sales (c) | - | - | (50) | (415) | (4,124) | - | (4,589) | (7,798) |
| Disposal (c) | - | (520) | (1,185) | - | (3,845) | - | (5,550) | (32,236) |
| Divesment of subsidiary | - | (1,813) | (610) | - | (3,690) | - | (6,113) | - |
| Foreign currency translation | - | 21 | 42 | - | 65 | - | 128 | 742 |
| Final balance | - | 347,825 | 124,799 | 769 | 290,342 | - | 763,735 | 687,076 |
| Net book value | 356,845 | 212,333 | 64,466 | 321 | 105,730 | 338,564 | 1,078,259 | 891,653 |

(b) Additions for the nine-month period ended September 30, 2024 and December 31, 2023, correspond mainly to the construction and equipment of new pharmacies and distribution center for InRetail Pharma Group.

(c) It mainly corresponds to assets sold and to the disposals of unused assets as a result of the process of change of format in some premises and closing of pharmacies. The resulting income or expense has been included in the "Other operating income (expenses) net" of the consolidated income statement, respectively.

Notes to the interim consolidated financial statements (continued)

- (d) Depreciation expense for the nine-month period ended September 30, 2024 and 2023, was recorded as follows in the income statement:

| | 2024 S/(000) | 2023 S/(000) |
|--|-----------------|-----------------|
| Sales expenses, Note 17 (a) | 80,848 | 90,377 |
| Administrative expenses, Note 17 (a) | 8,916 | 9,124 |
| Cost of sales, Note 17 (a) | 3,019 | 1,076 |
| Balance as of September 30 | 92,783 | 100,577 |
| Balance as of December 31, 2023 | | 134,615 |

- (e) As of September 30, 2024, the cost and corresponding accumulated depreciation of assets acquired through financial leases amount to approximately S/141,120,000 and S/97,431,000, respectively (S/137,436,000 and S/84,566,000 respectively, as of December 31, 2023).
- (f) The InRetail Pharma Group maintains insurance policies on their main assets in accordance with the policies established by Management.

10. Intangible assets, net

- (a) The table below presents the movement and composition of this item:

| | As of September 30, 2024 S/(000) | As of December 31, 2023 S/(000) |
|---|--|---------------------------------------|
| Cost | | |
| Initial balance | 860,444 | 911,241 |
| Additions (c) | 16,543 | 26,943 |
| Disposal and/or sales | (918) | (74,591) |
| Transfer to property, plant and equipment | - | (2,857) |
| Divestment of subsidiary | (1,772) | - |
| Foreign currency translation | 40 | (292) |
| Final balance | 874,337 | 860,444 |
| Accumulated amortization | | |
| Initial balance | 309,838 | 345,183 |
| Additions (d) | 24,044 | 38,856 |
| Disposals and/or sales | (718) | (73,820) |
| Transfer to property, plant and equipment | - | (97) |
| Divestment of subsidiary | (1,719) | - |
| Foreign currency translation | 37 | (284) |
| Final balance | 331,482 | 309,838 |
| Goodwill | | |
| Initial balance | 1,272,634 | 1,272,634 |
| Additions | - | - |
| Final balance | 1,272,634 | 1,272,634 |
| Net book value | 1,815,489 | 1,823,240 |

Notes to the interim consolidated financial statements (continued)

- (b) As of September 30, 2024 and December 31, 2023, this item mainly includes the goodwill, related to the acquisition of the Quicorp Group. Purchase price for the acquisition of Quicorp was approximately US\$591,351,000 equivalent to S/1,898,255,000 at the date of acquisition.
- (c) As of September 30, 2024 and December 31, 2023, additions mainly correspond to: (i) disbursements for the acquisition of a commercial software program, a general planning system (ERP) and related licenses; and (ii) disbursements for implementation of software and licenses in new stores of InRetail Pharma Group.
- (d) Amortization expense for the nine-month period September 30, 2024 and 2023 has been recorded in the following items of the combined statements:

| | 2024 S/(000) | 2023 S/(000) |
|--|------------------------|------------------------|
| Sales expenses, Note 17 (a) | 3,001 | 11,158 |
| Administrative expenses, Note 17 (a) | 21,043 | 20,213 |
| Balance as of September 30 | 24,044 | 31,371 |
| Balance as of December 31, 2023 | | 38,856 |

11. Trade payables

The table below presents the composition of this item:

| | As of September 30, 2024 S/(000) | As of December 31, 2023 S/(000) |
|--|--|---|
| Bills payable from purchase of goods | 1,760,550 | 1,571,408 |
| Bills payable from commercial services | 205,426 | 236,619 |
| Total | 1,965,976 | 1,808,027 |

This item mainly includes the obligations to non-related local, and foreign suppliers, denominated in local currency, Euro, Swiss franc and US Dollars, originated mainly from the acquisition of goods, with current maturities and that do not bear any interest. There have been no liens granted on these obligations.

InRetail Pharma Group offers its 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. InRetail Pharma Group has no direct financial interest in these transactions. All of InRetail Pharma Group's obligations, including amounts due, remain due to its suppliers as stated in the supplier agreements.

Notes to the interim consolidated financial statements (continued)

12. Leases

- a) The InRetail Pharma Group maintains leasing contracts for buildings, facilities and vehicles used for its operations. Leases of buildings and facilities generally have terms of 1 to 5 years, while leases of vehicles have terms of 4 to 5 years. The InRetail Pharma Group's obligations under its leases 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 InRetail Pharma Group has also entered into certain leases of premises with terms of 12 months or less and leases of low-value office equipment. The InRetail Pharma Group applies the short-term and low-value lease exemptions for this kind of leases.

- b) The movement of this item for the nine-month period ended as of September 30, 2024 and December 31, 2023, is as follows:

| | Buildings infrastructure and facilities | Vehicles | 2024 | 2023 |
|---------------------------------|--|-----------------|------------------|------------------|
| | S/(000) | S/(000) | S/(000) | S/(000) |
| Cost | | | | |
| Initial balance | 1,275,224 | 1,474 | 1,276,698 | 1,174,028 |
| Additions | 296,285 | - | 296,285 | 339,390 |
| Disposal and/or sales | (41,444) | (90) | (41,534) | (235,525) |
| Divestment subsidiary | (3,541) | - | (3,541) | - |
| Foreign currency translation | 154 | - | 154 | (1,195) |
| Final balance | 1,526,678 | 1,384 | 1,528,062 | 1,276,698 |
| Accumulated depreciation | | | | |
| Initial balance | 641,062 | 390 | 641,452 | 589,826 |
| Additions, Note 17 (a) | 213,202 | 261 | 213,463 | 270,286 |
| Disposal and/or sales | (7,519) | (41) | (7,560) | (218,089) |
| Divestment subsidiary | (2,050) | - | (2,050) | - |
| Foreign currency translation | 60 | - | 60 | (571) |
| Final balance | 844,755 | 610 | 845,365 | 641,452 |
| Net book value | 681,923 | 774 | 682,697 | 635,246 |

Depreciation expense for the nine-month period ended September 30, 2024 and 2023, was recorded as follows in the income statement:

| | 2024 | 2023 |
|--|----------------|----------------|
| | S/(000) | S/(000) |
| Sales expenses, Note 17 (a) | 208,282 | 196,950 |
| Administrative expenses, Note 17 (a) | 3,208 | 4,016 |
| Cost of sales, Note 17 (a) | 1,973 | 1,795 |
| Balance as of September 30 | 213,463 | 202,761 |
| Balance as of December 31, 2023 | | 270,286 |

Notes to the interim consolidated financial statements (continued)

- c) The movement of the lease liability item, as of September 30, 2024 and December 31, 2023, is as follows:

| | As of September 30, 2024 | As of December 31, 2023 |
|---|-------------------------------------|------------------------------------|
| | S(000) | S(000) |
| Initial balance | 662,361 | 632,121 |
| Additions | 296,285 | 339,390 |
| Increase for accrued interest, Note 18 | 36,555 | 41,970 |
| Amortization | (248,751) | (312,913) |
| Disbursements made at the start of the contract | (918) | (1,047) |
| Disposal | (34,437) | (18,533) |
| Divestment subsidiary | (1,541) | - |
| Prepayment rents | 359 | 1,321 |
| Exchange rate | 314 | (19,282) |
| Foreign currency translation | 98 | (666) |
| Final balance | 710,325 | 662,361 |
| Current | 234,393 | 230,389 |
| Non-current | 475,932 | 431,972 |
| Final balance | 710,325 | 662,361 |

Additionally, in the nine-month period ended as of September 30, 2024 and 2023, interest related to the lease liability of S/36,555,000 and S/31,485,000, respectively, was accrued and is presented under "Financial expenses" in the consolidated financial statement of income. See Note 18.

Notes to the interim consolidated financial statements (continued)

13. Interest-bearing loans and borrowings

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

| Type of obligation | Original currency | Interest rate % | Final maturity | Original amount | | Total | | Current | | Non-current |
|--|-------------------|-------------------------|----------------|-----------------|------------------|----------------|------------------|----------------|---------------|----------------|
| | | | | US\$ (000) | S/(000) | 2024 S/(000) | 2023 S/(000) | 2024 S/(000) | 2023 S/(000) | 2024 S/(000) |
| Senior Notes Unsecured (b) | | | | | | | | | | |
| Senior Notes Unsecured | PEN | 6.438 | 2025 | - | 385,800 | - | 385,197 | - | - | - |
| | | | | - | 385,800 | - | 385,197 | - | - | - |
| Leasings | | | | | | | | | | |
| Non related entities | | | | | | | | | | |
| Banco de Crédito del Perú | PEN | 10.320 | 2028 | - | 1,462 | 1,075 | 1,265 | 278 | 257 | 797 |
| | | | | - | 1,462 | 1,075 | 1,265 | 278 | 257 | 797 |
| Notes and Loans | | | | | | | | | | |
| Related entities | | | | | | | | | | |
| Banco Internacional del Perú-Interbank (d) | PEN | 3.750 | 2026 | - | 220,000 | 219,443 | 219,086 | 110,000 | - | 109,443 |
| Non related entities | | | | | | | | | | |
| Banco Scotiabank (c) | PEN | 3.750 | 2026 | - | 330,000 | 329,166 | 328,631 | 165,000 | - | 164,166 |
| BBVA Continental S.A. (e) | PEN | 7.500 | 2029 | - | 380,000 | 377,719 | - | - | - | 377,719 |
| | | | | - | 930,000 | 926,328 | 547,717 | 275,000 | - | 651,328 |
| Derivative financial instrument financing, Note 8 | | | | | | | | | | |
| Citibank N.A. | PEN | Between 8.441 and 8.665 | 2028 | - | 48,931 | 27,936 | 34,607 | 7,179 | 6,671 | 20,757 |
| | | | | - | 48,931 | 27,936 | 34,607 | 7,179 | 6,671 | 20,757 |
| Other obligations (f) | | | | | | | | | | |
| Hewlett Packard S.A. | USD | Between 0.001 and 6.890 | 2026 - 2029 | 13,626 | - | 39,221 | 46,830 | 15,359 | 15,438 | 23,862 |
| Hewlett Packard S.A. | USD | 0.002 | 2025 | 8 | - | 32 | - | 32 | - | - |
| Inversiones Nueva Capital Peru S.A. | USD | Between 1.830 and 6.290 | 2025 - 2026 | 213 | - | 436 | 1,297 | 356 | 653 | 80 |
| Nuevo Capital Leasing Peru S.A.C. | USD | Between 1.830 and 5.280 | 2025 | 783 | - | 1,198 | 1,287 | 953 | 627 | 245 |
| | | | | 14,630 | - | 40,887 | 49,414 | 16,700 | 16,718 | 24,187 |
| Total | | | | 14,630 | 1,366,193 | 996,226 | 1,018,200 | 299,157 | 23,646 | 697,069 |

- (b) In May 2018, the Company issued debt instruments ("Notes") denominated in Soles for S/385,800,000 that bear an annual interest rate of 6.438 percent, with a maturity of 7 years 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. In September 2024, These debt instruments were paid in full with a loan contracted with Banco BBVA, see Note 13 (e).
- (c) Scotiabank Perú
InRetail Pharma S.A.
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/834,000 as of September 30, 2024 (S/1,369,000 as of December 31, 2023).
- (d) Banco Internacional del Perú-Interbank
InRetail Pharma S.A.
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/557,000 as of September 30, 2024 (S/914,000 as of December 31, 2023).
- (e) Banco BBVA
In September 2024, the company obtained a loan for S/380,000,000 that accrues an annual nominal interest of 7.500 percent maturing in September 2029, payable in quarterly installments. Said loan is recorded at its amortized cost at an effective annual rate of 7.730 percent, after considering the additional charges of S/2,281,000 as of September 30, 2024.
- These funds were used to pay the debt instruments ("Notes") issued in May 2018, see note 13 (b).
- (f) Corresponds to the debt acquired with Hewlett Packard S.A., Nuevo Capital Leasing Perú S.A.C. and Inversiones Nueva Capital Peru S.A., for the purchase and leasing of computer equipment. These contracts do not have specific guarantees.
- (g) During the nine-month period ended September 30, 2024 and 2023, loans and borrowings accrued interests are recorded in the "Financial expenses" item of the consolidated income statement, see Note 18. Also, as of September 30, 2024 and December 31, 2023, there are interests payable which are recorded in the "Other payables" item of the consolidated statements of financial position.
- (h) Some of the interest-bearing loans and borrowings include standard clauses requiring the InRetail Pharma Group to meet financial ratios, use of funds criteria and other administrative matters. In Management's opinion, as of September 30, 2024 and December 31, 2023, standard clauses do not limit the normal operation of the InRetail Pharma Group and have been fulfilled.

Notes to the interim consolidated financial statements (continued)

(i) Financial obligations are payable as follows:

| | 2024 S/ (000) | 2023 S/ (000) |
|--------------|-------------------------|-------------------------|
| 2024 | 4,323 | 23,646 |
| 2025 | 322,144 | 680,536 |
| 2026 | 387,845 | 293,753 |
| 2027 | 110,677 | 15,200 |
| 2028 | 100,392 | 5,065 |
| 2029 onwards | 70,845 | - |
| Total | 996,226 | 1,018,200 |

14. Income tax

(a) The amounts presented in the statement of financial position as of September 30, 2024 and December 31, 2023, as well as the consolidated income statements for the nine-month period ended September 30, 2024 and 2023 are shown below:

| Statements of financial position | As of September 30, 2024 | | As of December 31, 2023 | |
|----------------------------------|---------------------------------|--------------------|--------------------------------|--------------------|
| | Assets | Liabilities | Assets | Liabilities |
| | S/(000) | S/(000) | S/(000) | S/(000) |
| InRetail Pharma S.A. | 50,846 | - | 69,655 | - |
| Química Suiza S.A.C. | - | 43,001 | - | 43,674 |
| Quifatex S.A. | 7,829 | - | 7,876 | - |
| Vanttive Cía. Ltda. | 156 | - | 130 | - |
| Farmacías Peruanas S.A.C. | 16,607 | - | 15,966 | - |
| Quimiza Ltda. | - | - | 953 | - |
| Mifarma S.A.C. | 48,205 | - | 46,812 | - |
| Boticas IP S.A.C. | 33,617 | - | 31,082 | - |
| Jorsa de la Selva S.A.C. | 4,263 | - | 3,685 | - |
| Consolidation adjustment | - | 115,628 | - | 117,187 |
| Total | 161,523 | 158,629 | 176,159 | 160,861 |

| Statements of comprehensive income | Income tax for the nine-months period ended September 30, 2024 and 2023 | |
|------------------------------------|--|------------------|
| | 2024 | 2023 |
| | S/(000) | S/(000) |
| Current | (189,187) | (235,883) |
| Deferred | (9,278) | 47,852 |
| Income tax expense | (198,465) | (188,031) |

(b) As of September 30, 2024 and December 31, 2023, the liability for income tax, net of the advanced tax, amounted to approximately S/3,493,000 and S/81,847,000, respectively. Also, as of September 30, 2024 and December 31, 2023, the income tax credit amounted to approximately S/47,447,000 and S/27,399,000, respectively.

Notes to the interim consolidated financial statements (continued)

15. Equity

(a) Capital stock

As of September 30, 2024 and December 31, 2023, the capital stock of the Company is represented by 15,839,379 common shares, with a nominal value of S/1.00 each, which are entirely authorized and paid.

(b) Capital premium

Corresponds to cash contributions for a total amount of approximately S/4,182,000. In accordance with the agreements of the General Shareholders Meetings of July 2008, an amount of S/791,000 was recorded as capital stock and the difference of approximately S/3,391,000 was recorded as a capital premium, which is presented in the item "Capital premium" in the consolidated statement of financial position.

In April 2018, the merger by absorption of IR Pharma S.A.C., generated an exchange of shares for an equity received of S/481,500,000, issuing shares of S/2,056,000 and recognizing a capital premium of S/479,444,000.

(c) Legal reserve

As of September 30, 2024 and December 31, 2023, this item includes the legal reserve established by the Company. As provided in the General Corporations Law, 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, in both cases it must be replenished. The legal reserve is appropriated when the General Shareholders' Meeting approves it.

(d) Distribution of dividends

At the General Shareholders' Meeting held on July 15, August 15 and September 16, 2024, the distribution of dividends was approved for a value of S/75,000,000, which was paid during the third quarter of 2024.

At the General Shareholders' Meeting held on April 17, May 6 and June 17, 2024, the distribution of dividends was approved for a value of S/75,000,000, which was paid during the second quarter of 2024.

At the General Shareholders' Meeting held on January 15, February 15 and March 15, 2024, the distribution of dividends was approved for a value of S/75,000,000, which was paid during the first quarter of 2024.

At the General Shareholders' Meeting held on July 6, August 11, and September 8, 2023, the distribution of dividends was approved for a value of S/75,000,000, which was paid during the second quarter of 2023.

At the General Shareholders' Meeting held on April 17, May 8, and June 15, 2023, the distribution of dividends was approved for a value of S/125,000,000, which was paid during the second quarter of 2023.

At the General Shareholders' Meeting held on January 13, February 13, and March 7, 2023, the distribution of dividends was approved for a value of S/100,000,000, which was paid during the first quarter of 2023.

Notes to the interim consolidated financial statements (continued)

16. Tax Situation

- (a) The Company and its Subsidiaries domiciled in Peru and Ecuador are subject to the tax regime of each country and calculate the income tax based on their individual financial statements. As of September 30, 2024 and December 31, 2023, the income tax rate was:

| Country | % |
|---------|------|
| Peru | 29.5 |
| Ecuador | 25.0 |

- (b) The Subsidiaries of the Company domiciled in Peru, Ecuador, Bolivia and Colombia are subject to the tax regime of each country and calculate the income tax based on their individual financial statements. As of September 30, 2024 and December 31, 2023, the income tax rate is:

| | Tax rate | |
|---------|-----------|-----------|
| | 2024 % | 2023 % |
| Peru | 5.0 | 5.0 |
| Ecuador | 10.5 | 10.5 |

- (c) Law No. 29663, later amended by law No. 29757, established Peruvian source income as that obtained by the indirect sales of shares representing the capital stock of companies domiciled in the country.

To this end, an indirect transference is configured when the following two assumptions occur together:

- (i) In first place, 10 percent or more of shares of the non domiciled company must be sold within a period of twelve months.
- (ii) In second place, the market value of the Peruvian company's shares must represent 50 percent or more of the market value of the non domiciled company, in a period of twelve months.

In addition, as of January 1, 2019, a new indirect alienation regulation entered into force. It is applicable when in any 12-month period, the indirect alienation of shares or interest of legal entities domiciled in Peru have a transaction value equal or greater than 40,000 Peruvian Tax Units (UIT).

- (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 InRetail Pharma Group, Management and its legal advisors consider that as consequence of the application of the regulation in force, there will not be any significant contingencies for the InRetail Pharma Group as of September 30, 2024 and December 31, 2023.

Notes to the interim consolidated financial statements (continued)

- (e) The tax authority is legally entitled to review and, if necessary, adjust the Income Tax computed. Following are the years subject to review by the tax authority of the Subsidiaries of InRetail Pharma S.A. incorporated in Peru and foreign:

| | Income tax | Value added tax |
|----------------------------------|------------------------------------|----------------------------|
| Albis S.A.C. | From 2019 to 2021 | From 2020 to 2021 |
| Boticas IP S.A.C. | From 2021 to 2023 | From 2021 to 2024 |
| Boticas del Oriente S.A.C. | From 2019 to 2021 | From 2020 to 2021 |
| Drogueria Inretail Pharma S.A.C. | From 2019 to 2022 | From 2020 to 2022 |
| Eckerd Amazonia S.A.C. | From 2019 to 2021 | From 2020 to 2021 |
| Farmacías Peruanas S.A.C. | From 2020 to 2023 | From 2020 to 2024 |
| FP Servicios Generales S.A.C. | From 2021 to 2023 | From 2021 to 2024 |
| Inretail Pharma S.A. | From 2019 to 2023 | From 2019 to 2024 |
| Jorsa de la Selva S.A.C. | From 2019 to 2023 | From 2019 to 2024 |
| Mifarma S.A.C. | From 2019 to 2023 | From 2019 to 2024 |
| Quicorp S.A. | From 2019 to 2023 | From 2020 to 2024 |
| Quifatex S.A. | From 2019 to 2023 | From 2020 to 2024 |
| Química Suiza S.A.C. | From 2019 to 2023 | From 2020 to 2024 |
| Vanttive Cia Ltda. | From 2021 to 2023 | From 2021 to 2024 |
| Vanttive S.A.C. | From 2019 to 2020 and 2022 to 2023 | From 2020 to 2023 |

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

In opinion of Management of the InRetail Pharma Group as well as its legal advisor's opinion, any eventual additional tax settlement would not be significant to the consolidated financial statements as of September 30, 2024 and December 31, 2023.

17. Operating expenses

- (a) The table below presents the components of this item for the nine-month period ended September 30, 2024 and 2023:

| | 2024 | 2023 |
|-------------------------|-------------------------|-------------------------|
| | S/(000) | S/(000) |
| Cost of sales | 4,464,304 | 4,545,427 |
| Selling expenses | 1,161,107 | 1,154,589 |
| Administrative expenses | 232,203 | 238,212 |
| Total | <u>5,857,614</u> | <u>5,938,228</u> |

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

Notes to the interim consolidated financial statements (continued)

| | 2024 | | | |
|--|----------------------|-------------------------|--------------------------------|------------------|
| | Cost of sales | Selling expenses | Administrative expenses | Total |
| | S/(000) | S/(000) | S/(000) | S/(000) |
| Initial balance of goods, Note 6 (a) | 1,202,799 | - | - | 1,202,799 |
| Initial balance of raw material, Note 6 (a) | 661 | - | - | 661 |
| Initial balance of supplies, Note 6 (a) | 1,548 | - | - | 1,548 |
| Purchase of goods and supplies | 4,484,282 | - | - | 4,484,282 |
| Final balance of goods, Note 6 (a) | (1,250,755) | - | - | (1,250,755) |
| Final balance of raw materials, Note 6 (a) | (131) | - | - | (131) |
| Final balance of supplies, Note 6 (a) | (616) | - | - | (616) |
| Impairment of inventories, Note 6 (c) | (5,825) | - | - | (5,825) |
| Factory overhead | 3 | - | - | 3 |
| Personnel expenses | 13,785 | 541,155 | 109,728 | 664,668 |
| Depreciation, Note 9 (d) | 3,019 | 80,848 | 8,916 | 92,783 |
| Depreciation of right-of-use asset, Note 12 (b) | 1,973 | 208,282 | 3,208 | 213,463 |
| Amortization, Note 10 (d) | - | 3,001 | 21,043 | 24,044 |
| Services provided by third parties (b) | - | 229,194 | 70,292 | 299,486 |
| Advertising | - | 36,356 | 25 | 36,381 |
| Packing and packaging | - | 3,772 | 349 | 4,121 |
| Rental of premises | - | 10,103 | - | 10,103 |
| Low-value asset leases | - | 2,847 | 530 | 3,377 |
| Taxes | - | 5,295 | 6,998 | 12,293 |
| Provision for doubtful trade receivables, Note 5(d) | - | 5,828 | 46 | 5,874 |
| Provision for doubtful other account receivables | - | 531 | 21 | 552 |
| Recoveries of provision trade account receivables, Note 5(d) | - | (1,171) | - | (1,171) |
| Recovery of provision other account receivables | - | (2,080) | (73) | (2,153) |
| Insurance | - | 11,162 | 1,077 | 12,239 |
| Other charges (c) | 13,561 | 25,984 | 10,043 | 49,588 |
| Total | 4,464,304 | 1,161,107 | 232,203 | 5,857,614 |

| | 2023 | | | |
|---|----------------------|-------------------------|--------------------------------|------------------|
| | Cost of sales | Selling expenses | Administrative expenses | Total |
| | S/(000) | S/(000) | S/(000) | S/(000) |
| Initial balance of goods | 1,266,646 | - | - | 1,266,646 |
| Initial balance of raw material | 108 | - | - | 108 |
| Initial balance of supplies | 860 | - | - | 860 |
| Purchase of goods | 4,462,525 | - | - | 4,462,525 |
| Final balance of goods | (1,222,765) | - | - | (1,222,765) |
| Final balance of raw materials | (906) | - | - | (906) |
| Final balance of supplies | (1,758) | - | - | (1,758) |
| Impairment of inventories, Note 6 (c) | 10,767 | - | - | 10,767 |
| Personnel expenses | 13,523 | 544,599 | 109,748 | 667,870 |
| Depreciation, Note 9 (d) | 1,076 | 90,377 | 9,124 | 100,577 |
| Depreciation of right-of-use asset, Note 12 (b) | 1,795 | 196,950 | 4,016 | 202,761 |
| Amortization, Note 10 (d) | - | 11,158 | 20,213 | 31,371 |
| Services provided by third parties (b) | - | 201,112 | 76,680 | 277,792 |
| Advertising | - | 40,782 | 12 | 40,794 |
| Packing and packaging | - | 5,274 | 319 | 5,593 |
| Rental of premises | - | 11,345 | - | 11,345 |
| Low-value asset leases | 63 | 3,081 | 559 | 3,703 |
| Taxes | - | 6,284 | 8,288 | 14,572 |
| Provision for doubtful trade receivables, Note 5(d) | - | 9,395 | - | 9,395 |
| Provision for doubtful other account receivables | - | 2,101 | - | 2,101 |
| Recovery of provision for doubtful trade receivables, Note 5(d) | - | (2,368) | - | (2,368) |
| Recovery of provision for doubtful other account receivables | - | (2,203) | - | (2,203) |
| Insurance | - | 8,116 | 1,121 | 9,237 |
| Other charges (c) | 13,493 | 28,586 | 8,132 | 50,211 |
| Total | 4,545,427 | 1,154,589 | 238,212 | 5,938,228 |

Notes to the interim consolidated financial statements (continued)

- (b) Corresponds mainly to expenses of electricity, water, telephone, premises maintenance services and transport services.
- (c) Mainly includes general expenses in pharmacies.

18. Financial expenses

- (a) The table below presents the components of financial expenses:

| | 2024 | 2023 |
|--|----------------|----------------|
| | S/(000) | S/(000) |
| Interest on loans, borrowings and bonds payable | 36,790 | 45,137 |
| Interest on loans with related parties, Note 19 (c) | 35,788 | 35,741 |
| Interest on lease liability, Note 12 (c) | 36,555 | 31,485 |
| Accrual of structuring cost of financial obligation | 3,269 | 2,912 |
| Interest from derivative instruments "Call Spread" | 2,106 | 2,508 |
| Premium accrual of "Call Spread" | 14,558 | 14,474 |
| Accrual of the value in the time of exchange of derivative financial instruments (c) | 5,707 | 5,686 |
| Other financial expenses | 5,899 | 4,808 |
| Total | 140,672 | 142,751 |

- (b) As of September 30, 2024 and December 31, 2023, there are interest payable for these obligations for approximately S/1,288,000 and S/6,312,000, respectively, which are recorded in the "Other payables" item of the consolidated statements of financial position.
- (c) As of September 30, 2024 and 2023, it corresponds to the transfer of the value over time of other comprehensive income to income for the period, related to the early settlement of the "Call Spread". See Note 8 (a).

19. Transactions with related parties

- (a) The following table provides the total amount of transactions that have been entered into with related parties for the nine-month period ended as of September 30, 2024 and 2023:

| | 2024 | 2023 |
|------------------------------|---------------|---------------|
| | S/(000) | S/(000) |
| Income | | |
| Sales | 26,054 | 17,335 |
| Rendering of services | 1,403 | 2,887 |
| Interest income | 2,662 | 1,802 |
| Total | 30,119 | 22,024 |
| Expenses | | |
| Renting of premises and land | 2,799 | 8,692 |
| Reimbursement of expenses | 1,257 | 9,564 |
| Minor services | 14,532 | 6,181 |
| Interest | 35,788 | 35,741 |
| Others | 904 | 2,573 |
| Total | 55,280 | 62,751 |

- (b) As a result of the transactions with related companies, the InRetail Pharma Group recorded the following balances as of September 30, 2024 and December 31, 2023:

Notes to the interim consolidated financial statements (continued)

| | As of September 30, 2024 S/(000) | As of December 31, 2023 S/(000) |
|----------------------------------|--|---------------------------------------|
| Receivables | | |
| Supermercados Peruanos S.A. (e) | 6,212 | 9,091 |
| Homecenters Peruanos S.A. (e) | 189 | 374 |
| Homecenters Oriente S.A.C. (e) | 7 | 25 |
| Agora Servicios Digitales S.A.C. | 2,727 | 10,025 |
| Tiendas Peruanas S.A. | 130 | 104 |
| Financiera Oh! S.A. | 394 | 7,114 |
| InDigital XP S.A.C. | 2,595 | - |
| Makro Supermayorista S.A. | 2 | 2 |
| Other | 299 | 79 |
| Total | 12,555 | 26,814 |

| | As of September 30, 2024 S/(000) | As of December 31, 2023 S/(000) |
|---|--|---------------------------------------|
| Payables | | |
| Plaza Vea Oriente S.A.C. | 64 | 40 |
| Financiera Oh! S.A. | 6,715 | 5,375 |
| Compañía Food Retail S.A.C | 1,975 | 541 |
| Agora Servicios Digitales S.A.C. | 1,095 | 9,068 |
| Homecenters Oriente S.A.C. | - | 62 |
| Real Plaza S.R.L. | 384 | 321 |
| Inmobiliaria Puerta del Sol S.A. | 363 | 133 |
| Makro Supermayorista S.A. | 4 | 4 |
| Supermercados Peruanos S.A. | 1,368 | 829 |
| IR Management S.R.L. | 1,296 | 2,075 |
| InRetail Consumer (c) | 1,328,354 | 1,338,408 |
| Interproperties Perú | 1,642 | 885 |
| InDigital XP S.A.C. | 1,305 | 1,616 |
| Otras relacionadas | 241 | 325 |
| Total | 1,344,806 | 1,359,682 |
| Remunerations payable to key management | - | - |
| Total | 1,344,806 | 1,359,682 |
| Current | 17,722 | 34,659 |
| Non-current | 1,327,084 | 1,325,023 |
| Total | 1,344,806 | 1,359,682 |

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

Notes to the interim consolidated financial statements (continued)

- (c) In March 2021, InRetail Consumer (Special Purpose Entity) related entity, granted a loan of US\$288,000,000, equivalent to S/1,069,632,000 as of September 30, 2024, (equivalent to S/1,069,344,000 as of December 31, 2023) and S/266,400,000, said obligations were registered in the consolidated financial statements at amortized cost at an annual effective interest rate of 3.453 and 5.118 percent, respectively, after considering the respective initial charges of approximately US\$1,919,000, equivalent to a total of approximately S/7,126,000 and S/1,822,000, respectively (US\$2,275,000 equivalent to S/8,548,000 as of December 31, 2023 and S/2,173,000).

During of nine-month period ended as of September 30, 2024 and 2023, an interest of S/35,787,000 and S/35,741,000 was accrued, which was recorded in the item "Financial expenses" of the consolidated statement of comprehensive income. Likewise, as of September 30, 2024, accumulated interest payable of S/1,244,000 (as of December 31, 2023 S/13,385,000) is maintained.

The funds obtained from the loan were used, mainly, for the early payment of the "Senior Notes Unsecured".

- (d) Outstanding balances at period-end are unsecured and interest free, except for the financial obligations explained in this note. There have been no guarantees provided or received for any related party receivables or payables. As of September 30, 2024 and December 31, 2023, the InRetail Pharma Group has 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.
- (e) Corresponds main to the balances pending for the sale of goods of Química Suiza S.A.C. as of September 30, 2024.
- (f) The compensation of key management personnel of the InRetail Pharma Group for the nine-month period ended September 30, 2024 and 2023, is detailed below:

| | 2024 | 2023 |
|--|---------------|---------------|
| | S/(000) | S/(000) |
| Short term employee benefits | 18,370 | 18,622 |
| Insurance and medical benefits | 312 | 355 |
| Employment benefits for contract termination | 732 | 1,031 |
| Total | 19,414 | 20,008 |

- (g) As of September 30, 2024 and December 31, 2023, the InRetail Pharma Group maintains the following balances in the cash and cash equivalent items:

| | 2024 | 2023 |
|---|-------------|-------------|
| | S/(000) | S/(000) |
| Banco Internacional del Peru – Interbank S.A.A. | 180,494 | 104,177 |
| Inteligo Bank Ltd. | 2,034 | 696 |

Notes to the interim consolidated financial statements (continued)

20. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the nine-month period attributable to ordinary equity holders of InRetail Pharma S.A. by the weighted average number of ordinary shares outstanding during the same period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The following reflects basic and diluted earnings per share computations:

| | Ordinary shares | | |
|--------------------------------------|--|--|---|
| | Outstanding shares | Effective days until period-end | Weighted average of shares |
| Number as of January 1, 2023 | 15,839,379 | 270 | 15,839,379 |
| Number as of September 30, 2023 | 15,839,379 | | 15,839,379 |
| Number as of January 1, 2024 | 15,839,379 | 270 | 15,839,379 |
| Number as of September 30, 2024 | 15,839,379 | | 15,839,379 |
| | For the nine-months period ended September 30, 2024 | | |
| | Net income (numerator) | Shares (denominator) | Earnings per share |
| | S/ | | S/ |
| Basic and diluted earnings per share | 427,059,000 | 15,839,379 | 26.962 |
| | For the nine-months period ended September 30, 2023 | | |
| | Net income (numerator) | Shares (denominator) | Earnings per share |
| | S/ | | S/ |
| Basic and diluted earnings per share | 398,430,000 | 15,839,379 | 25.154 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

Notes to the interim consolidated financial statements (continued)

21. Commitments and contingencies

Commitments

The main commitments assumed are presented below:

- (a) As of September 30, 2024, the Company and its Subsidiaries agreed with several financial entities on the issuance of solidary and irrevocable letters of guarantee for approximately S/76,567,000 and US\$4,745,000 (S/45,566,000, US\$4,731,000 and B\$179,000 as of December 31, 2023), respectively, to comply with the payment of goods purchased to foreign suppliers.

Contingencies

- (a) InRetail Pharma S.A., Química Suiza S.A.C., Mifarma S.A.C., Jorsa de la Selva S.A.C., Vantive Ltda., Quifatex S.A., Quimiza Ltda. and Boticas IP S.A.C. maintain various claims for civil, labor and tax processes for an approximate total amount of S/49,280,000 as of September 30, 2024 (S/62,171,000 as of December 31, 2023). In the opinion of Management and its legal advisors, said processes should be resolved favorably for these components, in opinion of Management, it is not necessary to record additional liabilities for these items.
- (b) Eckerd Amazonía 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 September 2005 for an approximate amount of S/17,942,000. In opinion of Management and its legal advisors these contingencies are stated as possible, and significant liabilities will not arise as result of this contingency as of September 30, 2024 and December 31, 2023. In July 2021, the tax court issued an unfavorable resolution to the Company for which a payment of S/17,942,000 has been made and recognized an expense of S/9,636,000, the Company will continue with the claim.

22. 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 isn't an exact estimation technique. As a result, the fair value may not be indicative of the net realizable of settlement value.

The following methods and assumptions were used to estimate the fair values:

- (a) Financial instruments whose fair value is 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 other payables and other current liabilities, approximate to their carrying amounts largely due to the short-term maturities of these instruments. Also, the derivative instrument by the InRetail Pharma Group is recorded at fair value.

Notes to the interim consolidated financial statements (continued)

(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 instrument. 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 investment at fair value through equity is derived from quoted market prices in active markets, if available. Fair value of unquoted investment at fair value through equity is estimated using a discounted cash flow technique.

Fair value hierarchy

The InRetail Pharma Group uses the following hierarchy for determining and disclosing the fair value of its financial instrument recorded in the statement 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 InRetail Pharma Group does not maintain any financial instrument with fair value determination under level 3 and there were no transfers between levels during the nine-month period ended September 30, 2024 and 2023. The InRetail Pharma Group maintains the following financial instruments at fair value:

- Investment at fair value through equity which fair value was determined under level 1 hierarchy.
- Derivative instrument which fair value was determined under level 2 hierarchy.

23. Transactions in foreign currency

The financial statements have been stated in Soles using exchange rates prevailing in the market as published by the Superintendence of Banks, Insurance and Pension Funds Administration. As of September 30, 2024 the end of period exchange rates in the market for transactions in US Dollars were S/3.703 per US\$1.00 bid and S/3.714 per US\$ 1.00 ask, in Swiss Franc was S/4.091 per Fr1.00 bid and S/5.521 per Fr1.00 ask, in Euro were S/3.905 per €1.00 bid and S/4.417 per €1.00 ask, (S/3.705 and S/3.713 per US\$1.00 for bid and ask, S/4.065 and S/5.084 per Fr1.00 for bid and ask, S/3.972 and S/4.378 per €1.00 for bid and ask, as of December 31, 2023).

Transactions in foreign currency are carried out using exchange rates prevailing in the market as published by authorized entities of the country in which the Company and its Subsidiaries operate. As of September 30, 2024 and December 31, 2023, the end of period exchange rate at the market for transactions of the different currency in relation to the Sol are as following:

| Exchange rate per Soles | 2024 | 2023 |
|-------------------------|-------|-------|
| U. S. Dollars (US\$) | 0.269 | 0.269 |
| Bolivian Peso (B\$) | - | 1.874 |
| Swiss franc (Fr) | 0.181 | 0.197 |
| Euro (€) | 0.226 | 0.228 |

Notes to the interim consolidated financial statements (continued)

As of September 30, 2024 and December 31, 2023, the InRetail Pharma Group held the following foreign currency assets and liabilities:

| | As of September 30, 2024 | | | As of December 31, 2023 | | | |
|--|--------------------------|----------------|--------------|-------------------------|-----------------|----------------|--------------|
| | US\$(000) | € (000) | Fr (000) | US\$(000) | b\$(000) | € (000) | Fr (000) |
| Assets | | | | | | | |
| Cash and short-term deposits | 41,521 | 49 | 5 | 10,207 | 17,663 | - | - |
| Investments at fair value through equity | 28,130 | - | - | 26,811 | - | - | - |
| Trade receivables, net | 65,185 | - | - | 69,035 | 32,622 | - | - |
| Other accounts receivables, net | 8,007 | - | - | 10,849 | 2,245 | - | - |
| Accounts receivable from related parties | 38 | - | - | - | - | - | - |
| Total assets | 142,881 | 49 | 5 | 116,902 | 52,530 | - | - |
| Liabilities | | | | | | | |
| Trade payables | (111,251) | (1,156) | (358) | (123,651) | (8,617) | (3,440) | (514) |
| Other payables | (11,787) | - | - | (6,608) | (5,642) | - | - |
| Accounts payable to related parties | (288,480) | - | - | (290,681) | - | - | - |
| Lease liability | (91,022) | - | - | (92,378) | (2,927) | - | - |
| Interest - bearing loans and borrowings | (11,011) | - | - | (13,309) | - | - | - |
| Total Liabilities | (513,551) | (1,156) | (358) | (526,627) | (17,186) | (3,440) | (514) |
| Hedge amount | 288,000 | - | - | 288,000 | - | - | - |
| Net (liability) assets position | (82,670) | (1,107) | (353) | (121,725) | 35,344 | (3,440) | (514) |

As of September 30, 2024 and December 31, 2023, InRetail Pharma and its Subsidiaries have decided to reduce its exchange rate risk by entering into a hedging operations through a derivative financial instruments written over its intercompany loan with InRetail Consumer, which is considered an effective hedging instrument.

These instruments have been subscribed for a nominal value of US\$138,000,000, US\$100,000,000 and US\$50,000,000 as of September 30, 2024 and December 31, 2023, the Call Spread protects fluctuations in the exchange rate between S/3.70 and S/4.20 and the Range Only Principal Swap between S/ 3.70 and S/6.00 and will be effective until the maturity of the loans for pay to related parties. See note 8.

For the nine-month period ended as of September 30, 2024 and 2023, InRetail Pharma has incurred in the following results for exchange difference:

| | 2024 S/(000) | 2023 S/(000) |
|--|-----------------|-----------------|
| Exchange difference generated by hedged assets and liabilities | 288 | 6,624 |
| Compensation of exchange difference for hedging derivative | (288) | (6,624) |
| Exchange difference generated by unhedged assets and liabilities | (676) | 9,203 |
| Net (loss) gain | (676) | 9,203 |

24. Subsequent event

From October 1, 2024, to the date of this report's presentation, no significant event has occurred that would affect the financial statements beyond what is reported in the notes to the consolidated financial statements.

25. Additional explanation for English translation

The accompanying consolidated financial statements are presented on the basis of the IFRS. Certain accounting practices applied by the InRetail Pharma Group may differ in certain respects from accounting principles generally accepted in other countries. In the event of any discrepancy, the Spanish-language version prevails.