Translation of independent auditors' report and consolidated financial statements originally issued in Spanish - Note 35

InRetail Perú Corp. and Subsidiaries

Consolidated financial statements as of December 31, 2024 and 2023, together with the Independent Auditors' Report

Translation of independent auditors' report and consolidated financial statements originally issued in Spanish - Note 35

InRetail Perú Corp. and Subsidiaries

Consolidated financial statements as of December 31, 2024 and 2023, together with the Independent Auditors' report

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Independent Auditors' Report

Opinion

We have audited the consolidated financial statements of InRetail Perú Corp. and Subsidiaries ("InRetail Group"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the notes to the consolidated financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all significant respects, the consolidated financial position of InRetail Perú Corp. and Subsidiaries as of December 31, 2024, as well as its financial performance and consolidated statement of cash flow for the year then ended, in accordance with the accounting standards IFRS.

Basis for opinion

We perform our audit in accordance with the International Standard for Auditing (ISA) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants. Our responsibilities under these standards are described in more detail in the *Auditor's Responsibilities for the audit of the consolidated financial Statements* section of our report. We are independent of the InRetail Group in accordance with the International Accounting Standards Board Code of Ethics for Accountants (IESBA Code) along with ethical requirements that are relevant to our audit of the consolidated financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were more important in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, so we do not provide a separate opinion on these matters. Based on the above, bellow is how each key audit matter was addressed during our audit

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Independent Auditors' Report (continue)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters.

Consequently, our audit included conducting procedures designed to respond to the risk of material misstatement assessed in the consolidated financial statements. The results of the audit procedures, including the procedures performed to address the matters mentioned below, form the basis for the audit opinion on the accompanying consolidated financial statements.

Key Audit matter	Audit result
Fair value of investment properties The valuation of the Investment Properties item is significant for our audit due to the use of estimates in valuation techniques, based on key assumptions formulated by management. The main assumptions considered for the determination of cash flows are long-term inflation, average occupancy rate, average growth rate, EBITDA margin, average discount rate. Inadequate valuation of cash flows could result in a misstatement of the Company's financial statements and its overall financial position. The principles used in the valuation of investment properties are disclosed in note 14 to the financial statements. Due to the factors mentioned above, the valuation of the fair value of investment properties is considered a key audit matter.	- We obtained an understanding of the Company's process for the valuation of investment properties. - We involved our internal specialists who verified the calculation and evaluated the methodology and assumptions used by the Company in the valuation models. - We evaluated the integrity of the operating reports used by the Company in the valuation models. - We evaluated the reasonableness of the discount rate and growth rate and perpetuity. - We evaluated the disclosures in the financial statements.

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Independent Auditors' Report (continue)

Key Audit matter	Audit result
Impairment evaluation of intangible assets with indefinite lives	
The valuation of indefinite-lived intangible asset impairment is significant to our audit due to the use of estimates in valuation techniques, based on key assumptions made by management. The determination of the recoverable amount is complex, involves a high degree of judgment by the Company's management and requires significant judgments and assumptions that are affected by future conditions, such as profitability and economic conditions, discount rates, operating margins, weighted average cost of capital, capitalization rate and others, which are sensitive to and affected by economic changes and market conditions, among other factors. The main assumptions considered for the determination of cash flows are perpetual growth rate, revenue growth, EBITDA margin, discount rate, Capex. We evaluated the reasonableness of key assumptions, perpetual growth rate, revenue growth, EBITDA margin, discount rate, Capex. The principles used in the valuation of intangible assets of indefinite life are disclosed in note 15 to the financial statements. Due to the factors mentioned above, the assessment of impairment of indefinite-lived intangibles (trademarks and goodwill) is considered a key audit matter.	- We obtained an understanding of the Company's process for valuing the impairment of indefinite-lived intangible assets. - We involved our internal specialists who verified the calculation and evaluated the methodology and assumptions used by the Company in the valuation models. - We evaluated the integrity of the operating reports used by the Company in the valuation model. - We evaluated the reasonableness of key assumptions, perpetual growth rate, revenue growth, EBITDA margin, discount rate, Capex. - We evaluated the disclosures in the financial statements.

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Independent Auditors' Report (continue)

Other information included in the InRetail Group's 2024 Annual Report

Other information consists of the information included in the InRetail Group´s Annual Report other than the consolidated financial statements or our audit report on them. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of conclusion that provides a degree of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge gained in the audit or whether it otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material error of this other information, we are obliged to report that fact. We have nothing to report in this regard.

Responsibilities of the InRetail Group´s Management and responsible of the InRetail Group´s corporate governance in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs accounting standards, and for the internal control that Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the InRetail Group's ability to continue as a going concern, disclosing as appropriate the matters relating to the going concern and using the going concern basis of accounting, unless Management intends to liquidate the InRetail Group or cease operations, or have no other realistic alternative to doing so.

Those responsible for the InRetail Group´s corporate governance are responsible for supervising the InRetail Group´s financial reporting process.

Shape the future
with confidence

Translation of independent auditors' report originally issued in Spanish - Note 35

Independent Auditors' Report (continue)

Auditor's responsibilities in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance but is does not a guarantee that an audit carrier out in accordance with ISAs approved for application in Peru will always detect a material misstatement when it exists. Inaccuracies may arise due to fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions of users take based on the consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the Audit. Also:

- We Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks, and obtain audit evidence that is sufficient and appropriate to provide us a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations, or the overstepping the internal control system.
- We obtained an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the InRetail Group´s Internal control.
- We evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by management.
- We conclude on the suitability of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubt about the InRetail Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to disclosures relating to the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Conclusions are based on audit evidence obtained to date from our audit report. However, future events or conditions may cause the InRetail Group to cease to continue as a going concern.
- We evaluate the general presentation, structure, content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a reasonable presentation.

Independent Auditors' Report (continue)

- We obtained sufficient and adequate audit evidence in relation to the financial information of the entities or business activities that are part of the InRetail Group, in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the InRetail Group's audit and therefore for our audit opinion.

We communicate to the responsible of the InRetail Group´s corporate governance, among other matters, the planned scope and timing of the audit, the significant findings of the audit, as well as any significant internal control deficiencies identified in the course of the audit.

We also provide those responsible of the InRetail Group´s corporate governance with a statement that we have complied with the applicable ethics requirements in relation to independence and that we have disclosed all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, including the respective safeguards.

Among the matters that have been the subject of communication with those responsible of the InRetail Group´s corporate governance, we determine those that have been of the greatest significance in the audit of the consolidated financial statements of the current period and, therefore, are the key audit matters. We have described such matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because it would reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of the report.

Lima, Peru
March 18, 2025

Signed by:

Tanaka, Valdivia & Asoc.

Stephanie Mc Lauchlan
C.P.C.C. Register No. 33000

InRetail Perú Corp. and Subsidiaries

Consolidated statements of financial position

At December 31, 2024 and 2023

	Note	2024 S/(000)	2023 S/(000)
Assets			
Current assets			
Cash and short-term deposits	4.3(g) and 6	1,127,417	944,067
Financial instruments at fair value through profit or loss	4.3(c) and 7	333,144	198,235
Trade receivables, net	8	649,404	836,528
Other receivables, net	9	210,443	199,901
Accounts receivable from related parties, net	26(b)	121,362	110,427
Inventories, net	4.3(h) and 10	2,768,059	2,535,153
Prepaid expenses		29,753	24,172
Taxes recoverable	11	202,855	180,819
Total current assets		5,442,437	5,029,302
Non-current assets			
Other receivables, net	9	260,480	242,605
Recoverable taxes	11	92,103	32,598
Accounts receivable from related parties	26(b)	30,149	64,549
Derivative financial instruments	4.3(d) and 12	130,335	144,315
Property, furniture and equipment, net	4.3(i) and 13	5,798,173	5,382,839
Investment properties	4.3(k) and 14	4,324,223	4,196,158
Intangible assets, net	4.3(l) and 15	3,917,066	3,935,715
Right-of-use assets	4.3(j) and 16(b)	1,896,523	1,663,033
Deferred income tax assets, net	4.3(r) and 21(a)	345,048	321,689
Other assets		2,407	2,407
Total non-current assets		16,796,507	15,985,908
Total assets		22,238,944	21,015,210

	Note	2024 S/(000)	2023 S/(000)
Liabilities and equity			
Current liabilities			
Trade payables	17	4,726,196	4,250,586
Other payables	18	532,361	589,215
Interest-bearing loans and borrowings	19	1,057,593	491,237
Accounts payable to related parties	26(b)	87,174	61,820
Current income tax, net	4.3(r) and 21(e)	33,158	83,982
Deferred revenue	27	28,003	27,364
Lease liabilities	4.3(j) and 16(c)	352,625	316,693
Total current liabilities		6,817,110	5,820,897
Non-current liabilities			
Trade payables	17	2,904	3,774
Other payables	18	57,337	55,171
Interest-bearing loans and borrowings	19	1,864,457	2,264,175
Accounts payable to related parties	26(b)	21,471	36,178
Senior notes issued	20	4,418,781	4,737,199
Deferred revenue	27	25,890	35,727
Deferred income tax liabilities, net	4.3(r) and 21(a)	519,476	533,588
Taxes related to Special Purpose Entities	30(e)	614,789	526,916
Derivates financial instruments	4.3(d) and 12	62,717	34,791
Lease liabilities	4.3(j) and 16(c)	1,784,895	1,538,472
Total non-current liabilities		9,372,717	9,765,991
Total liabilities		16,189,827	15,586,888
Equity	22		
Equity attributable to InRetail Perú Corp:			
Capital stock		2,361,775	2,361,775
Capital premium		1,020,148	1,020,148
Treasury shares		(57,636)	(57,636)
Other reserves		419,001	419,001
Unrealized results on derivative financial instruments		(136,678)	(115,861)
Unrealized results for exchange differences on translation of foreign operations		2,950	3,337
Unrealized results for actuarial update		535	376
Retained earnings		2,438,833	1,797,003
		6,048,928	5,428,143
Non-controlling interests		189	179
Total equity		6,049,117	5,428,322
Total liabilities and equity		22,238,944	21,015,210

The accompanying notes are an integral part of consolidated statement of financial position.

InRetail Perú Corp. and Subsidiaries

Consolidated income statements

For the years ended December 31, 2024 and 2023

	Note	2024 S/(000)	2023 S/(000)
Net sales of goods		20,393,286	19,656,009
Rental income		707,070	661,693
Rendering of services		583,006	545,017
Revenue	4.3(q)	21,683,362	20,862,719
Cost of sales and services	4.3(q) and 23	(15,530,432)	(14,999,787)
Gross profit		6,152,930	5,862,932
Change in fair value of investment property	14(a)	16,716	83,731
Selling expenses	23	(3,452,374)	(3,292,783)
Administrative expenses	23	(659,076)	(639,969)
Other operating income, net	24	71,003	35,971
Operating profit		2,129,199	2,049,882
Finance income	25	64,603	40,738
Finance expenses	25	(659,309)	(653,483)
Exchange difference, net	5 and 32.2(i)	(13,815)	40,148
Profit before income tax		1,520,678	1,477,285
Income tax expense	4.3(r) and 21(c)	(549,279)	(541,471)
Net profit for the year		971,399	935,814
Attributable to:			
InRetail Perú Corp. shareholders		971,354	935,765
Non-controlling interests		45	49
		971,399	935,814
Earnings per share:			
Basic and diluted profit for the year attributable to InRetail Perú Corp. shareholders, basic and diluted (in Soles)	4.3(t) and 28	9.08	8.75
Average number of outstanding shares (in thousands)	4.3(t) and 28	106,997	106,997

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

InRetail Perú Corp. and Subsidiaries

Consolidated statements of other comprehensive income

For the years ended December 31, 2024 and 2023

	Note	2024 S/(000)	2023 S/(000)
Net profit		971,399	935,814
Other comprehensive income to be reclassified to the consolidated income statements in subsequent periods:			
Unrealized results on derivative financial instruments	12 (b) and 12(c)	(25,818)	78,306
Deferred income tax	12(c) and 21(b)	5,000	(19,239)
Unrealized (loss) gain on foreign currency translation		(387)	337
Unrealized gain (loss) on actuarial reserve update	4.3(n)	159	(98)
Other comprehensive income to be reclassified to the consolidated income statements in subsequent period, net of income tax		(21,046)	59,306
Total comprehensive income for the year		950,353	995,120
Attributable to:			
InRetail Perú Corp. shareholders		950,309	995,067
Non-controlling interests		44	53
		950,353	995,120

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

InRetail Perú Corp. and Subsidiaries

Consolidated statements of changes in equity

For the years ended December 31, 2024 and 2023

	Attributable to owners of InRetail Perú Corp.										
	Capital stock S/(000)	Treasury shares S/(000)	Capital premium S/(000)	Other reserves S/(000)	Unrealized results on derivative financial instruments S/(000)	Unrealized results on foreign currency translation S/(000)	Unrealized gain for actuarial update S/(000)	Retained earnings S/(000)	Total S/(000)	Non-controlling interest S/(000)	Total equity S/(000)
Balances as of January 1, 2023	2,361,775	(57,636)	1,020,148	419,001	(174,924)	3,000	474	1,198,170	4,770,008	(3,726)	4,766,282
Net income	-	-	-	-	-	-	-	935,765	935,765	49	935,814
Other comprehensive income, note 22(e)	-	-	-	-	59,063	337	(98)	-	59,302	4	59,306
Total comprehensive income	-	-	-	-	59,063	337	(98)	935,765	995,067	53	995,120
Dividends paid, note 22(d)	-	-	-	-	-	-	-	(338,490)	(338,490)	-	(338,490)
Dividends paid by subsidiaries, note 22(d)	-	-	-	-	-	-	-	-	-	(42)	(42)
Dividends from treasury shares, note 22(d)	-	-	-	-	-	-	-	5,450	5,450	-	5,450
Other	-	-	-	-	-	-	-	(3,892)	(3,892)	3,894	2
Balances as of December 31, 2023	2,361,775	(57,636)	1,020,148	419,001	(115,861)	3,337	376	1,797,003	5,428,143	179	5,428,322
Net income	-	-	-	-	-	-	-	971,354	971,354	45	971,399
Other comprehensive income, note 22(e)	-	-	-	-	(20,817)	(387)	159	-	(21,045)	(1)	(21,046)
Total comprehensive income	-	-	-	-	(20,817)	(387)	159	971,354	950,309	44	950,353
Dividends paid, note 22(d)	-	-	-	-	-	-	-	(334,890)	(334,890)	-	(334,890)
Dividends paid by subsidiaries, note 22(d)	-	-	-	-	-	-	-	-	-	(33)	(33)
Dividends from treasury shares, note 22(d)	-	-	-	-	-	-	-	5,389	5,389	-	5,389
Other	-	-	-	-	-	-	-	(23)	(23)	(1)	(24)
Balances as of December 31, 2024	2,361,775	(57,636)	1,020,148	419,001	(136,678)	2,950	535	2,438,833	6,048,928	189	6,049,117

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

InRetail Perú Corp. and Subsidiaries

Consolidated statements of cash flows

For the years ended December 31, 2024 and 2023

	Note	2024 S/(000)	2023 S/(000)
Operating activities			
Receipts from contracts with customers		21,967,221	20,835,403
Payments to suppliers of goods and services		(16,919,626)	(16,415,549)
Payments to employees for salaries and social benefits		(1,550,895)	(1,538,804)
Taxes paid		(694,667)	(478,782)
Other (payments) collections, net		(5,198)	41,742
Net cash provided by operating activities		2,796,835	2,444,010
Investing activities			
Acquisition of Subsidiary, net of cash acquired	2(b)	-	(4,237)
Purchase of property, furniture and equipment, net of acquisition through leasing contracts	13(a)	(821,378)	(595,527)
Purchase of investment properties, net of acquisition through credit purchases	14(b)	(148,851)	(46,848)
Purchase of investments at fair value through profit or loss		(558,680)	(563,031)
Sale of investments at fair value through profit or loss		435,232	360,653
Tax payments for investment properties in progress		(23,155)	(23,349)
Purchase and development of intangibles assets	15(a)	(50,622)	(59,721)
Sale of property, furniture and equipment	24	39,872	21,503
Sale of investment properties	14(b)	38,233	-
Payment related to the purchase of investment property from prior years		-	(31,689)
Other charges related to investment activity, net		2,220	-
Net cash used in investing activities		(1,087,129)	(942,246)

Notes to the consolidated financial statements (continue)

	Note	2024 S/(000)	2023 S/(000)
Financing activities			
Payment of financial obligations	32.5	(3,058,178)	(2,457,629)
Proceeds from interest-bearing loans and borrowings obtained	32.5	2,801,548	2,178,246
Interest paid	32.5	(409,661)	(421,482)
Income and key money paid in advance	32.5	(465)	3,597
Dividends paid	32.5	(329,534)	(333,082)
Payment of leases	16(f) and 32.5	(530,066)	(479,584)
Net cash flows used in financing activities		(1,526,356)	(1,509,934)
Net increase (decrease) in cash and short-term deposits		183,350	(8,170)
Cash and short–term deposits at beginning of year		944,067	952,237
Cash and short–term deposits at end of year		1,127,417	944,067
Non-cash transactions			
Property, furniture and equipment purchased through leasing and other financial and non-financial obligations	13(a)	19,736	40,913
Recognition of goodwill on acquisition in a subsidiary	15(b)	13,739	-
Addition of the period of the right-of-use asset	16(b)	735,701	552,340
Sale of property, plant and equipment collected in a different year	24	7,284	-

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

1. **Business activity**

(a) Identification -

InRetail Perú Corp. (hereinafter "the Company"), is a holding incorporated in January 2011 in the Republic of Panama and is a subsidiary of Intercorp Retail Inc. which in turn is a subsidiary of Intercorp Perú Ltd., (a holding company incorporated in The Bahamas, hereinafter "Intercorp Perú" of "Intercorp Group") which is the ultimate parent and holds 100 percent of Intercorp Retail Inc.'s capital stock.

The percentages of ownership as of December 31, 2024 and 2023 are as follows:

Owner	2024 %(**)	2023 %(**)
Intercorp Retail Inc.	56.96	56.96
Intercorp Perú Ltd. (*)	10.61	10.61
NG Pharma II S.A.	2.81	3.94
Patrimonio Fideicomiso Interproperties Perú	1.28	1.28
NG Co. Investment II L.P.	0.70	0.98
Others	27.64	26.23
Total	100.00	100.00

(*) Includes direct and indirect control from Intercorp Perú Ltd. through its Subsidiaries.

(**) The percentages above are presented net from treasury shares.

The Company's legal address is 50 Street and 74 Street, floor 16, PH Building, San Francisco, Republic of Panama.

InRetail Perú Corp. is a controlling of Patrimonio en Fideicomiso D.Leg N°861, no inscrito en la SMV, dirigido a inversiones institucionales – InRetail Consumer (hereinafter InRetail Consumer).

The Company and its Subsidiaries, Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, InRetail Real Estate Corp. and Subsidiaries, Chelsea National Corp. and Subsidiary, IR Management S.R.L., Agora Servicios Digitales S.A.C., InDigital XP S.A.C., and IR International Corp. S.L. and Subsidiaries, hereinafter and together the "InRetail Group", operate supermarkets, hypermarkets, pharmacies and shopping centers, as well as real estate development and digital services. InRetail Group's operations are concentrated in Peru; however, it maintains operations in the exterior mainly related to the commercialization of pharmaceuticals and consumer products.

The consolidated financial statements as of December 31, 2023 have been approved by the General Stockholders' Meeting on March 19, 2024. The consolidated financial statements as of December 31, 2024, have been approved by Management and the Board of Directors on March 18, 2025, and then put for consideration of the General Stockholders' Meeting that will be held within the terms established by Law, for final approval. In Management's opinion, the Stockholders' Meeting will approve the accompanying consolidated financial statements without modifications.

2. Business combinations

(a) IR International Corp. S. L.

Company incorporated on March 15, 2024, under the laws of Spain, which owns 100 percent of the shares representing the capital stock of Food Retail Chile SPA. The latter, in turn, owns 100 percent of the capital stock of Sociedad Comercializadora de Productos al Detalle S.A., an entity incorporated under the laws of the Republic of Chile, which operates 33 retail stores in that country.

On October 23, 2024, InRetail Perú Corp. acquired 100 percent of the shares representing the capital stock of IR International Corp. S.L. for US$5,016,488 (equivalent to S/18,902,000).

(b) Chelsea National Corp.

On February 4, 2023, InRetail Perú Corp. acquired 100.00 percent of the shares representing the capital stock of Chelsea National Corp. from Intercorp Retail Inc. for a value of S/155,300, amount approximating its equity value.

On February 6, 2023, InRetail Perú Corp. through Chelsea National Corp. acquired 100 percent of the shares representing the capital stock of JOKR Perú S.A.C. for a value of US$1,102,000 (equivalent to S/4,288,000).

3. Subsidiaries' activities

Following is the description of the activities of the main Subsidiaries of the Company:

(a) InRetail Real Estate Corp. it is the controlling entity of Patrimonio en Fideicomiso–D.Leg.N°861, no inscrito en la SMV, dirigido a inversionistas institucionales - InRetail Shopping Malls and Subsidiaries (hereinafter "InRetail Shopping Malls"), a Special Purpose Entity (SPE) established in order to possess certificates of participation of the Patrimonio en Fideicomiso D.Leg.N°861, no inscrito en la SMV, dirigido a inversionistas institucionales - Interproperties Holding, of the Patrimonio en Fideicomiso D.Leg.N°861, no inscrito en la SMV, dirigido a inversionistas institucionales - Interproperties Holding II and Subsidiaries, and the actions representatives of the capital stock of Real Plaza S.R.L. and Subsidiary, hereinafter and together "the InRetail Real Estate Group". As of December 31, 2024 and 2023, the Company holds 100 percent of the InRetail Real Estate Group.

The legal address of InRetail Real Estate Corp. is 50 and 74 street, 16th floor, Building "PH", San Francisco, Republic of Panama.

Interproperties Holding and Interproperties Holding II are Special Purpose Entities that have certificates of participation in the Patrimonio en Fideicomiso-D.Leg-N°861, no inscrito en la SMV, dirigido a inversionistas institucionales - Interproperties Perú.

The Patrimonio en Fideicomiso–D.Leg.N°861, no inscrito en la SMV, dirigido a inversionistas institucionales - Interproperties Perú (hereinafter the Trust Property "Interproperties Perú"), is a special purpose entity established in April 2008, to which different investors (related to the Intercorp Group) contributed with investment properties; each investor or group of investors have the ownership and the specific control of the property they contributed with. As of December 31, 2024 and 2023, the fair value of the properties contributed by Interproperties Holding and Interproperties Holding II, which were included in said structured entity amounted to S/4,111,556,000 and S/4,414,996,000, respectively.

The InRetail Real Estate Group is dedicated to the business of investment properties under the form of shopping malls to generate income principally through renting. The shopping malls operate under the name "Real Plaza" and are located in Lima and provinces like Chiclayo, Piura, Huancayo, Arequipa, Cusco and others.

Furthermore, Interproperties Holding II holds a participation of 100 percent of the shares of Inmobiliaria Puerta del Sol S.A., the owner of Real Plaza Cusco and Piura Shopping Mall.

Real Plaza S.R.L. and Subsidiary are companies dedicated to the management and administration of shopping centers, as well as to maintenance and development of relations with other tenants. Likewise, as of December 31, 2024 and 2023, Real Plaza S.R.L. holds a participation of 100 percent interest in the entity Inversiones Real Estate S.A.C.

(b) Chelsea National Corp. is a holding company incorporated in Panama in May 2019. The Company owns 100 percent of the shares representing the capital stock of Almacén Gurú Perú S.A.C.

Almacén Gurú Perú S.A.C. is an entity incorporated in May 2021, dedicated to sale of goods to warehouses and other retail businesses.

(c) IR Management S.R.L. is an entity which manages and operates the InRetail Group and renders different types of corporate services. The legal domicile of IR Management S.R.L. and where its administrative offices are located, is Calle Morelli N 139, San Borja, Lima, Peru.

(d) IR International Corp. S.L. was acquired by InRetail Perú Corp. on October 23, 2024. It is a holding company incorporated in Spain on March 15, 2024, which indirectly owns 100 percent of the shares representing the capital stock of Sociedad Comercializadora de Productos al Detalle S.A., an entity incorporated in the Republic of Chile that operates 33 stores in that country.

The legal address of IR International Corp. S.L. and where its administrative offices are located, is Calle Príncipe de Vergara No. 112, 4th floor, Madrid, Spain.

(e) InRetail Consumer is a Special Purpose Entity (SPE) established in Peru in 2014 in order to possess certificates of participation and transfer in trust to this entity the shares representing the capital stock of: i) InRetail Pharma S.A. and Subsidiaries and ii) Supermercados Peruanos S.A. and Subsidiaries. As of December 31, 2024 and 2023, the Company holds 100.00 percent of InRetail Pharma S.A., Agora Servicios Digitales S.A.C. and InDigital XP S.A.C.; and 99.98 percent of Supermercados Peruanos S.A.

(e.1) InRetail Pharma S.A. is dedicated to the commercialization of pharmaceutical products, cosmetic products, food for medical use and other elements aimed for health protection and recovery through its "Inkafarma" and " Mifarma" pharmacy chains, distribution and marketing of pharmaceutical products.

InRetail Pharma S.A.'s legal address and where its administrative offices are located, is Av. Defensores del Morro N°1277, Chorrillos, Lima, Peru.

InRetail Pharma S.A. owns 100 percent of: (i) Farmacias Peruanas S.A.C., (ii) Mifarma S.A.C. and Subsidiary, (iii) QS Consumo S.A.C. (formerly Química Suiza S.A.C.), (iv) Boticas IP S.A.C., (v) FP Mayoristas S.A.C. (formerly FP Servicios Generales S.A.C.) and (vi) Quicorp S.A. and Subsidiaries. Quicorp S.A. operates in the distribution and retail segments within the pharmaceutical sector, with a presence in Peru and Ecuador as of December 31, 2024 (Peru, Ecuador and Bolivia as of December 31, 2023).

(e.2) Supermercados Peruanos S.A. is dedicated to the commercialization of food and non-food products. As of December 31, 2024 and 2023, it has a chain of stores operating under "Plaza Vea", "Plaza Vea Súper", "Plaza Vea Express", "Vivanda", "Mass", "Makro" and "JOKR" brands. Supermercados Peruanos S.A. holds 100 percent of: (i) Desarrolladora de Strip Center S.A.C.; (ii) Plaza Vea Oriente S.A.C., (iii) Operadora de Servicios Logísticos S.A.C.; (iv) Compañía Hard Discount S.A.C.; (v) Compañía Food Retail S.A.C.; (vi) Administración Food Regional S.A.C.; (vii) Supermercados Sur Perú S.A.C.; (viii) Makro Supermayorista S.A. and (ix) Digital Foods S.A.C. (formerly JOKR Perú S.A.C.).

The Supermercados Peruanos S.A.'s legal address and where its administrative offices are located, is Calle Morelli N°181, San Borja, Lima, Peru.

The following is a summary of the financial statements of the major Subsidiaries as of December 31, 2024 and 2023, and for the years ending on those dates, before the elimination adjustment for the preparation of the accompanying consolidated financial statements:

	InRetail Pharma S.A. and Subsidiaries	
	2024 S/(000)	2023 S/(000)
Total assets	6,442,664	6,093,410
Total liabilities	5,463,704	5,384,389
Equity	978,960	709,021
Operating profit	1,024,981	919,565
Net profit	571,479	506,953

	Supermercados Peruanos S.A. and Subsidiaries	
	2024 S/(000)	2023 S/(000)
Total assets	9,026,100	8,591,700
Total liabilities	7,920,855	7,542,032
Equity	1,105,245	1,049,668
Operating profit	733,350	731,450
Net profit	265,645	288,884

	InRetail Real Estate Corp. and Subsidiaries	
	2024 S/(000)	2023 S/(000)
Total assets	6,615,581	6,252,132
Total liabilities	3,280,059	3,140,899
Equity	3,335,522	3,111,233
Operating profit	491,423	544,661
Net profit	252,753	302,510

Notes to the consolidated financial statements (continue)

	IR Management S.R.L.	
	2024 S/(000)	2023 S/(000)
Total assets	46,520	46,255
Total liabilities	13,521	17,939
Equity	32,999	28,316
Operating profit	8,196	9,268
Net profit	4,683	5,639

	Agora Servicios Digitales S.A.C.	
	2024 S/(000)	2023 S/(000)
Total assets	92,452	102,456
Total liabilities	60,580	64,218
Equity	31,872	38,238
Operating loss	(49,150)	(58,919)
Net Loss	(48,510)	(57,670)

	Other Investments	
	2024 S/(000)	2023 S/(000)
Total assets	106,622	33,447
Total liabilities	68,681	12,283
Equity	37,941	21,164
Operating profit (loss)	583	(3,370)
Net profit (loss)	487	(4,652)

4. Summary of significant accounting policies

The significant accounting policies used in the preparation and presentation of the InRetail Group consolidated financial statements are described below:

4.1 Basis of preparation and presentation

The consolidated financial statements of InRetail Perú Corp. 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, 2024 and 2023, respectively.

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

The information contained in these consolidated financial statements is the responsibility of the InRetail Group Management, who explicitly manifest that principles and criteria included on IFRS, as issued by the IASB are fully applied as of the date of consolidated financial statements.

4.2 Changes in accounting policies and disclosures

Certain standards and amendments became effective in 2024; however, they did not have a material impact on the consolidated financial statements of the InRetail Group and therefore, have not been disclosed. The InRetail Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1 - Classification of liabilities as current or non-current.
- Amendments to IFRS 16 - Lease liability in a sale-leaseback transaction.
- Amendments to IAS 1 and IFRS 7- Supplier financing arrangements.
- Amendments to IFRS S1 and IFRS S2 - International Sustainability Financial Reporting Standards and Climate Disclosures.

These modifications had no impact on the InRetail Group´s consolidated financial statements.

The Company and Subsidiaries have not adopted in advance any other standards, interpretations or amendments that have been issued but are not yet effective.

4.3 Summary of significant accounting policies

(a) Basis of consolidation -

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries, see note 3.

The InRetail Group controls an investee if and only if it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, it is presumed that most voting rights entitles to control. In order to support this presumption and when the InRetail Group has less than most votes or similar rights in the investee, the InRetail Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The InRetail Group assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the InRetail Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary.

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 equity and the results of the Subsidiaries in which they hold participation, and they are presented separately in the consolidated statements of financial position, the consolidated income statements and the consolidated statements of other comprehensive income.

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

(b) Business combinations and goodwill -
Acquisitions are recorded using the purchase method of accounting, as defined in IFRS 3 "Business Combinations", applicable to the date of each transaction. Assets and liabilities are recorded at their estimated market values at the date of purchase, including identified intangible assets not recognized in the statements of financial position of each entity acquired. Acquisition costs incurred are expensed and included in the heading "Administrative expenses" of the consolidated financial statements.

When the InRetail Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated income statements.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the InRetail Group's cash-generating units that are expected to benefit from the combination.

(c) Financial instruments – Initial recognition and subsequent measurement -
As of the date of the consolidated financial statements, the InRetail Group classifies its financial instruments in the following categories defined on IFRS 9: (i) financial assets at amortized cost, (ii) financial assets at fair value through other comprehensive income, (iii) financial assets at fair value through profit or loss, (iv) financial liabilities at amortized cost or (v) financial liabilities at fair value through profit or loss.

The main criteria of IFRS 9 are described below:

(i) Financial assets -
Initial recognition and measurement
The Company and its Subsidiaries determine the classification of financial assets at initial recognition. All financial assets are initially recognized at their fair value plus the incremental costs related to the transaction that are directly attributable to the purchase, except for financial assets at fair value through profit or loss.

The InRetail Group's financial assets include cash and short-term deposits, financial instruments at fair value through profit or loss, financial instruments at fair value through other comprehensive income, trade receivables, derivate financial instruments (see item d), other receivables and accounts receivable from related parties.

Subsequent measurement
The InRetail Group classifies its financial assets into the following four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

The classification depends on the InRetail Group business model and the financial asset's contractual cash flow characteristics.

Financial assets are not reclassified after initial recognition, except if the InRetail Group changes its business model for their management.

As of December 31, 2024 and 2023, the InRetail Group has classified its financial assets in the following categories:

Financial assets at amortized cost (debt instruments)
The InRetail Group measure financial assets at amortized cost if both of the following conditions are met:

- The InRetail Group's business model for managing financial assets in this category is to collect contractual cash flows and not to sell or trade them; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. These assets generate income from interest accrued prior to maturity of disposal. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Such category includes, cash and cash equivalents, trade receivables, other receivables and accounts receivable from related parties.

Financial assets at fair value with changes in other comprehensive income
Debt Instruments:
The InRetail Group measure debt instruments at fair value with changes in other comprehensive income if both of the following conditions are met:

- The business model for managing financial assets aims to both collect contractual cash flows and obtain results from sales management based on market conditions; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As of December 31, 2024 and 2023, the InRetail Group has not designated financial assets at fair value with changes in other comprehensive income.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include: financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments and financial assets with cash flows that are not solely payments of principal and interest with independence of the business model.

Financial assets with changes in results are carried in the consolidated statements of financial position at fair value, and net changes in such fair value are presented as finance expenses (net negative changes in fair value) or finance income (net positive changes in fair value) in the consolidated income statements.

In this category, the InRetail Group only has mutual funds, which are presented in "Financial instruments at fair value through profit or loss" in the consolidated statement of financial position. The changes in fair value are recorded in the consolidated income statements in the caption "Finance income" or "Finance Expenses" as appropriate.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) Contractual rights have been transferred on the cash flows generated by the asset, or an obligation has been assumed to pay all of these cash flows to a third party without a significant delay, through a transfer agreement ("Pass-through arrangement"), and (a) substantially all the risks and benefits of the asset have been transferred; or (b) substantially all the risks and benefits of the asset have not been transferred or retained, but control over it has been transferred.

The InRetail Group will continue to recognize the asset when it has transferred its rights to receive the cash flows generated by the asset, or has entered into an intermediation agreement, but has not transferred or retained substantially all the risks and benefits of the asset and has held the asset control over it. In this case, the InRetail Group will recognize the asset transferred based on its continuous involvement and will also recognize the related liability.

The transferred asset and the related liability will be measured on a basis that reflects the rights and obligations retained by the InRetail Group.

Impairment of financial assets

The InRetail Group recognize an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the InRetail Group expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements.

For trade receivables and contract assets, the InRetail Group applies a simplified approach in calculating ECLs. Therefore, the InRetail Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The InRetail Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities -

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

Financial liabilities include trade payables, other payables, accounts payable to related parties, interest-bearing loans and borrowings, lease liabilities, derivative financial instruments (see item d), and senior notes issued.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated income statements when the liabilities are derecognized as well as through the interest accrual process using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the caption "Finance expenses" in the consolidated income statements.

In this category are trade payables, other payables, accounts payable to related parties, interest-bearing debts and loans, lease liabilities and senior notes issued.

Financial liabilities at fair value through profit or loss -

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are contracted for the purpose of trading them in the near future; gains or losses related to these liabilities are recognized in results. This category also includes derivative financial instruments entered into by the InRetail Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

As of December 31, 2024 and 2023, the InRetail Group have not designated any financial liability at fair value through profit or loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated income statements.

(iii) Offsetting of financial instruments -
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

As of December 31, 2024 and 2023, the InRetail Group does not present any financial assets or liabilities for gross amounts subject to offsetting of financial instruments.

(d) Derivative financial instruments and hedging accounting –
Negotiation –
Derivatives financial instruments for negotiation are initially recognized in the consolidated statements of financial position at cost and subsequently are recognized at fair value. The fair value is obtained based on the prices, exchange rates, and market interest rates. All the derivatives are considered as assets when the fair value is positive and as liabilities when the fair value is negative. The gains and losses arisen by the changes in the fair value are recognized in the consolidated income statements.

As of December 31, 2024 and 2023, the InRetail Group does not maintain derivatives financial instruments classified as negotiation.

Hedging -
Derivatives are initially recognized at the fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are recognized as assets when the fair value is positive and as liabilities when they are negative.

Derivatives can be designated as hedging instruments under hedge accounting if they qualify as such. Depending upon the nature of the hedged item, the method for recognizing gains or losses from changes in fair value will be different. These derivatives, which are used to hedge exposures to risk or modify the characteristics of financial assets and liabilities and which meet IFRS 9 criteria are recognized as hedging accounting.

In accordance with IFRS 9, to qualify for hedge accounting, all the following conditions must be met:

(i) The hedging relationship consists of only hedging instruments and eligible hedged items.

(ii) At the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. This documentation will include the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and the way the entity will assess if the hedging relationship meets the hedge effectiveness requirements.

(iii) The hedging relationship meets all the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and hedging instrument.
- The effect of the credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity hedges and the quantity of the hedging instrument that the entity uses to hedge that quantity of hedged item.

IFRS 9 has three categories for hedge accounting: fair value hedge, cash flow hedge and net investment hedge for foreign operations. The InRetail Group only uses derivatives as cash flow hedging instruments.

For designated derivatives that qualify as a cash flow hedge, the effective portion of the gains or losses on the derivative is recognized in other comprehensive income for cash flow hedges and is reclassified to profit or loss in the same period or periods in which the hedge transaction affects the profit or loss. The part of gain or loss on derivatives that represents the ineffective portion, or the components of the hedge excluded from the effectiveness evaluation is recognized immediately in the period's profit or loss. The amounts originally recorded in other comprehensive income and subsequently reclassified to profit, or loss are recorded in the corresponding expense or income lines in which the hedged item is reported.

When a hedging instrument expires or is sold, when a hedge no longer meets the criteria for hedge accounting and also when the InRetail Group re-designates a hedge, any cumulative loss or gain existing in other comprehensive income is retained and recognized as income or expense when the hedged item is ultimately recognized in the consolidated income statements. When a forecast transaction is no longer expected to occur, the cumulative gain or loss recognized in other comprehensive income is immediately transferred to the consolidated income statements.

(e) Fair value of financial instruments -

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by InRetail Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The InRetail Group uses valuation techniques that are appropriate in the circumstances and for which enough data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the InRetail Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Management determines the policies and procedures for both recurring and non-recurring fair value measurement. At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the InRetail Group accounting policies.

For the purpose of fair value disclosures, the InRetail Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The fair value of financial instruments measured at amortized cost it presented in note 33.

(f) Foreign currency transactions -

(i) Functional and presentation currency -

InRetail Group has determined that it's functional and presentation currency is the "Sol", because it reflects the economic substance of the underlying events and circumstances relevant to most of the InRetail Group's entities, insofar as its main operations and/or transactions, sales, cost of sales, obtained financing and an important percentage of purchases are established and paid in Soles. Management assessed and determined the functional currency for every subsidiary; as a result, it concluded that, in all cases, they are the currencies of the countries where subsidiaries operate.

Some Subsidiaries have a functional currency different from the Sol, their balances were translated for consolidation purposes using the methodology established by IAS 21 "The Effects of Changes in Foreign Exchange Rates", as follows:

- Assets and liabilities at the closing rate at the date of each consolidated statements of financial position.
- Income and expenses at the average exchange rate for each month.

As a result of the translation, as of December 31, 2024 and 2023, the InRetail Group has recorded the difference in the item "Unrealized losses / gains on foreign currency translation" of the consolidated statements of comprehensive income.

(ii) Transactions and balances in foreign currency –
Transactions in foreign currency are those that have been performed in currencies different than the functional currency. Transactions in foreign currencies are initially recorded by the entities at the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency using the spot rate of exchange prevailing at the reporting date of consolidated statements of financial position.

Exchange rate gains or losses resulting from restating the monetary assets and liabilities into foreign currency at the exchange rates prevailing at the consolidated statements of financial position date or at their settlement date are recorded in "Exchange difference, net" of the consolidated income statements.

Non-monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate prevailing at the transaction date.

(g) Cash and short-term deposits -
Cash and short-term deposits in the consolidated statements of financial position comprise bank deposits, balances held in cash in different stores of the retail sector, remittance in transit and short-term deposits with an original maturity of three months or less, that interest-bearing.

(h) Inventories -

Inventories are valued at the lower of cost or net realizable value. Commercial discounts, price reductions and other similar items decrease the acquisition cost. Cost is determined by applying the average cost method, except in the case of inventory in transit, which is presented at its specific acquisition cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The reduction of inventories' carrying amounts to their net realizable value are conducted based on the specific analyses and are recorded as provision for inventory impairment in the item "Costs of sales and services" of the consolidated income statements for the period such reductions are made.

The provision for reductions is calculated based on the average historical losses incurred during the year, including the last physical inventory made before the year ended. This provision is recorded as inventory impairment in the consolidated income statements.

Discounts, price reduction and other discounts obtained according to the volume of purchases are deducted from goods on the date the discounts are granted by suppliers, and from the sale cost when related goods are sold.

As there are different types of discounts, the InRetail Group needs to estimate the distribution of discounts among the goods sold and the inventory held to the date of the consolidated statements of financial position. Management carries out said estimations based on the daily discounts effectively granted by suppliers and the turnover ratio per type of product.

(i) Property, furniture and equipment -

Property, furniture and equipment are stated at cost, net of the accumulated depreciation and/or accumulated impairment losses, if any. The historical acquisition cost includes expenses that are directly attributable to the acquisition of assets. Such cost includes the cost of replacing component parts of the property, furniture and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, furniture and equipment are required to be replaced at intervals, the InRetail Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statements as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Lands are not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives described in note 13.

An item of property, furniture and equipment and any significant part initially recognized is derecognized when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statements when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Work in progress represents buildings in construction and is recorded at cost. This includes the construction cost and other direct costs. Work in progress is not depreciated until relevant assets are concluded and operative.

As indicated in the following paragraph (k), for the transfers made from investment properties to property, plant and equipment, the attributed cost considered for the subsequent recognition is the asset's fair value at the date the use changes.

(j) Leases -

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The InRetail Group as a lessee applies a single recognition and measurement approach for all lease contracts, except for short-term and low-value contracts.

- Right-of-use asset -
  The InRetail Group recognizes right-of-use assets at the lease commencement date (that is the date the underlying asset is available to be used). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any re-measurement of lease labilities. The cost of right-of-use assets comprises the amount equal to the recognized lease liabilities, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. The InRetail Group maintains as right-of-use assets: land, buildings and facilities, and vehicles. Land is not depreciated; buildings and facilities and vehicles are depreciated on a straight-line basis over the lease term and are presented in note 16(a).

  Lease payments are discounted using the interest rate implicit in the lease, the InRetail Group uses its incremental lending rate.

  If ownership of the leased asset is transferred to the lessee at the end of the lease term or if the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

  Right-of-use assets are also subject to impairment, see paragraph (m).

- Lease liabilities -
  The InRetail Group recognizes lease liabilities measured at the present value of the lease payments to be made over the contract's term. Lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or rate and amounts expected to be payable under residual value guarantees. Lease payments also include the price to exercise a purchase option that the InRetail Group is reasonably certain to exercise and the penalties for terminating the lease, if the lease term does not reflect that the InRetail Group will exercise a termination option. Variable lease payments that do not depend on an index or rate are recognized as expenses in the period in which an event or condition causing the payment occurs. Lease payments are presented in note 16(c).

  When calculating the present value of lease payments, the InRetail Group applies the incremental borrowing rate which is applied on the lease commencement date, as the interest rate implicit in the lease is not readily determinable. After the commencement date, lease liabilities' carrying amounts are increased to reflect the accumulation of interests and reduced to reflect the lease payments made. In addition, lease liabilities' carrying amounts are remeasured if there is a modification due to changes in the lease term, the assessment of a purchase option, the amounts expected to be payable under a residual value guarantee, and future lease payments resulting from a change in an index or a rate.

The lease liabilities of the Company and its Subsidiaries are presented in the line item "Finance lease liability"; see note 16(c).

- Short-term leases and leases of low-value assets -
  The Companies apply the short-term lease recognition exemption to their short-term leases (that is, leases with a lease term ending in 12 months or less as of the date of initial application and with no purchase option). It also applies the low-value asset recognition exemption to the office equipment leases that are considered of low value. Lease payments for short-term leases and leases of low-value assets are recognized as expense using a straight-line basis over the lease term.

The Group as a lessor
As of the date of adoption of IFRS 16, there were no substantial changes for lessor accounting. The InRetail Group continues to classify leases as operating or financial using similar principles to those of IAS 17.

Leases in which the InRetail Group does not substantially transfer all the risks and benefits related to the asset's ownership are classified as operating leases. Rental income obtained from investment properties is accounted on a straight-line basis over the lease term and is recorded as income in the consolidated income statements due to its operating nature, except for the contingent rental income, which is recognized when it arises. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

(k) Investment properties -
Investment property comprises completed property and property under construction or redevelopment held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statements in the period in which they arise. The fair value is evaluated annually by the Management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statements in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to component of property, furniture and equipment, the deemed cost for subsequent accounting is the fair value at the date of change. If a component of property, furniture and equipment becomes an investment property, the InRetail Group accounts such property in accordance with the policy stated under property, furniture and equipment.

(l) Intangible assets -

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding development costs capitalized, are not capitalized and expenditure is reflected in the income statements in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite live are amortized over their useful economic lives (see note 15) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense for intangible assets with finite lives is recognized in the consolidated income statements in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statements when the asset is derecognized.

(m) Impairment of non-financial assets -

The InRetail Group assesses at each end of year, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required (goodwill and intangible assets with indefinite useful lives), the InRetail Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate any cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable value, the asset is considered impaired, and its value is reduced to its recoverable amount. In calculating the value in use, the estimated cash flows are discounted to their present value using a discount rate that reflects current market conditions and the risks specific to the asset. Cash flows come from the budget for the asset's remaining economic life and do not include restructuring activities to which the InRetail Group has not yet committed or significant future investments that would increase the performance of the good or the CGU being tested. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The InRetail Group bases its impairment calculation, if needed, on detailed budgets and forecast calculations which are prepared separately for each of the InRetail Group's cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

The recoverable amount is highly sensitive to the discount rate used for the discounted cash flow model and the expected future cash flows. Impairment losses are recognized in the consolidated income statements.

(n) Employees benefits –

Short term-

The InRetail Group have short-term obligations corresponding to benefits to its employees that include wages, social contributions, bonuses, performance bonuses and employees' profit sharing. These obligations are recorded on a monthly basis with charge to the consolidated statements of comprehensive income as they accrue.

Long term -
According to the current legislation in Ecuador, an employer's retirement and resignation plan is maintained. The present value of the defined benefit obligations is determined annually based on actuarial studies performed by an independent expert, using the projected credit unit method, and it is presented under the "Other payables" caption in the consolidated statements of financial position, see note 18(c). Fluctuations in the present value of the defined benefit obligations are recorded in the period's other comprehensive income; however, the amount of this fluctuations have not been significant during years 2024 and 2023.

(o) Provisions -
Provisions are recognized when the InRetail Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the InRetail Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statements net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense in the consolidated income statements.

(p) Contingencies -
A contingent liability is disclosed when the existence of an obligation shall only be confirmed by future events or when the amount of the obligation cannot be measured with enough reliability. Contingent assets are not recognized but are nonetheless disclosed when it is probable that generates an income of economic benefits to the InRetail Group.

Given their nature, contingencies shall only be settled when one or more future events occur or not. The determination of contingencies involves inherently the exercise of judgment and the calculation of estimates on the results of future events.

(q) Revenue from contracts with customers –
IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. In this regard, that revenue will be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The InRetail Group's revenue mainly correspond to sale of goods. These sales occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The InRetail Group concluded that they function as the principal in their sales contracts, because they control the goods or services before they are transferred to their customers.

(i) *Sale of goods -*

For such revenue, the sale of goods is the only performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Cost of sales, which is the cost of the products that the InRetail Group sale, is recognized when goods are delivered, simultaneously with the recognition of revenue for the corresponding sale.

Otherwise, it has been identified that their only significant variable consideration corresponds to some contracts with customers that provide a right of return. When a contract with a customer provides a right of return in a specific period, the Subsidiaries recognize such right over a historical estimate of returns basis. Consequently, income related to the expected returns is adjusted with expense provisions in the consolidated income statements, when they directly affect the revenue from contracts with customers.

(ii) *Rental income -*

Rental income obtained from investment properties is accounted for on a straight-line basis over the lease term and is recorded as income in the consolidated income statements due to its operating nature, except for the contingent rental income, which is recognized when it arises.

The lease term is the non-cancellable period, together with any other additional period for which the lessee has the option to extend the lease, if Management is reasonably certain, at the date of the commencement date, that the lessee will exercise that option.

The amounts received from lessees to resolve rents or offset impairment of leased facilities are recorded as income in the consolidated income statements when the right to receive them arises.

Service charges, management charges and others recoverable expenses paid by lessees, and the income from expenses charged to lessees are recognized in the period in which the compensation becomes receivable. Service and management charges and other invoices are included in the gross rental income of related costs, as Management considers that the Group acts as principal.

(iii) Key money -

The incentives granted by the lessees to enter into lease (key money) are distributed, agreements are recognized into income evenly over the lease term, even if the payments are not made on such a basis. The deferral term for incentives will correspond to the non-accrual period of the lease contract, as well as any other term for which the tenant has the option to extend the leasing contract and of which the Management of the InRetail Group is certain the tenant will make use. These values are presented in "Deferred income" in the consolidated statements of financial position.

Amounts received from lessees to terminate leases or to compensate for wear and tear are recognized in the consolidated income statements when they arise.

The income related to service charges, management expenses and other expenses recoverable from tenants are recognized in the period in which such compensations are demandable. Management services charges and other income are included in the gross leasing income net of the related costs.

(iv) Other income, costs and expenses -

Other income, costs and expenses are recognized as they accrue, regardless of when they are paid, and recorded in the periods to which they relate.

(r) Taxes -

Income tax of the Subsidiaries is determined based on the non-consolidated financial statements of each subsidiary and the taxable income determined for taxing purposes.

Current income tax -

Assets and liabilities for income tax for the current period are measured by the amounts expected to be recovered or paid from or to the Tax Authority, based on the entity's financial statements. The tax rates and tax regulations used to compute said amounts are those that are approved, as of the date of the statement of financial position. According to Peruvian laws, employee profit sharing is calculated over the same basis used to calculate current income taxes and, in the case of Ecuador, over the basis of financial profit.

Current income tax relating to items recognized directly in consolidated equity is recognized in consolidated equity and consolidated statements of other comprehensive income and not in the consolidated income statements. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax -

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in Subsidiaries, associates and interests in joint ventures, when the timing of the reversal can be controlled, and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that it is probable taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in Subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date or whose approval procedure is about to be completed by that date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in consolidated equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax -
Income from ordinary activities, expenses and assets are recognized excluding the value added tax, except:

- When value added tax (VAT) incurred in an acquisition of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the acquisition cost of the asset or as part of the expense item, as appropriate;
- Accounts receivable and payable that are already expressed with the amount of the VAT included.

The net amount of the VAT that can be recovered from or payable to the tax authority is included as part of the other accounts receivable or payable in the consolidated statements of financial position.

(s) Customer loyalty programs –
Revenues related to the loyalty program "Inkaclub", “Monedero del Ahorro” and “Agora Club” are recognized according to the market value of the benefits delivered to the customers (considering historical information related to utilization and maturity). Deferred income related to this program is included into the caption "Deferred revenue" of the consolidated statements of financial position.

(t) Earnings per share -
Basic and diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the InRetail Group by the weighted average number of ordinary shares outstanding during the year. As of December 31, 2024 and 2023, the InRetail Group does not have financial instruments with dilutive effect, therefore basic and diluted earnings per share are identical for the years reported.

(u) Segment reporting –
The InRetail Group reports financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are a component of an entity for which separate financial information is available that is evaluated regularly by the entity's Chief Operating Decision Maker ("CODM") in making decisions about how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as it is used internally for evaluating operating segment performance and deciding how to allocate resources to segments, note 31.

(v) Capital premium -
Corresponds to the difference between the nominal value and the issuance price in the market of each share. The share premium is presented net of the expenses incurred in the shares' issuance.

(w) Subsequent events -
Subsequent events that provide additional information about the consolidated financial situation of the InRetail Group as of the date of the consolidated statements of financial position (adjustment events) are included in the consolidated financial statements. Relevant subsequent events that are not adjustment events are disclosed in notes to the consolidated financial statements.

4.4 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses for the years ended December 31, 2024 and 2023.

In the process of applying the InRetail Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) Tax judgments -
The InRetail Group is subject to income and capital gains taxes. Significant judgment is required to determine the total provision for current and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred taxation, the effective tax rate applicable on the temporary differences, mainly in investment properties, depends on the method by which the carrying amount of the assets or liabilities will be realized.

The InRetail Group recognizes liabilities for current taxes based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made. Deferred tax assets and liabilities are recognized on a net basis to the extent they are relating to the same fiscal unity and fall due in approximately the same period.

On the other hand, the most significant estimations and assumptions considered by Management in relation to the consolidated financial statements are as follows:

(ii) Provision for inventory losses (see note 4.3(h)) -
This provision is calculated considering the average historic values of losses incurred throughout the year and until the last physical inventory conducted before the year end. This provision is recorded as provision for inventory devaluation with charge to the consolidated income statements.

(iii) Discounts, price reductions and others obtained by purchasing volumes of goods (see note 4.3(h)) -
Discounts, price reduction and other discounts obtained through bulk purchasing are deducted from goods on the date the discounts are granted by suppliers, and from the sale cost when related goods are sold.

The different forms of such discounts require that the InRetail Group estimates its distribution between the inventory that has been sold and the inventory remaining in stock at the date of the consolidated statements of financial position. Management performs such estimation on the basis of the daily discounts actually granted by suppliers and the rotation rates per item.

(iv) Depreciation method, estimated useful lives and residual value of property, plant and equipment (see note 4.3(i)) -
The determination of the depreciation method, the estimated useful lives and the residual value of property, plant and equipment involves judgments and assumptions that could be affected if the circumstances change. Management reviews periodically these assumptions and adjusts them in a prospective manner in case any changes are identified.

(v) Lease conditions in contracts with renewal and termination options - note 4.3(j)
The InRetail Group as a lessee defines the lease term as the non-cancellable period, together with any other period covered by an option to extend the lease if it is exercised or any other period covered by an option to terminate the lease if it is not exercised. The InRetail Group applied the judgement to evaluate the possibility of exercising the options to renew or terminate leases. Therefore, it considers all the facts that create an economic incentive to exercise either the renewal or the termination. After the commencement date, the InRetail Group reassesses the lease term if a significant event or change in circumstances that is within its control affects its capacity to exercise or not the renewal or termination options (for instance, the realization of significant improvements for leases or customization of a leased asset).

(vi) Incremental borrowing rate (note 4.3(j)) -
To determine the interest rate implicit in the lease, the InRetail Group uses their incremental borrowing rate (IBR) to measure lease liabilities. IBR is the interest rate the InRetail Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, IBR reflects how much the InRetail Group "would have to pay", which requires an estimate when there are not observable prices or when they have to be adjusted to reflect the terms and conditions of a lease (for instance, when leases are not in the subsidiary's functional currency). The InRetail Group estimates the IBR using observable inputs (such as market interest rates) when available and is obliged to make certain specific adjustments in the company (such as the subsidiary's independent credit evaluation, or in order to reflect the terms and conditions of the lease).

(vii) Fair value of investment properties (see note 4.3(k)) -
The fair value of completed investment property (shopping centers and properties) is determined by Management of the InRetail Group using the Discounted Cash Flow Method.

Investment property held to operate in the future is also valued at fair value as determined through appraisals performed by an accredited external independent value. The external appraiser uses the sales comparison approach, according to which the fair value of a property is valued based on similar transactions; the unit of comparison applied is the price per square meter. In the exceptional cases when a fair value cannot be reliably determined, such properties are recorded at cost.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as leases, tenants' sales, fixed rents to be charged to different types of tenants, variable rent as a percentage of sales, operating costs, building costs (CAPEX), maintenance CAPEX and discount rates applicable to those assets). In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction.

Volatility in the financial system is reflected in commercial real estate markets. Therefore, in arriving at their estimates of market values as of the statements of financial position, the Management and appraisers used their market knowledge and professional judgment and did not rely solely on historical transactional comparable. In these circumstances, there was a greater degree of uncertainty than which exists in a more active market in estimating the market values of investment property.

The significant methods and assumptions used in estimating the fair value of investment property are set out in note 14(c).

Techniques used for valuing investment property -
The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either from an operating property or a development property. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as net rental income minus operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the terminal value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the market value of the property.

(viii) Impairment of non-financial assets (see note 4.3(m)) -
The InRetail Group assesses, on each reporting date, if there is sign that an asset may be impaired. If there is sign of it or whenever the annual impairment test of an asset is required (indefinite-life intangible assets), the InRetail Group estimates the recoverable amount of the asset.

For non-financial assets except for goodwill, an assessment is performed on each date of presentation of consolidated financial statements to know if there is sign that the permanent impairment loss previously recognized no longer exists or has decreased. If such sign exists, the InRetail Group estimates the recoverable amount. An impairment loss previously recognized for an asset is only reversed if there was a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited in such a way that the asset's carrying amount may not exceed its recoverable amount or the carrying amount that it would have been determined had no impairment loss been recognized in prior periods. Said reversal is recorded in the consolidated income statements.

(ix) Recovery of deferred tax assets (see note 4.3(r)) -
Deferred tax assets require Management to evaluate the probability that the InRetail Group generates taxable income for future periods in order to use the deferred tax assets. The estimates of future taxable income are based on the projections of cash flows from operations and the application of the tax legislation in force. As the future cash flows and the taxable income differ significantly from the estimates, it might have an impact on the capability of the InRetail Group to realize the net deferred tax assets recorded at the reporting date of consolidated financial statements.

Additionally, future changes in tax legislation might limit the capability of the InRetail Group to obtain tax deductions in future periods. Any difference between the estimations and the later actual payments is recorded in the year in which it occurs.

(x) Fair value measurement of derivative financial instruments (see note 12) -
When the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments, see note 33.

(xi) Obligations from long-term employee benefits (see note 18) -
The present value of the obligations from pension plans is determined through actuarial valuations. Actuarial valuations involve several assumptions that may be different from the events that actually occur in the future. These assumptions include the setting of the discount rate, the future increase in salaries, mortality rates and future increase of pensions.

(xii) Taxes estimation (see notes 21 and 30) -
Uncertainty exists with regard to the interpretation of complex tax regulations, the changes in the tax norms and the amount and opportunity in which future taxable income is generated. The Subsidiaries of the Company calculate provisions, on the basis of reasonable estimations for the possible consequences derived from the inspections performed by the Tax Authority. The amount of these provisions is based on several factors such as the experience in previous tax examinations, and on the different interpretations about the tax regulations made by the Subsidiaries of the Company and their legal advisers.

These differences in interpretation can arise in a great variety of questions, depending on the circumstances and existing conditions in the place of domicile of the InRetail Group.

In the Management's opinion, these judgments, estimations and assumptions were performed on the basis of their best knowledge of the relevant facts and circumstances at the date of preparation of the consolidated financial statements; nevertheless, the final results could differ from the estimations included in the consolidated financial statements. Management of the InRetail Group does not expect that the changes, provided they occur, will have significant effect on the consolidated financial statements.

4.5 New accounting standards -

The standards that have been issued but are not yet effective at the date of presentation of the consolidated financial statements are detailed below. This list of issued standards and interpretations include those that the InRetail Group plans to apply in the future. The InRetail Group aims to adopt such standards once they are effective and will not adopt them early:

- Amendments to IAS 21: Lack of Exchangeability -
  In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify when entities should assess whether a currency is interchangeable with another currency and when it is not, and how an entity determines the exchange rate to be applied when a currency is not interchangeable. The amendments also require disclosures that enable users of financial statements to assess how the lack of exchangeability of a currency affects, or is expected to affect, their financial performance, financial position, and cash flows.

  The amendments will be effective for annual periods beginning on or after January 1, 2025. Early application is permitted provided that this fact is disclosed. When applying the amendments, entities may not restate comparative information.

- Amendments to IFRS 18: Disclosures in Financial Statements -
  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of information within the income statements, including specific totals and subtotals. In addition, entities must classify all income and expenses within the income statements into one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations, of which the first three categories are new.

  It also requires entities to disclose newly defined performance measures, subtotals of income and expenses, and includes new requirements for aggregating and disaggregating financial information based on identified "functions" arising from the primary financial statements and notes.

  Limited-scope amendments were issued to IAS 7, Statements of Cash Flows, including changing the starting point for determining cash flows from operations using the indirect method from "net profit or loss" to "operating profit or loss" and removing the optionality surrounding the classification of cash flows from dividends and interest. Consequently, further amendments were made to many other standards.

  IFRS 18 and the amendments to the other standards are effective for periods beginning on or after January 1, 2027; however, earlier application is permitted provided that this fact is disclosed. IFRS 18 will be applied retrospectively. Amendments to IFRS 19: Subsidiaries Without Public Accountability: Disclosures -

- In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply the reduced disclosure requirements while continuing to apply the recognition, measurement, and presentation requirements of other IFRS accounting standards. To be eligible, at the end of the reporting period, the entity: (i) must be a subsidiary as defined in IFRS 10, (ii) cannot have public accountability, and (iii) must have a parent entity (ultimate or intermediate level of consolidation) that prepares consolidated financial statements that are available for public use and comply with IFRS accounting standards.

  IFRS 19 is effective for periods beginning on or after January 1, 2027, with earlier application permitted.

The InRetail Group is currently evaluating the potential impact of these standards on its consolidated financial statements; However, in Management's opinion, given the nature of the InRetail Group's operations, these will not have a significant impact on the consolidated financial statements.

5. Transactions in foreign currency

Transactions in foreign currency are carried out using exchange rates prevailing in the market as published by the Superintendencia de Banca, Seguros y AFP. As of December 31, 2024 and 2023, the main operations in foreign currency of the InRetail Group were denominated in U.S. Dollars (US$), Pesos chilenos (CLP), Euros (EUR) and Swiss Francs (CHF). Current exchange rate for transactions in foreign currency at those dates was:

Units in foreign currency for each Sol (*) -	2024	2023
US Dollars (US$)	0.265	0.269
Pesos chilenos (CLP)	333.333	250.000
Boliviano (B$)	1.923	1.874
Euros (EUR)	0.237	0.228
Swiss Francs (CHF)	0.262	0.197

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

	2024				2023			
	US$(000)	CLP(000)	EUR(000)	CHF(000)	US$(000)	B$(000)	EUR(000)	CHF(000)
Assets								
Cash and short-term deposits	98,280	2,475,515	-	-	82,419	17,663	-	-
Financial instruments at fair value through profit or loss	37,996	-	-	-	20,405	-	-	-
Trade receivables, net	66,661	402,766	50	5	70,695	32,622	-	-
Other receivables, net	23,305	-	-	-	27,903	2,245	-	-
Accounts receivable from related parties	1,327	-	-	-	3,273	-	-	-
	227,569	2,878,281	50	5	204,695	52,530	-	-
Liabilities								
Trade payables	(175,297)	(3,109,245)	(2,411)	(124)	(151,940)	(8,617)	(3,440)	(514)
Other payables	(30,506)	-	-	-	(16,894)	(5,642)	-	-
Accounts payable to related parties	(421)	-	-	-	(2,936)	-	-	-
Interest - bearing loans and borrowings	(17,774)	(1,647,787)	-	-	(20,043)	-	-	-
Hedging derivate instruments financing	(13,260)	-	-	-	(16,079)	-	-	-
Senior notes issued	(906,802)	-	-	-	(903,106)	-	-	-
Lease liabilities	(251,988)	-	-	-	(252,608)	(2,927)	-	-
	(1,396,048)	(4,757,032)	(2,411)	(124)	(1,363,606)	(17,186)	(3,440)	(514)
"Call Spread" – Long position	650,000	-	-	-	650,000	-	-	-
Cross Currency Swap	400,000	-	-	-	400,000	-	-	-
Net (liabilities) asset position	(118,479)	(1,878,751)	(2,361)	(119)	(108,911)	35,344	(3,440)	(514)

Management monitors this risk through the analysis of macro-economic variables of the country.

During 2024, the Companies and Subsidiaries have recognized a net loss from exchange difference for approximately S/13,815,000 (during 2023 a net gain for S/40,148,000), which is presented into the caption "Exchange difference, net" in the consolidated income statements.

6. Cash and cash equivalents

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Cash	40,684	45,714
Current accounts (b)	830,952	641,194
Cash in transit (c)	173,633	176,722
Time deposits (d)	82,148	80,437
Total	1,127,417	944,067

(b) The InRetail Group maintains current accounts in local and foreign banks mainly in Soles and U.S. Dollars. These accounts are freely available, and a portion of them earn interest.

(c) Represents cash from sales of the different stores of the Subsidiaries of the Company during the last days of the year, which is transported by a securities service company from the stores of the Company and deposited into its bank accounts the first business day of the following month.

(d) As of December 31, 2024, time deposits are freely available and are kept in Soles and U.S. Dollars, in local banks and bear annual interest rates between 0.35 and 4.10 percent in Soles and between 0.15 percent in U.S. Dollars (between 0.15 and 7.50 percent in Soles and between 0.15 and 5.45 percent in U.S. Dollars, as of December 31, 2023). Time deposits had original maturities of less than 90 days.

(e) During 2024 and 2023, time deposits accrued interest of approximately S/26,194,000 and S/27,733,000, respectively, which are presented in the "Finance income" line item of the consolidated income statements, see note 25.

7. Financial instruments at fair value through profit or loss

Below is the composition of the item as of December 31, 2024 and 2023:

	2024			2023		
Entity	Number of quotes	Quote value (in soles)	S/(000)	Number of quotes	Quote value (in soles)	S/(000)
Mutual funds managed by Fondos Sura SAF S.A.C. SAF						
In soles -						
Sura Ultra Cash Soles FMIV	988,837	163.4842	161,659	792,210	154.7039	122,558
Sura Corto plazo Soles FMV	148,562	190.1385	28,247	-	-	-
In U.S. Dollars -						
Sura Ultra Cash Dólares FMIV	306,311	467.6227	143,238	172,377	439.0203	75,677
Total			333,144			198,235

In Management's opinion, the investment funds were highly liquid and had a low level of risk.

As of December 31, 2024 and 2023, the value of the financial instruments at fair value through profit or loss includes the effects of the change in the quote price and the level of the exchange rate at the end of the year, these originated a recognition of a gain of approximately S/14,358,000 and S/6,110,000 during the years ended 2024 and 2023, respectively, presented in the caption "Finance income" in the consolidated income statements, note 25.

8. Trade receivables, net

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Distribution, agreements and others (b)	538,533	682,640
Credit card operators (c)	142,917	168,443
Rents receivable (d)	24,784	27,146
Provision for accrued revenue (e)	17,352	19,121
Shopping vouchers (f)	17,234	17,329
	740,820	914,679
Provision for doubtful accounts (g)	(91,416)	(78,151)
Total	649,404	836,528

Trade receivables are mainly denominated in Soles and U.S. Dollars, have current maturity and do not bear interest.

(b) Corresponds to the receivables generated mainly from the distribution, agreements and others of different pharmaceutical and mass-market products to entities across Peru and abroad. As of December 31, 2024 and 2023, due to the nature of the InRetail Group's operations, the client portfolio is highly dispersed, and includes laboratories and wholesalers well-known at national and international level, pharmacy chains, independent pharmacies, public and private institutions, supermarkets, among others. It is worth mentioning that the InRetail Group maintains distribution contracts and exclusive agreements for its products with its main customers.

(c) Correspond mainly to pending deposits in favor of Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries for the last days of the month, respectively, held by credit card operators and originated from the sales of goods with credit cards in the different stores of Supermercados Peruanos S.A. and Subsidiaries and InRetail Pharma S.A. and Subsidiaries.

(d) Correspond to accounts receivable for the lease of commercial premises to concession holders inside the stores of Supermercados Peruanos S.A. and the accounts receivable for the rental income of InRetail Real Estate Group.

(e) Corresponds to services unbilled at year end, mainly due to variable rents. These amounts were billed in January of the following year.

Notes to the consolidated financial statements (continue)

(f) Correspond mainly to the balance receivable from the sale of shopping vouchers to various companies and public institutions. At the date of this report, these balances were mostly collected.

(g) The movements in the provision for doubtful accounts receivable for the years ended on December 31, 2024 and 2023, were as follow:

	2024 S/(000)	2023 S/(000)
Opening balance	(78,151)	(71,112)
Provision for the period, note 23(b)	(26,654)	(20,508)
Recoveries, note 23(b)	9,767	12,292
Write off	3,064	705
Conversion effect, exchange difference and others	558	472
Closing balance	(91,416)	(78,151)

(h) As of December 31, 2024 and 2023, the aging of trade accounts receivable is as follows:

	2024		
	Not provisioned S/(000)	**Provisioned** S/(000)	**Total** S/(000)
Not past due -	490,314	5,853	496,167
Past due			
From 1 to 30 days	108,419	1,745	110,164
From 31 to 60 days	16,021	347	16,368
From 61 to 120 days	9,711	1,393	11,104
From 121 to 360 days	6,960	3,163	10,123
More than 360 days	17,979	78,915	96,894
	649,404	91,416	740,820

	2023		
	Not provisioned S/(000)	Provisioned S/(000)	Total S/(000)
Not past due -	688,442	4,699	693,141
Past due			
From 1 to 30 days	81,191	1,543	82,734
From 31 to 60 days	22,445	676	23,121
From 61 to 120 days	17,114	1,369	18,483
From 121 to 360 days	19,641	12,631	32,272
More than 360 days	7,695	57,233	64,928
	836,528	78,151	914,679

(i) In the InRetail Group's opinion, the provision for doubtful accounts receivable as of December 31, 2024 and 2023, appropriately covers the credit risk of this caption at those dates.

9. Other receivables, net

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
By nature -		
Claims and unsettled advances (b)	280,527	288,589
Funds held in Banco de la Nación (c)	66,030	51,382
Discounts and/or refunds receivable from suppliers (d)	61,101	48,228
Operating lease deposits (e)	44,354	39,934
Doubtful collection accounts	13,831	15,735
Employee loans and third parties	12,742	3,125
Advances to suppliers	3,579	4,990
Other receivables	2,590	6,258
	484,754	458,241
Minus -		
Provision for doubtful collection accounts (f)	(13,831)	(15,735)
Total	470,923	442,506
Current portion	210,443	199,901
Non-current portion	260,480	242,605
Total	470,923	442,506

(b) Corresponds mainly to payments made by Supermercados Peruanos S.A. to the Tax Administration for the audits of income tax and general sales tax returns for the periods from 2004 to 2010 and 2013 to 2018, which are in the process of being claimed to the Tax Authority. In Management's opinion, they will be resolved favorably for the Company.

(c) In accordance with Resolution of Superintendence N°183-2004/SUNAT, funds held in Banco de la Nación must be used exclusively for the payment of tax debts or requested as cash reimbursement. In the case of the InRetail Group, these funds have been used entirely for tax payments during the months of January and February 2025 and 2024, respectively.

(d) Corresponds mainly to merchandise returns to suppliers and representatives arising from commercial agreements between InRetail Pharma and its Subsidiaries. These returns are current and do not accrue interest.

(e) Includes deposits in guarantee related to the rental of the administrative office, warehouse and drugstores "Inkafarma" and "Mifarma" nationwide, with maturities over twelve months, which is why Management has classified them in the long term. As of December 31, 2024, the balance of deposits in guarantee held by the Company and its Subsidiaries is recorded at discounted value, using a discount rate of 7.83 percent for guarantees receivable in soles and 6.65 percent for guarantees receivable in US dollars. As of December 31, 2023, using a discount rate of 9.44 percent for guarantees receivable in soles and 6.71 percent for guarantees receivable in US dollars.

(f) The movement in the provision for doubtful accounts for the years ended on December 31, 2024 and 2023 were as follows:

	2024 S/(000)	2023 S/(000)
Opening balance	(15,735)	(15,474)
Provision for the period, note 23(b)	(856)	(2,955)
Recoveries, note 23(b)	2,774	2,655
Monetary variation	(14)	39
Closing balance	(13,831)	(15,735)

(g) In opinion of the InRetail Group's Management, the provision for doubtful accounts receivable as of December 31, 2024 and 2023, appropriately covers the credit risk of this item at those dates.

10. Inventories, net

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Goods, note 23(b)	2,517,058	2,368,572
Raw materials, note 23(b)	-	661
Supplies destined for production, note 23(b)	757	1,548
Various supplies	10,364	7,267
Inventory in transit (c)	268,219	200,320
	2,796,398	2,578,368
Minus -		
Provision for impairment of inventories (d)	(28,339)	(43,215)
Total	2,768,059	2,535,153

(b) As of December 31, 2024 and 2023, the balance of goods is presented net of the provision for discounts from suppliers (rebates) related to goods not sold at those dates for approximately S/49,991,000 and S/59,620,000, respectively.

(c) Corresponds to various goods and supplies imported by the InRetail Group, in order to meet the demand of its customers in the national chains. At the date of this report, the balance of inventories in transit as of December 31, 2024 and 2023 has been mostly received.

(d) The movements in the provision for inventory impairment for the years 2024 and 2023 were as follows:

	2024 S/(000)	2023 S/(000)
Opening balance	(43,215)	(35,227)
Provision for the period, note 23(b)	(17,051)	(34,305)
Recoveries for the period, note 23(b)	28,831	25,622
Others	2,991	-
Monetary variation	105	695
Closing balance	(28,339)	(43,215)

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 InRetail Group's Management. In opinion of the InRetail Group's Management, as of December 31, 2024 and 2023, the provision for inventory impairment covers the risk of inventory's obsolescence as of those dates.

11. Taxes recoverable

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Income tax payments (b) and 21(e)	162,561	120,641
Tax credit for Valued Added-Tax (c)	125,809	85,480
Selective consumption tax	2,677	1,587
Capital outflow tax (Ecuador)	-	3,969
Other	3,911	1,740
	294,958	213,417
Current portion	202,855	180,819
Non-current portion	92,103	32,598
Total	294,958	213,417

(b) As of December 31, 2024 and 2023, the InRetail Group maintains a credit for income tax due to payments made during the current period by the InRetail Group's Subsidiaries. The InRetail Group's Management believes that these balances will be used during the following year.

(c) Corresponds to Valued Added-Tax ("VAT") credits generated mainly from the expansion and construction of shopping centers in Lima and other cities, as well as other disbursements related to operations performed by Interproperties Holding and Interproperties Holding II. These tax credits will be recovered by offsetting against VAT payable generated by future activities from the InRetail Group's Subsidiaries.

12. Derivative financial instruments

(a) As of December 31, 2024 and 2023, derivative financial instruments have been qualified as effective hedge instruments and are as follows:

Entity	Notional amount		Maturity / Settlement	Covered item	Book value of the covered item		Assets Fair value		Liability Fair value	
	2024 US$(000)	2023 US$(000)			2024 S/(000)	2023 S/(000)	2024 S/(000)	2023 S/(000)	2024 S/(000)	2023 S/(000)
"Call Spread" contracts -										
J.P. Morgan (b)	250,000	250,000	April 2028	Senior Notes, see note 20(c)	942,500	928,250	71,560	68,904	-	-
J.P. Morgan (b)	100,000	100,000	April 2028	Senior Notes, see note 20(c)	377,000	371,300	9,427	11,540	-	-
Citibank N.A. (c)	138,000	138,000	March 2028	Senior Notes, see note 20(b)	520,260	512,394	24,324	27,725	-	-
Citibank N.A. (c)	138,000	138,000	March 2028	Senior Notes, see note 20(b)	520,260	512,394	21,315	23,781	-	-
Citibank N.A. (c)	24,000	24,000	March 2028	Senior Notes, see note 20(b)	90,480	89,112	3,709	4,137	-	-
"Range principal only swaps" contracts-										
Citibank N.A. (c)	100,000	100,000	March 2028	Senior Notes, see note 20(b)	377,000	371,300	-	2,889	7,648	-
Citibank N.A. (c)	100,000	100,000	March 2028	Senior Notes, see note 20(b)	377,000	371,300	-	2,889	7,648	-
Citibank N.A. (c)	50,000	50,000	March 2028	Senior Notes, see note 20(b)	188,500	185,650	-	1,225	4,060	-
Citibank N.A. (c)	50,000	50,000	March 2028	Senior Notes, see note 20(b)	188,500	185,650	-	1,225	4,060	-
"Cross currency swap" contracts -										
J.P. Morgan (b)	100,000	100,000	April 2028	Senior Notes, see note 20(c)	377,000	371,300	-	-	39,301	34,791
						Total	130,335	144,315	62,717	34,791

(b) In March 2018, InRetail Shopping Malls signed a new “Call Spread” contract with J.P. Morgan for a reference value of US$350,000,000 in order to reduce exposure to foreign exchange risk arising from senior notes issued in foreign currency by InRetail Shopping Malls in April 2018, see note 20(c).

In July 2021, InRetail Shopping Malls decided to replace US$100,000,000 of the aforementioned “Call Spread” with US$100,000,000 of a Cross-Currency Swap, which establishes the exchange of currency at the exchange rate of S/3.887 per US$1.00.

Additionally, in April 2023, InRetail Shopping Malls decided to carry out a “Call Spread” with J.P. Morgan for a reference value of US$100,00,000 as an additional hedge to reduce the foreign exchange risk exposure arising from part of the foreign currency senior notes issued in April 2018 by InRetail Shopping Malls, see note 20(c).

The premium for the derivative was financed by J.P. Morgan, thus generating a liability which balance as of December 31, 2024 amounts to US$7,723,000, equivalent to approximately S/29,116,000 (US$9,496,000, equivalent to approximately S/35,259,000, as of December 31, 2023) and S/10,447,000 (S/12,789,000, as of December 31, 2023), see note 19(a). In accordance with IFRS 9, the financed premium was recorded and charged against the non-current asset in the caption “Derivative financial instrument – ‘Call Spread’” and is recognized in profit or loss using a straight-line method over the hedging term. Consequently, the amount accrued during the fiscal year ended December 31, 2024 and 2023 was S/10,549,000 and S/10,098,000, respectively, and is recorded in the caption “Finance expenses – Straight-line accrued premium”, see note 25.

During 2024, approximately a net loss of S/7,901,000 (a net gain of S/10,333,000 during 2023) was recognized in the caption "Unrealized results on derivative financial instruments" in the consolidated statements of changes in equity, representing the derivative financial instrument hedging effect during such year.

As of December 31, 2024 and 2023, the “Calls spread” hedge US$250,000,000 and US$100,000,000 of the foreign exchange senior notes issued in April 2018 by InRetail Shopping Malls (see note 20(c)) of the foreign exchange exposure of the issuance’s principal and protects the exchange rate variations ranging from S/3.26 to S/3.75 per US$1.00 and between S/3.90 and S/4.30 per US$1.00, respectively, and the Cross-Currency Swap hedges the remaining amount of the debt for US$ 100,000,000 which establish the foreign exchange rate of S/3.887 per US$1.00. During 2024 and 2023, the exchange rate fluctuated outside the exchange rate bands hedged by the aforementioned derivative instruments; these fluctuations are recorded in the consolidated income statements.

(c) In March 2021, the Company through its subsidiaries InRetail Consumer, InRetail Pharma S.A. and Supermercados Peruanos S.A. acquired three "Call Spreads" for a total reference value of US$24,000,000, US$288,000,000 and US$288,000,000, respectively, in order to reduce its exposure to exchange rate risk originated by the senior notes in foreign currency issued in March 2021 (see note 20(b)).

In the case of InRetail Pharma S.A. the "Call Spread" for a reference value of US$288,000,000, the price of the premium was US$20,431,000 with Citibank N.A., which includes an additional premium of US$1,772,000, was paid in cash; and for Supermercados Peruanos S.A. the "Call Spread" for a reference value of US$288,000,000, the price of the premium was US$18,658,000, it was financed in terms equal to the schedule of the loan received.

In September 2021, InRetail Pharma S.A. and Supermercados Peruanos S.A. decided to exchange each US$150,000,000 of the "Call Spread" for two "Range principal only Swaps" of US$100,000,000 and two of US$50,000,000, which fix the exchange rate at S/4.1045 and S/4.1100 per US$1.00, respectively.

The exchange of financial instruments included the partial write-off of the respective liability held for the financing received from Citibank N.A. Likewise, this exchange is due to a successive "roll over" renewal of one hedging instrument for another; that is, it is part of the Group's risk management objective, which allows it to meet the coverage objective. Therefore, the time value of the replaced instrument at the date of the transaction will be recognized in income, on a straight-line basis, until the maturity of the hedge.

During 2024, in the case of Supermercados Peruanos S.A. a total net expense amounting to S/7,612,000, was generated, and, in the case of InRetail Pharma S.A. a total net expense amounting to S/7,623,000, was generated, which is presented in the caption "Finance expenses - Accrual of value over time of the exchange of derivative financial instruments" of the consolidated income statements. During 2023, in the case of Supermercados Peruanos S.A. a total net expense amounting to S/7,592,000, was generated, and, in the case of InRetail Pharma S.A. a total net expense amounting to S/7,602,000, was generated, which is presented in the caption "Finance expenses - Accrual of value over time of the exchange of derivative financial instruments" of the consolidated income statements, see note 25.

The price for these derivative financial instruments (premium for Range principal only Swaps) was financed by Citibank N.A., generating a liability which total balance as of December 31, 2024 amounts to US$5,537,000 (equivalent to approximately S/20,876,000), and to S/78,218,000 and as of December 31, 2023 amounts to US$7,016,000 (equivalent to approximately S/26,050,000), and to S/96,901,000 see note 19(a). It should be noted that, in accordance with the provisions of IFRS 9, said premium was recorded with a charge to non-current assets, and is recognized in results on a straight-line basis during the term of the coverage, so that, during the years 2024 and 2023, the accruals of this asset amounted to S/38,987,000 and S/38,794,000, respectively; recognized in the caption "Finance expenses - Linear accrual of premium of derivative financial instruments", see note 25.

During 2024, as a result of this transaction, a net loss for approximately S/12,917,000 (and a net gain for S/48,734,000, during 2023), was recognized into the caption "Unrealized results on derivative financial instruments" in the consolidated statements of changes in equity, representing the derivative financial instrument hedging effect during such year.

As of December 31, 2024 and 2023, “Call Spreads” cover US$300,000,000 of the foreign currency exposure of the principal of the issue and protect exchange rate variations between S/3.70 and S/4.20 per US$1.00 and the Range Principal Only Swaps cover US$300,000,000 of the exposure in foreign currency of the principal of the issue and protect the variations of the exchange rate between S/4.1045 and S/4.1100 per US$1.00.

13. Property, furniture and equipment, net

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	Landbank S/(000)	Buildings and facilities S/(000)	Miscellaneous equipment S/(000)	Vehicles S/(000)	Furniture and fixture S/(000)	Works in progress and assets in transit S/(000)	Total S/(000)
Useful lives (years)	-	1 - 60	1 - 20	1 - 10	1 - 33	-	
Cost -							
Balance as of January 1, 2023	1,581,090	3,531,330	1,646,544	3,332	307,826	141,418	7,211,540
Acquisition of subsidiaries, note 2(b)	-	831	1,026	-	301	-	2,158
Additions (b)	84,919	150,027	205,992	62	37,808	157,632	636,440
Disposals and/or sales (e)	(3,968)	(17,479)	(114,127)	(387)	(9,906)	(3,253)	(149,120)
Transfers	19,565	90,304	1,923	56	289	(95,179)	16,958
Transfers from investment properties, note 14(b)	7,181	-	-	.	-	-	7,181
Translation effect	(5)	(205)	(327)	-	872	(2)	333
Balance as of December 31, 2023	1,688,782	3,754,808	1,741,031	3,063	337,190	200,616	7,725,490
Acquisition of subsidiaries, note 2(a)	-	8,614	2,866	-	2,033	-	13,513
Additions (b)	48,140	235,143	241,230	51	29,774	286,776	841,114
Disposals and/or sales (e)	(42,563)	(5,675)	(53,973)	(705)	(4,692)	(246)	(107,854)
Others	-	(1,984)	(3,959)	(55)	(771)	(1)	(6,770)
Transfers	74,846	(51,925)	134	(301)	490	(23,244)	-
Transfers from investment properties, note 14(b)	2,706	-	-	-	-	-	2,706
Translation effect	(2)	(1,114)	588	-	168	1	(359)
Balance as of December 31, 2024	1,771,909	3,937,867	1,927,917	2,053	364,192	463,902	8,467,840
Accumulated depreciation -							
Balance as of January 1, 2023	-	914,933	1,011,872	2,570	156,623	-	2,085,998
Acquisition of subsidiaries, note 2(b)	-	196	317	-	93	-	606
Additions, note 23(b)	-	149,817	176,519	225	46,704	-	373,265
Disposals and/or sales (e)	-	(13,693)	(111,622)	(601)	(9,002)	-	(134,918)
Transfers	-	16,919	10	-	29	-	16,958
Translation effect	-	(135)	(23)	-	900	-	742
Balance as of December 31, 2023	-	1,068,037	1,077,073	2,194	195,347	-	2,342,651
Acquisition of subsidiaries, note 2(a)	-	5,066	2,503	-	1,615	-	9,184
Additions, note 23(b)	-	165,056	176,565	186	42,779	-	384,586
Disposals and/or sales (e)	-	(2,596)	(53,083)	(655)	(4,554)	-	(60,888)
Others	-	(1,807)	(3,701)	(1)	(641)	-	(6,150)
Transfers	-	(2)	3	(1)	-	-	-
Translation effect	-	85	72	1	126	-	284
Balance as of December 31, 2024	-	1,233,839	1,199,432	1,724	234,672	-	2,669,667
Net book value as of December 31, 2024	1,771,909	2,704,028	728,485	329	129,520	463,902	5,798,173
Net book value as of December 31, 2023	1,688,782	2,686,771	663,958	869	141,843	200,616	5,382,839

(b) During 2024 and 2023, the InRetail Group constructed and equipped its new stores (mainly from the pharmacy and retail sectors), and the Pharma group's new distribution center located in the Punta Negra district.

As of December 31, 2024 and 2023, the InRetail Group maintains mortgages on certain lands, buildings and facilities for a net book value of approximately S/882,071,000 and S/886,731,000, respectively, and a reference value of S/1,565,555,000 and S/1,505,844,000 in guarantee of financial obligations, see note 19(a).

Also, in June 2023, InRetail Real Estate Corp acquired a piece of land located in the district of San Martin de Porres, the property denominated "Izaguirre", for US$21,900,000 equivalent to S/79,738,000 at the time of purchase from a related Company.

(c) The InRetail Group maintains insurance on its main assets in accordance with the policies established by Management. In the opinion of the InRetail Group Management, its insurance policies are consistent with international practices in the industry.

(d) As of December 31, 2024 and 2023, the cost and corresponding accumulated depreciation of assets acquired through finance leases are the following:

	As of December 31, 2024			As of December 31, 2023		
	Cost S/(000)	Accumulated depreciation S/(000)	Net cost S/(000)	Cost S/(000)	Accumulated depreciation S/(000)	Net cost S/(000)
Buildings and facilities	395,239	110,601	284,638	395,239	91,129	304,110
Computer equipment and miscellaneous	376,319	292,785	83,534	394,653	287,028	107,625
Vehicles, furniture and other items	810	810	-	1,022	1,022	-
	772,368	404,196	368,172	790,914	379,179	411,735

(e) The net cost of retired and/or sold fixed assets during the years 2024 and 2023 is detailed as follows:

	2024 S/(000)	2023 S/(000)
Assets sold (1), note 24	44,695	3,536
Assets retired (2), note 24	2,271	10,666
	46,966	14,202

(1) During 2024, it corresponds mainly to the sale of a property located in Lima and denominated "Pardo", to a related entity, for an amount of US$10,000,000 (approximately S/37,037,000) generating a profit of S/805,000. During 2023, it corresponds mainly to the sale of two properties located in Lima and to related entities, the sale of 50 percent of the property denominated "Zapallal" for an amount of S/2,050,000 generating a gain of approximately S/134,000 and a sale to a third party of a property located in Miraflores denominated "Estacionamiento Pardo", for an amount of US$4,800,000 (approximately S/17,371,000) generating a gain of S/15,835,000.

(2) During 2024 and 2023, corresponds to the write-off of unused assets as a result of the remodeling process of some stores designated by Management. These retirements are included in the caption "Other operating income, net" in the consolidated income statements integral.

(f) Management periodically reviews the residual values, useful life and the depreciation method to ensure that they are consistent with the economic benefits and life expectancy of the property, furniture and equipment. As of December 31, 2024 and 2023, the InRetail Group's Management performed an evaluation of its property, furniture and equipment, and has not found any indication of impairment.

14. Investment properties

(a) The composition of this caption is presented below as of December 31, 2024 and 2023:

		2024 S/(000)	2023 S/(000)	Year of acquisition or construction	Valuation profit (loss) 2024 S/(000)	Valuation profit (loss) 2023 S/(000)	Valuation methodology 2024/2023
Shopping malls:							
Real Plaza Puruchuco (**)	Lima	608,612	600,420	2018	1,014	(10,349)	DCF and Appraisal
Real Plaza Salaverry (*)	Lima	514,053	501,785	2014	5,270	30,247	DCF
Real Plaza Cuzco (*)	Province	366,844	349,065	2013	15,977	22,871	DCF
Real Plaza Piura	Province	340,737	288,180	2011	(8,444)	12,936	DCF
Real Plaza Chiclayo	Province	313,567	307,586	2005	(1,586)	(5,952)	DCF
Real Plaza Trujillo	Province	281,377	273,280	2007	6,442	6,006	DCF
Real Plaza Primavera	Lima	270,093	251,250	2011	(1,672)	12,060	DCF
Real Plaza Centro Cívico (*)	Province	205,201	209,125	2010	(5,123)	7,466	DCF
Real Plaza Huancayo (*)	Province	143,997	142,884	2008	292	1,673	DCF
Real Plaza Huánuco (*)	Province	119,566	117,671	2012	1,008	2,101	DCF
Real Plaza Pucallpa (**)	Province	118,348	117,427	2018	163	2,700	DCF and Appraisal
Real Plaza Cajamarca	Province	117,484	115,281	2013	(4,643)	6,138	DFC
Real Plaza Santa Clara Altamirano (**)	Lima	93,677	92,720	2010	(636)	4,691	DCF and Appraisal
Villa María del Triunfo – La Curva (*)	Lima	84,051	80,115	2017	3,765	1,742	DCF
Real Plaza Pro	Lima	79,970	81,116	2008	(1,612)	2,693	DCF
Real Plaza Guardia Civil	Lima	75,044	74,868	2012	(564)	(438)	DCF
Real Plaza Juliaca (*)	Province	69,730	71,852	2011	(3,325)	(751)	DCF
Real Plaza Arequipa (*)(**)	Province	63,978	65,194	2010	(1,944)	1,022	DCF and Appraisal
Plaza Center La Molina (b)	Lima	54,209	54,114	2022	(866)	(6,507)	DCF
Real Plaza Nuevo Chimbote (**)	Province	47,107	46,504	2011	441	3,251	DCF and Appraisal
Plaza Center Lurín	Lima	38,882	37,190	2010	659	(3,648)	DFC
Plaza Center Moquegua (*)	Province	34,852	33,275	2015	1,576	2,726	DCF
Real Plaza Sullana (**)	Province	33,865	30,965	2013	1,103	209	DCF and Appraisal
Plaza Center Villa Salvador	Lima	25,812	25,682	2011	86	(2,284)	DCF
Plaza Center Tacna (*)	Province	19,754	19,182	2010	572	(1,193)	DCF
Plaza Center Tarapoto (*)	Province	18,164	17,561	2019	579	1,210	DCF
Plaza Center Rex	Lima	13,308	9,694	2022	3,592	(2,678)	DCF
Tiendas Jr. De la Unión	Lima	10,418	10,091	2011	327	2,679	DCF
Plaza Center Tumbes (*)	Province	7,456	7,132	2019	324	1,421	DCF
Plaza Center Ventanilla (*)	Lima	2,328	3,833	2014	(1,528)	824	DCF
Others		3,149	3,171	2018	(1)	(824)	DCF

		2024 S/(000)	2023 S/(000)	Year of acquisition or construction	Valuation profit (loss) 2024 S/(000)	Valuation profit (loss) 2023 S/(000)	Valuation methodology 2024/2023
Landbanks:							
San Borja	Lima	64,588	58,162	2022	1,175	(1,245)	Appraisal
Tarapoto	Province	26,746	9,303	2012	403	893	Appraisal
Carabayllo	Lima	25,601	24,741	2012	653	(670)	Appraisal
Landbank Valle Cañete (**)	Lima	12,906	12,781	2010	2,814	(6,791)	Appraisal
Lurín 2	Lima	12,424	12,062	2018	201	(91)	Appraisal
Chacarilla	Lima	-	34,712	2014	84	(437)	Appraisal
Pisco	Province	6,325	6,184	2012	140	30	Appraisal
Balance as of December 31,		4,324,223	4,196,158		16,716	83,731	

DCF: Discounted cash flow

(*) It corresponds to shopping malls built using surface rights or usufruct. As of December 31, 2024 and 2023, the usufruct contracts for lands upon which the InRetail Group has built shopping malls have a validity from 20 to 70 years.

(**) As of December 31, 2024 and 2023, the fair value includes the value of lands adjacent to operational shopping malls owned by the InRetail Group for future extensions, amounting to S/98,087,000 and S/105,154,000, respectively.

(b) The movement of this caption was as follows:

	2024 S/(000)	2023 S/(000)
Opening balance	4,196,158	4,072,760
Works for expansions and remodeling	148,851	46,848
Disposal for sales of land (*)	(34,796)	-
Transfer to property, furniture and equipment, note 13(a)	(2,706)	(7,181)
Gain for fair value adjustment (c)	16,716	83,731
Closing balance	4,324,223	4,196,158

(*) In May 2024, the InRetail Real Estate Group sold, through Patrimonio Fideicomiso D.S. No. 093-2002-EF – Interproperties Perú, the land located in Chacarilla, Lima for US$10,250,000, equivalent to S/38,233,000, to an unrelated third party, at a cost of S/34,796,000.

(c) As of December 31, 2024 and 2023, the InRetail Group does not have properties classified within Levels 1 or 2 of the fair value hierarchy. As of said dates, the fair value of investment properties is classified within Level 3 and was determined using the discounted cash flow (DCF) method for the operational shopping malls and properties, and using a valuation made by an independent expert registered in CONATA (Consejo Nacional de Tasadores) and REPEV (Registro de Peritos Valuadores) of the SBS (Superintendencia de Banca, Seguros y AFP) for landbanks.

According to note 4.3(k), to estimate the fair values of the investment properties, the Management of the Company and its Subsidiaries have used their market expertise and professional judgement.

During 2024 and 2023, the fluctuation of the investment properties' fair value was a gain for approximately S/16,716,000 and S/83,731,000, respectively, which is shown in the "Changes in fair value of investment property in fair value of investment properties" of the consolidated income statements.

A brief description of the assumptions considered for the cash flows determination, which are prepared on an added and unlevered basis, as of December 31, 2024 and 2023, are presented below:

	Percentage	
	2024	2023
- *Long-term inflation* - Increase of the general level of prices expected in Peru for the long term.	2.87 – 3.00	2.87 - 3.00
- *Long-term average occupancy rate* - Expected occupancy level of tenants in the leased properties.	98.20 – 99.28	98.52 - 99.96
- *Average growth rate of rental income* - Rate that expresses the rental income growth and includes growth factors of the industry, inflation rates, stable exchange rate, per capita income and increasing expenses.	2.87 – 3.00	2.87 - 3.04
- *Average EBITDA margin* - Projected from the rental income from leasable areas by property and marketing income, minus costs related to administration fees, other administrative expenses, insurance, taxes and other expenses.	57.77 – 81.18	54.50 - 81.23
- *Discount rate* - It reflects the current market risk, and the uncertainty associated to obtaining cash flows.	9.10 – 9.40	9.40

The fair value of landbanks is determined based on the value set by an external appraiser. The external appraiser uses the comparative market analysis, through which the fair value of a property is estimated based on similar transactions. The unit of comparison applied by the InRetail Group is the price per square meter. As of December 31, 2024, the landbanks price range per square meter and the average price per square meter in the geographical area of the landbanks are as follows:

Geographic area	Range US$	Average US$
San Borja - Lima	1,670 - 1,942	1,720
Arequipa - Arequipa	1,202 – 2,240	1,582
Puruchuco – Lima	984 - 1,587	1,300
Santa Clara - Lima	550 - 900	718
Sullana - Piura	505 - 701	460
Pucallpa - Pucallpa	320 - 650	453
Lurín 2 – Lima	349 - 400	351
Tarapoto – San Martin	245 - 510	349
Lurín – Lima	176 - 294	221
Nuevo Chimbote - Ancash	250 - 648	419
Carabayllo II – Lima	564 - 746	627
Cañete – Lima	325 - 755	366
Pisco – Ica	131 - 204	169
Carabayllo – Lima	296 - 444	367

(d) The sensitivity analysis of the investment properties valuation, in front of changes in the factors that management considers relevant, are presented below:

	Rate change	2024 S/(000)	2023 S/(000)
Average growth rate in rental income (basis) – 2.87% - 3.00%			
Increase	+0.25%	339,063	136,673
Decrease	-0.25%	(234,077)	(127,865)
Discount rate (basis) – 9.10% - 9.40%			
Increase	+0.5%	(297,384)	(272,069)
Decrease	-0.5%	339,731	310,641

(e) The future amounts of the fixed minimum rents by currency corresponding to leases are as follows:

	2024					
	Related parties		Third parties		Total	
	US$(000)	S/(000)	US$(000)	S/(000)	US$(000)	S/(000)
2025	5,946	106,122	4,567	246,864	10,513	352,986
2026	5,541	103,751	4,404	198,148	9,945	301,899
2027	5,541	100,691	4,368	154,448	9,909	255,139
2028	5,547	98,857	4,279	119,913	9,826	218,770
2029-2077	79,283	1,371,630	68,415	1,182,410	147,698	2,554,040
	101,858	1,781,051	86,033	1,901,783	187,891	3,682,834

	2023					
	Related parties		Third parties		Total	
	US$(000)	S/(000)	US$(000)	S/(000)	US$(000)	S/(000)
2024	5,695	113,811	26,350	214,756	32,045	328,567
2025	5,461	106,531	21,725	159,607	27,186	266,138
2026	5,202	103,312	16,563	129,191	21,765	232,503
2027	5,202	101,333	12,838	104,640	18,040	205,973
2028-2077	81,621	1,380,992	147,243	1,208,395	228,864	2,589,387
	103,181	1,805,979	224,719	1,816,589	327,900	3,622,568

As of December 31, 2024 and 2023, the minimum rents are calculated based on a time horizon between 53 and 52 years.

The InRetail Group maintain insurance on its investment properties in accordance with the policies established by Management.

15. Intangible assets, net

(a) The table below presents the movements and composition of this caption as of December 31, 2024 and 2023:

	2024							
		Brands						
	Software	Definite useful life	Indefinite useful life (b)	Goodwill (c)	Relationships with clients (d)	Contracts with represented (d)	Work in progress	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Useful lives (years) -	1 - 10	2 - 20	-	-	-	1 - 26	-	
Cost -								
Balance as of January 1, 2023	519,602	67,615	1,007,704	2,631,205	46,300	204,800	44,175	4,521,401
Additions (e)	32,785	3	-	-	-	-	26,933	59,721
Write-downs, note 24	(6,760)	1	-	-	(46,300)	(27,000)	(69)	(80,128)
Transfers	34,148	(16,887)	17,040	-	-	-	(34,301)	-
Others	(2,688)	-	-	-	-	-	(169)	(2,857)
Translation effect	(293)	-	-	-	-	-		(293)
Balance as of December 31, 2023	576,794	50,732	1,024,744	2,631,205	-	177,800	36,569	4,497,844
Acquisitions of Subsidiary, note 2(a)	135	226	-	-	-	-	-	361
Additions (e)	24,793	-	-	13,739			25,829	64,361
Write-downs, note 24	(727)	-	-	-	-	-	(3,705)	(4,432)
Transfers	18,952	252	-	-	-	-	(19,204)	-
Others	(1,772)	-	-	-	-	-	-	(1,772)
Translation effect	74	(34)	-	-	-	-	(2)	38
Balance as of December 31, 2024	618,249	51,176	1,024,744	2,644,944	-	177,800	39,487	4,556,400
Accumulated amortization -								
Balance as of January 1, 2023	309,239	19,707	-	-	46,300	186,745	(1,527)	560,464
Additions, note 23(b)	66,886	6,443	-	-	-	7,492	479	81,300
Write-downs, note 24	(5,953)	1	-	-	(46,300)	(27,000)	-	(79,252)
Others	(97)	-	-	-	-	-	-	(97)
Translation effect	(286)	-	-	-	-	-	-	(286)
Balance as of December 31, 2023	369,789	26,151	-	-	-	167,237	(1,048)	562,129
Acquisitions of Subsidiary, note 2(a)	129	157	-	-	-	-	-	286
Additions, note 23(b)	72,903	4,897	-	-	-	953	526	79,279
Write-downs, note 24	(720)	-	-	-	-	-	-	(720)
Others	(1,719)	-	-	-	-	-	-	(1,719)
Transfers	(3,176)	-	-	-	-	-	3,176	-
Translation effect	43	38	-	-	-	-	(2)	79
Balance as of December 31, 2024	437,249	31,243	-	-	-	168,190	2,652	639,334
Net book value as of December 31, 2024	181,000	19,933	1,024,744	2,644,944	-	9,610	36,835	3,917,066
Net book value as of December 31, 2023	207,005	24,581	1,024,744	2,631,205	-	10,563	37,617	3,935,715

(b) The InRetail Group Management has estimated the fair value of this intangible assets using the "Relief from royalty" method, which constitutes a usual method of discounted cash flows used for the valuation of commercial brands. The main assumption of this method is that the company owner of the brand saves the royalty payment to other hypothetical owner, therefore the value of this brand would be represented by the amount that is avoided to pay for these royalties. The detail of the brands with indefinite useful live is presented below:

	Amount S/(000)
Brands with indefinite life -	
Mifarma	395,355
Inkafarma	373,054
Makro	205,593
Química Suiza	17,791
Ninet	15,911
Trade brands	17,040
	1,024,744

The factors considered to determine that the brand has an indefinite life are the following:

- History and expected use of the asset by the Company: this is the most important factor to consider in the definition of the useful life of the brands "Inkafarma", "Mifarma", "Química Suiza", "Ninet" and "Makro", considering that those are the most recognized brands in the pharmacy and food retail industries in Peru.

- Legal, regulatory or contractual limits to the useful life of the intangible asset: there are no legal regulatory or contractual limits linked to the brands. The brands are duly protected, and the pertinent registrations remain valid.

- Effect of obsolescence, demand, competition and other economic factors: "Inkafarma", "Mifarma", "Química Suiza", "Ninet" and "Makro", are the most recognized brands in the pharmacy and food retail industries in Peru. This implies a low risk of obsolescence.

- Maintenance of the necessary investment levels to produce the projected future cash flows for the brands are based on investments in marketing, technology and the growth and revamping of the pharmacy and food retail chains infrastructure. Furthermore, efficiencies are expected as a result of synergies and the growth in scale of the operations, which are compatible and reasonable for the industry. However, an increase in general administration expenses is also contemplated to sustain the projected increase in sales.

- Relationship of the useful life of an asset or group of assets with the useful life of an intangible asset: The brands do not depend on the useful life of any asset or group of assets as they exist independently, and are not related to sectors subject to technological obsolescence or other causes.

(c) Goodwill is initially measured at cost, which corresponds to the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, if existing, over the net identifiable assets acquired and liabilities assumed. The details of goodwill are presented below:

	2024 S/(000)	2023 S/(000)
Goodwill -		
Quicorp	1,272,634	1,272,634
Inkafarma	709,472	709,472
Makro	628,578	628,578
Agora	20,151	20,151
Other minors	14,109	370
	2,644,944	2,631,205

Management carries out an annual recoverability test to its indefinite-life assets, composed of goodwill and brands. To do so, the goodwill and the brands acquired in business mergers were allocated to the cash generating unit (CGU) "Pharmacies", "Food Retail" and "Digital (Agora and InDigital XP)" from the acquisition date.

When the CGU's recoverable amount is less than its carrying amount, an impairment loss is recognized. The impairment losses related to goodwill cannot be reversed in future periods.

The recoverable amount of the "Pharmacies", "Food Retail" and "Digital (Agora and InDigital XP)" have been determined based on fair value minus cost to sales calculated using cash flow projections from financial budgets approved by senior management covering a ten-year period.

The cash flows that continue beyond the period indicated in the projections were extrapolated using a specific growth rate similar to the average long-term growth rate for the country in which each entity operates.

Following are the key assumptions used in the impairment assessment for each CGU as of December 31, 2024 and 2023:

- Sales growth rate – For the Pharmacies segment, sales growth rates of 1.80 and 1.50 percent were considered, as of December 31, 2024 and 2023, respectively; for the "Digital" segment, sales growth rate is between 0.00 and 51.41 percent as of December 31, 2024 (between 9.19 and 104.92 percent, as of December 31, 2023), and for the "Food Retail" segment, a sales growth rate was considered consistent with the segment's historical growth. These are based on the expected operating plans for each CGU and brand.

- EBITDA margins – EBITDA margins are based on historical values recorded in the years prior to the start of the budget period and increase over the budget period with expected efficiency improvements due to normal growth.

- Royalty rate - A royalty rate from 1.55 and 1.80 percent was considered as of December 31, 2024 and 2023. Royalty rates are based on values considered in the purchase price allocation of Quicorp. In addition, these rates were corroborated with information of similar transactions in purchase price allocation processes.

- Discount rates – Discount rates used for each CGU are between 9.20 and 14.20 as of December 31, 2024 (between 9.00 and 15.10 percent as of December 31, 2023). Discount rates represent the current market assessment of the risks specific to each CGU and brand, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and brands and represents its weighted average cost of capital. The beta factors are evaluated annually based on publicly available market data. The factors that have an impact on the discount rate calculation, as country risk, free discount rate, beta, market premium and cost of debt are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions
The key assumptions described above may change if market and economic conditions change. As of December 31, 2024 and 2023, the InRetail Group estimates that the reasonableness of these possible changes in these assumptions would not cause the recoverable amount of the CGUs to decrease below their book value.

As of December 31, 2024 and 2023, the book value of goodwill related to each CGU has been compared with the recoverable value and Management has determined that it is not necessary to record any impairment.

The key assumptions described above may change if market conditions and the economy change. The Company estimates that changes in these assumptions, which would be reasonable to expect, would not cause the recoverable amount of "Pharmacies", "Food Retail" and "Digital" CGU to decrease below their book value.

(d) For the valuation of customer relationships and contracts with represented companies, the "Multi Period Excess Earning Method" was applied. It reflects the present value of the surplus cash flows generated by the intangible asset during their lifespan after deducting tax charges for the tangible or intangible operating assets used.

On the other hand, contracts with represented companies mainly define the exclusivity for the distribution of a product, as well as the inventory levels required to maintain the operation. To determine the lifespan, the remaining lifespan of contracts in force at the transaction date and the history of renewals were considered.

(e) During the years 2024 and 2023, the additions correspond mainly to: (i) disbursements made for the acquisition of a license and improvement of the development of 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 Group.

(f) As of December 31, 2024 and 2023, the InRetail Group does not maintain guarantees on their intangible assets.

(g) In the case of intangible assets with a definite useful life, in the opinion of Management, there is no indication of impairment in those assets as of December 31, 2024 and 2023. Likewise, as of December 31, 2024 and 2023, Management performed an impairment test for brands with an indefinite useful life (detailed in (b), above), and as a result of said test, it has determined that it is not necessary to recognize any provision for impairment.

16. Leases

(a) The InRetail Group maintains leasing contracts for land, buildings, facilities and vehicles used for its operations. Leases of landbanks, buildings and facilities generally have terms of 1 to 60 years, and leases of vehicles have terms of 2 to 5 years. The Companies 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 Group has also entered into certain leases of premises with terms of 12 months or less and leases of low-value office equipment. The Companies apply the short-term and low-value lease exemptions for this kind of leases.

(b) The carrying amounts of right-of-use assets and movements recognized during the period are detailed below:

	Landbanks	Buildings and facilities	Vehicles	Total
				S/(000)
Cost -				
Balance as of January 1, 2023	163,906	2,281,089	2,916	2,447,911
Additions	4,154	545,642	2,544	552,340
Write-downs, note 24 (*)	-	(269,799)	(1,784)	(271,583)
Translation effect	-	(1,159)	(36)	(1,195)
Balance as of December 31, 2023	168,060	2,555,773	3,640	2,727,473
Acquisition of Subsidiary, note 2(a)	-	26,699	-	26,699
Additions	9,878	725,529	294	735,701
Write-downs, note 24 (*)	-	(161,786)	(244)	(162,030)
Others	-	(3,541)	-	(3,541)
Translation effect	-	659	16	675
Balance as of December 31, 2024	177,938	3,143,333	3,706	3,324,977
Accumulated depreciation -				
Balance as of January 1, 2023	28,235	892,634	1,803	922,672
Additions, (e) and note 23(b)	7,889	362,245	817	370,951
Write-downs, note 24 (*)	-	(227,112)	(1,412)	(228,524)
Translation effect	-	(635)	(24)	(659)
Balance as of December 31, 2023	36,124	1,027,132	1,184	1,064,440
Acquisition of Subsidiary, note 2(a)	-	3,965	.	3,965
Additions, (e) and note 23(b)	8,405	416,912	929	426,246
Write-downs, note 24 (*)	-	(64,464)	(55)	(64,519)
Others	-	(2,050)	-	(2,050)
Translation effect	-	367	5	372
Balance as of December 31, 2024	44,529	1,381,862	2,063	1,428,454
Net book value as of December 31, 2024	133,409	1,761,471	1,643	1,896,523
Net book value as of December 31, 2023	131,936	1,528,641	2,456	1,663,033

(*) Mainly includes past-due contracts that were dismissed during the period.

(c) The carrying amounts of lease liabilities and movements during the period are detailed below:

	2024 S/(000)	2023 S/(000)
Balance at the beginning of the year	1,855,165	1,742,567
Acquisition of Subsidiary, note 2(a)	23,416	-
Additions	736,833	553,990
Increase for accrued interest, (e) and note 25	146,096	121,807
Payments -		
Leases	(530,066)	(479,584)
Payments made at the beginning of the contract	(1,282)	(839)
Rent paid in advance	817	4,436
Cancellation of contracts, note 24	(104,517)	(48,830)
Transfers	-	(578)
Exchange rate variation	12,254	(37,138)
Translation effect	(1,196)	(666)
Balance at the end of the year	2,137,520	1,855,165
Current portion	352,625	316,693
Non-current portion	1,784,895	1,538,472
	2,137,520	1,855,165

(d) As of December 31, 2024 and 2023, the payment schedule of these obligations is as follows:

	2024 S/(000)	2023 S/(000)
2024	-	316,693
2025	352,625	269,562
2026	286,235	206,131
2027	246,098	164,710
2028	193,512	106,533
2029 onwards	1,059,050	791,536
Total	2,137,520	1,855,165

(e) The following table presents the amounts recognized in the consolidated income statements:

	2024 S/(000)	2023 S/(000)
Depreciation expense on right-of-use assets, (b) and note 23(b)	426,246	370,951
Interest expense on lease liabilities, (c) and note 25	146,096	121,807
Expenses related to variable, short-term and low-value leases (included as "Cost of sale", "Selling expenses", and "Administrative expenses", note 23(b)	56,104	53,852
Total amount recognized in profit and loss	628,446	546,610

(f) The InRetail Group leases commercial premises and these leases contain variable payments based on sales. Management's objective is to align lease expenses with income.

Information on the variable lease payments made by the InRetail Group, including a comparison with fixed payments, is presented below:

	2024			2023		
	Fixed payments S/(000)	Variable payments S/(000)	Total S/(000)	Fixed payments S/(000)	Variable payments S/(000)	Total S/(000)
Fixed lease	530,066	-	530,066	479,584	-	479,584
Variable lease and low value, note 23(b)	-	56,104	56,104	-	53,852	53,852
	530,066	56,104	586,170	479,584	53,852	533,436

17. Trade payables

(a) Below is the composition of the item as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Bills payable for purchase of goods (b)	4,064,557	3,647,485
Bills payable for commercial services	509,985	451,592
Provision for services and maintenance	154,558	155,283
	4,729,100	4,254,360
Current portion	4,726,196	4,250,586
Non-current portion	2,904	3,774
Total	4,729,100	4,254,360

(b) This caption mainly includes the obligations to non-related local and foreign suppliers, denominated mainly in local currency and U.S. Dollars, with current maturities and that do not bear any interest. There have been no guarantees on these obligations.

The InRetail Group offers to its supplier's access to an accounts payable services 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 InRetail Group has no direct financial interest in these transactions. All InRetail Group's obligations, including amounts due, remain due to its suppliers as stated in the supplier agreements.

18. Other payables

(a) The table below presents the composition of this caption as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Employees profit sharing (b)	114,240	133,136
Provision for contingencies, note 29(b)	105,028	103,603
Interest payable of financial obligations and senior notes, notes 19(f) and 20(g)	72,014	81,911
Salaries and social benefits	57,872	71,639
VAT payable	57,782	74,552
Vacations accrual	45,519	47,967
Taxes payable	32,278	34,234
Pensions reserve (c)	23,921	23,362
Advance payments from customers	12,003	5,515
Deposits from third parties	9,026	17,209
Rent payable	7,774	7,790
VAT withholdings in purchases	6,643	8,273
Interest payable of Cross Currency Swap	3,154	3,188
Shopping voucher pending to be used	30	2,437
Other	42,414	29,570
Total	589,698	644,386
Current portion	532,361	589,215
Non-current portion	57,337	55,171
Total	589,698	644,386

The above items have mostly current maturities, do no bear interest and have no guarantees granted on them.

(b) In accordance with the employee profit sharing regime in force regulated by the Legislative Decree 677, the employees in Peru have the right to receive a participation between 5 and 8 percent of taxable income, 50 percent of that amount is distributed pro rata amongst all the employees on the basis of the days worked and the remaining balance in proportion with the basic remunerations perceived in the period.

(c) In accordance with the labor law in Ecuador, the workers who meet certain conditions during their labor period, will have the right to be retired by their employers or to receive a pension in case the labor relationship has been produced by eviction. The provision for retirement and eviction pensions is determined by an external qualified actuarial, using market factors and estimation in accordance with the actuarial methodology and considering the labor law in Ecuador. The provision for retirement and eviction pensions as of December 31, 2024 and 2023, covers appropriately the amount that was estimated in the actuarial valuation.

19. Interest-bearing loans and borrowings

(a) The table below presents the composition of this caption as of December 31, 2024 and 2023:

Type of obligation	Original currency	Interest rate	Maturity	Original amount			2024	2023
		%		US$(000)	CLP(000)	S/(000)	S/(000)	S/(000)
Leasing (b)								
Scotiabank Perú S.A.A.	S/	5.510	2025	-	-	380,000	243,434	274,512
Banco International del Perú S.A.A.- Interbank, note 26(b)	S/	3.990	2026	-	-	101,963	101,963	101,936
Hewlett Packard S.R.L. (c)	US$	Between 0.001 and 8.500	2026-2029	25,742	-	-	65,410	69,755
Banco de Crédito del Perú S.A.	S/	Between 5.620 and 10.320	2026-2028	-	-	27,489	9,589	15,179
Nuevo Capital Leasing Perú S.A.C. (c)	US$	1.830 and 5.280	2025	783	-	-	981	1,287
BBVA Banco Continental S.A.	S/	4.950	2024	-	-	18,150	-	679
Others	US$	Between 0.001 and 12.000	2025-2026	453	-	-	615	1,762
							421,992	465,110
Promissory notes and loans (d)								
Scotiabank Perú S.A.A.	S/	Between 3.750 and 8.450	2025-2027	-		1,467,000	1,075,447	1,234,953
BBVA Banco Continental S.A.	S/	Between 2.450 and 8.540	2025-2029	-		1,006,000	668,971	348,105
Banco Internacional del Perú S.A.A.- Interbank, note 26(b)	S/	Between 3.750 and 7.990	2026-2027	-		518,037	479,439	503,236
Banco de Crédito del Perú S.A.	S/	5.180	2025	-		106,900	106,900	-
Banco GNB de Perú S.A.	S/	5.130	2025	-		24,400	24,400	-
Citibank del Perú S.A.	S/	8.800	2024			33,000	-	33,000
Others	CLP	0.640	2025	-	1,600,000	-	6,244	9
							2,361,401	2,119,303
Financed premium "Call Spread", note 12								
Citibank S.A.	S/	Between 8.442 and 8.665	2028	-		137,007	78,218	96,901
JP Morgan S.A.	US$	10.205	2028	18,147		-	29,116	35,259
Citibank S.A.	US$	3.176	2028	9,625		-	20,876	26,050
JP Morgan S.A.	S/	11.200	2028	-		15,704	10,447	12,789
							138,657	170,999
						Total	2,922,050	2,755,412
Current portion							1,057,593	491,237
Non-current portion							1,864,457	2,264,175
						Total	2,922,050	2,755,412

(b) As of December 31, 2024 and 2023, leasing contracts are in local and foreign currency, intended mainly for the equipment of commercial stores and warehouses of the InRetail Group and its Subsidiaries. In accordance with the provisions of the leasing contracts, the guarantees that InRetail Group and its Subsidiaries maintain with the financial entities are the same assets related to those contracts, see note13(b).

Financial leasing operations are guaranteed by the assets related to them, see note 13(d). Future minimum payments for the leaseback described in paragraph (a) above, net of future finance expenses, are as follows:

	2024		2023	
	Minimum payments S/(000)	**Present value of the leasing installments** S/(000)	**Minimum payments** S/(000)	**Present value of the leasing installments** S/(000)
Up to 1 year	298,921	275,428	84,592	61,356
Between 1 and 5 years	146,166	146,564	420,846	403,754
Total minimum payments	445,087	421,992	505,438	465,110
Minus-amounts representing finance charges	(23,095)	-	(40,328)	-
Present value of future minimum payments	421,992	421,992	465,110	465,110

(c) Corresponds to the debt related to the purchase and leasing of computers. These obligations do not have specific guarantees.

(d) Promissory notes and bank loans are used to finance working capital and do not have any specific guarantee.

The main financial requirements (“covenants”) maintained for loans acquired with Banco Internacional del Perú S.A.A. - Interbank, BBVA Banco Continental S.A. and Scotiabank Perú S.A.A., during their duration, are measured as follows using the financial statements of InRetail Pharma S.A. and Supermercados Peruanos S.A., as applicable:

- The net debt ratio resulting from dividing (i) the net financial debt by (ii) the LTM (last twelve months) EBITDA must not be greater than 3.50 in the case of Banco Internacional del Perú S.A.A. – Interbank, Scotiabank Peru S.A.A. and BBVA Banco Continental S.A. for Supermercados Peruanos S.A.; and must not be greater than 4.00 in the case of Banco Internacional del Perú S.A.A. – Interbank and Scotiabank Peru S.A.A. for InRetail Pharma S.A.

Likewise, the following financial requirements (“covenants”) are maintained for certain promissory notes and financial leasing contracts acquired by InRetail Real Estate and Subsidiaries with Scotiabank Perú S.A.A., which are measured using the financial statements of InRetail Shopping Malls:

- The debt ratio, resulting from dividing (i) total debt, by (ii) total assets, must not be less than 60 percent.

- The guaranteed debt ratio, resulting from dividing (i) guaranteed debt, by (ii) total assets, must not be less than 30 percent.

- The net interest coverage ratio, resulting from dividing (i) EBITDA, by (ii) finance expenses (last twelve months), must not be greater than 1.75.

- The debt service coverage ratio, resulting from dividing (i) EBITDA, by (ii) debt service (last twelve months), must not be greater than 1.25.

As of December 31, 2024 and 2023, the InRetail Group has complied with the financial requirements (“covenants”) indicated above.

(e) Debts and interest – bearing loans are payable as follow:

	2024 S/(000)	**2023** S/(000)
2024	-	491,237
2025	1,057,593	830,065
2026	1,424,103	1,312,010
2027	225,795	100,125
2028	138,811	21,975
2029 forward	75,748	-
	2,922,050	2,755,412

(f) During the year 2024, the interest and structuring cost accrued by these obligations amounted to approximately S/154,201,000 and S/3,430,000, respectively (approximately S/182,786,000 and S/5,036,000, respectively, during the year 2023) and are presented in “Finance expenses” caption of the consolidated income statements, see note 25. Likewise, as of December 31, 2024 and 2023, the balance of interest payable on these obligations amounted to a S/15,830,000 and S/22,296,000, respectively, see note 18(a).

20. Senior notes issued

(a) The table below presents the composition of this caption as of December 31, 2024 and 2023:

Entity	Type of obligation (bonds)	Original currency	Interest rate %	Maturity (*)	Original amount US$(000)	Original amount S/(000)	Total 2024 S/(000)	Total 2023 S/(000)
InRetail Consumer (b)	Senior Notes Secured	US$	3.250	2028	600,000	-	2,137,950	2,102,067
InRetail Shopping Malls (c)	Senior Notes Unsecured	US$	5.750	2028	350,000	-	1,280,692	1,251,166
InRetail Consumer (b)	Senior Notes Secured	S/	4.900	2028	-	555,000	552,365	551,544
InRetail Shopping Malls (e)	Senior Notes Unsecured	S/	6.563	2028	-	313,500	311,824	311,377
InRetail Shopping Malls (f)	Senior Notes Unsecured	S/	7.875	2034	-	141,000	135,950	135,848
InRetail Pharma S.A. (d)	Senior Notes Unsecured	S/	6.438	2025	-	385,800	-	385,197
Total						Total	4,418,781	4,737,199

(*) The payment of the principal of the senior notes is at maturity, consequently, balances as of December 31, 2024 and 2023 are considered long-term.

(b) In March 2021, the Company, through InRetail Consumer, issued a private offering abroad (Luxembourg) of "Senior Notes Secured" for US$600,000,000 equivalent to S/2,262,000,000 as of December 31, 2024 (equivalent to S/2, 227,800 as of December 31, 2023) and S/555,000,000. The obligations were recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 3.45 and 5.10 percent, respectively, after considering the respective initial charges of approximately US$2,905,000, equivalent to S/10,950,000 and S/2,635,000, respectively, as of December 31, 2024 (US$3,863,000, equivalent to S/14,343,0000 and S/3,965,000, respectively, as of December 31, 2023). Additionally, the issuance in US dollars is presented net of US$30,000,000 (equivalent to S/113,100,000 in 2024 and S/111,390,000 in 2023) corresponding to the Senior Notes Secured acquired by InRetail Pharma S.A.

(c) In April 2018, InRetail Shopping Malls, Subsidiary of the Company, issued corporate bonds called "Senior Notes Unsecured" for US$68,312,000, under the Rule 144A and the Regulation S of the U.S. Securities Act of 1993 of the United States of America. The amount resulting from this issuance was used to pre-pay the bond holders that chose not to participate in the bonds exchange, as explained in the following paragraph.

InRetail Shopping Malls made a bond exchange offer aimed at holders of corporate bonds named "Senior Notes", issued in 2014, thus exchanging bonds for US$263,723,000 and generating financial charges for around US$17,965,000 in the caption "Interest-bearing loans and borrowings" of the consolidated statements of financial position; therefore, the total effect on the aforementioned caption for the bond exchange was US$281,688,000. Consequently, considering the bond issuance of April 2018 (US$68,312,000) and the bonds exchange explained before, the total issuance amount of bonds "Senior Notes Unsecured" was US$350,000,000 equivalent to approximately S/1,319,500,000 as of December 31, 2024 (S/1,229,550,000 as of December 31, 2023).

This obligation was recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 6.752 percent, after considering the structuring costs amounting to approximately US$10,294,000, equivalent to S/38,808,000 as of December 31, 2024 (US$13,031,000, equivalent to S/48,384,000, as of December 31, 2023).

The Company's Management concluded that the aforementioned bond exchange did not generate a significant modification in the terms and conditions of the financial liability; therefore, it did not recognize a new financial liability. The original costs of the transaction related to the exchanged bonds will continue to be amortized based on the calendar of the new bond.

(d) In May 2018, the Company issued a private offer in the foreign market (Luxembourg) of "Senior Notes Unsecured" for S/385,800,000. Said obligation was recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 6.559 percent, after considering the respective initial charges of approximately S/603,000 as of December 31, 2023. In September 2024, this obligation was fully paid.

(e) In April 2018, debt instruments (“Notes”) in Soles were issued for S/313,500,000, with interest paid every six months and which principal is paid in one installment at their maturity date. This obligation is recorded in the consolidated financial statements at amortized cost at an effective annual rate of 6.730 percent, after considering structuring costs of approximately S/1,676,000, as of December 31, 2024 (S/2,123,000, as of December 31, 2023).

(f) In July 2014, InRetail Shopping Malls made a private offering of “Senior Notes Unsecured” abroad for S/141,000,000. This obligation was recorded at amortized cost and includes issuance charges for approximately S/1,050,000, as of December 31, 2024 (S/1,152,000, as of December 31, 2023). This obligation was recorded in the consolidated financial statements at amortized cost at an effective annual interest rate of 7.988 percent. Additionally, as of December 31, 2024 and 2023, it is presented net of S/4,000,000, corresponding to the “Senior Notes Unsecured” maintained by InRetail Shopping Malls.

(g) The accrued interests during 2024 for these obligations amounted to approximately S/221,822,000 (approximately S/227,214,000, during 2023) and are presented in the caption “Finance expenses” of the consolidated income statements, see note 25. Likewise, as of December 31, 2024 and 2023, the outstanding amounts of interests payables were S/56,184,000 and S/59,615,000, respectively, see note 18(a).

(h) During 2024, InRetail Group recognized structuring commission expenses for approximately S/18,052,000 (during 2023 for S/14,939,000) and are presented in the “Finance expenses” caption of the consolidated income statements, see note 25.

(i) International issuances are listed in the Luxembourg Stock Exchange. Furthermore, the local and international issuances hold certain financial and operating “covenants”, which, according to Management, do not limit its operations and were complied with as of the dates of the consolidated statements of financial position.

21. Deferred income tax

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

	2024		2023	
	Deferred asset, net S/(000)	**Deferred liability, net** S/(000)	**Deferred asset, net** S/(000)	**Deferred liability, net** S/(000)
Supermercados Peruanos S.A. and Subsidiaries	179,047	195,942	140,172	204,923
InRetail Pharma S.A. and Subsidiaries	177,318	152,590	176,159	160,861
InRetail Real Estate Corp. and Subsidiaries	6,455	60,520	8,968	51,196
IR Management S.R.L.	1,233	.	1,743	-
Agora Servicios Digitales S.A.C.	180	-	539	-
InDigital XP S.A.C.	135	-	126	-
IR International Corp. S.L. and Subsidiaries	-	155	-	-
	364,368	409,207	327,707	416,980
Consolidation adjustments (*)	(19,320)	110,269	(6,018)	116,608
Deferred, net	345,048	519,476	321,689	533,588

(*) As of December 31, 2024 and 2023, corresponds to eliminations and adjustments of consolidation, such as treasury shares, Senior Notes purchases, reclassification of investment properties to fixed assets, among others.

(b) The table below presents the detail of the deferred income tax assets and liabilities by nature:

	Balance as of January 1, 2023 S/(000)	(Debit)/credit to the consolidated income statements S/(000)	Equity S/(000)	Translation S/(000)	Balance as of December 31, 2023 S/(000)	(Debit)/credit to the consolidated income statements S/(000)	Equity S/(000)	Translation S/(000)	Others and reclassifications S/(000)	Balance as of December 31, 2024 S/(000)
Deferred asset -										
Leases	209,737	7,220	-	(21)	216,936	(18,669)	-	14	(387)	197,894
Differences in depreciation rates	55,217	20,919	-	-	76,136	14,391	-	-	-	90,527
Tax loss	9,587	19,197	-	-	28,784	10,076	-	-	-	38,860
Provisions	14,200	4,456	-	(98)	18,558	(4,338)	-	(721)	-	13,499
Provision for holidays	16,224	682	-	(2)	16,904	(1,433)	-	1	(49)	15,423
Fair value update of derivative financial instruments	17,579	-	(1,912)	-	15,667	-	10,238	-	-	25,905
Rebates estimate	10,395	2,532	-	-	12,927	(238)	-	-	-	12,689
Others	92,295	36,358	-	(153)	128,500	4,286	-	855	(943)	132,698
	425,234	91,364	(1,912)	(274)	514,412	4,075	10,238	149	(1,379)	527,495
Deferred liability -										
Leases	(156,703)	(447)	-	5	(157,145)	16,578	-	(7)	374	(140,200)
Effect of hedging and linear accrual – "Call Spread"	(1,403)	272	(7,678)	-	(8,809)	278	(7,710)	-	(3)	(16,244)
Higher book value of property, furniture and equipment	(4,277)	-	-	-	(4,277)	-	-	-	-	(4,277)
Accrual of structuring costs	(5,177)	1,163	-	-	(4,014)	630	-	-	-	(3,384)
Others	(7,832)	(11,655)	1,011	(2)	(18,478)	630	-	(4)	(490)	(18,342)
	(175,392)	(10,667)	(6,667)	3	(192,723)	18,116	(7,710)	(11)	(119)	(182,447)
Total deferred income tax asset, net	249,842	80,697	(8,579)	(271)	321,689	22,191	2,528	138	(1,498)	345,048

	Balance as of January 1, 2023 S/(000)	(Debit)/credit to the consolidated income statements S/(000)	Equity S/(000)	Translation S/(000)	Balance as of December 31, 2023 S/(000)	(Debit)/credit to the consolidated income statements S/(000)	Equity S/(000)	Translation S/(000)	Others and reclassifications S/(000)	Balance as of December 31, 2024 S/(000)
Deferred asset -										
Loss due to theft of goods	47,169	(2,303)	-	-	44,866	79	-	-	-	44,945
Unrealized gain on merchandise sales	33,013	2,853	-	-	35,866	7,545	-	-	-	43,411
Fair value update of derivative financial instruments	29,169	-	(9,647)	-	19,522	-	2,472	-	-	21,994
Leases	24,981	(12,342)	-	-	12,639	3,816	-	-	-	16,455
Rebates estimate	10,410	-	-	-	10,410					10,410
Provisions	4,687	76	-	-	4,763	(1,756)	-	-	-	3,007
Differences in depreciation rates	2,292	1,031	-	-	3,323	1,404	-	-	-	4,727
Provision for holidays	2,238	(143)	-	-	2,095	(362)	-	-	-	1,733
Others	24,935	(2,486)	-	1	22,450	1,391	-	(2)	-	23,839
	178,894	(13,314)	(9,647)	1	155,934	12,117	2,472	(2)	-	170,521
Deferred liability -										
Higher value of intangibles generated in business combination	(385,889)	1,918	-	-	(383,971)	5,173	-	-	-	(378,798)
Higher depreciation for lease and leaseback	(168,794)	5	-	-	(168,789)	(4,874)	-	-	-	(173,663)
Higher book value of property, furniture and equipment	(52,466)	(475)	-	-	(52,941)	(483)	-	-	-	(53,424)
Depreciation of investment properties	(39,092)	(3,776)	-	-	(42,868)	(9,098)	-	-	-	(51,966)
Attributed cost for land appraisal	(15,531)	-	-	-	(15,531)	(18,440)	-	-	-	(33,971)
Gain from valuation of investment properties	(26,015)	(13,656)	-	-	(39,671)	9,141	-	-	-	(30,530)
Leases	(3,610)	-	-	-	(3,610)	-	-	-	-	(3,610)
Others	(10,824)	29,713	(1,013)	(17)	17,859	14,455	-	18	3,633	35,965
	(702,221)	13,729	(1,013)	(17)	(689,522)	(4,126)	-	18	3,633	(689,997)
Total deferred income tax liability, net	(523,327)	415	(10,660)	(16)	(533,588)	7,991	2,472	16	3,633	(519,476)

(c) The table below presents the income tax expenses reported in the consolidated income statements of 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Current -		
In Peru	(479,057)	(486,271)
Tax related to special purpose entities, note 30(e)	(87,873)	(102,369)
Abroad	(12,531)	(33,943)
	(579,461)	(622,583)
Deferred (*) -		
In Peru	31,416	82,119
Abroad	(1,234)	(1,007)
	30,182	81,112
	(549,279)	(541,471)

(*) The deferred income tax has been calculated on all temporary differences, considering the effective income tax rate where the Company and its Subsidiaries are located.

(d) The following is the determination of the income tax:

	2024		2023	
	S/000	%	S/000	%
Income before income tax	1,520,678	100.00	1,477,285	100.00
Theoretical expense	448,600	29.50	435,799	29.50
Effect of permanent differences	100,679	6.62	105,672	7.15
Expense for income tax	549,279	36.12	541,471	36.65

(e) The income tax asset corresponds to the subsidiaries that, as of December 31, 2024, maintain a credit for this tax, which, at those dates, amounts to approximately S/162,561000 (approximately S/120,641,000 as of December 31, 2023), see note 11(a).

As of December 31, 2024 and 2023 the provision for current income tax payable, net of advanced payments, amounts to approximately S/33,158,000 and S/83,982,000, respectively.

Likewise, as of December 31, 2024 and 2023, the current income tax payable related to special-purpose entities amounted to S/614,789,000 and S/526,916,000, respectively, arising from the net taxable income of Assets in Trusts and the Group's Subsidiaries, see note 30(e).

22. Equity, net

(a) Capital stock –

The Company's authorized capital is 800,000,000 of ordinary registered shares without par value. As of December 31, 2024 and 2023, the capital stock of InRetail Perú Corp. is represented by 108,746,887 shares entirely subscribed and paid with an initial issuance value of US$10.00, equivalent to S/2,361,775,000.

(b) Capital premium -

Corresponds to the difference between the initial issuance value of US$10.00 and the issuance and/or colocation, which corresponds to its subscription value for the international offer of the new shares, net of the expenses related to the issuance (professional fees to lawyers, investment bankers, transaction commissions, among others).

(c) Treasury shares -

As of December 31, 2024 and 2023, 1,750,005 treasury shares are held, respectively, for a nominal value of S/57,636,000, acquired by its Subsidiaries.

(d) Dividends declared and paid -

At the General Shareholders' Meeting of April 1, 2024, it was agreed to distribute a dividend of US$90,000,000 equivalent to S/334,890,000, which corresponds to a dividend of US$0.82760989 per share, which was delivered in cash in May 2024. Of this amount, S/5,389,000 corresponds to dividends related to the treasury shares held by the Company.

During the first quarter of 2024, Supermercados Peruanos S.A., Subsidiary of the Company, agreed to distribute a dividend to minority shareholders in the amount of S/33,000.

At the General Shareholders' Meeting of March 31, 2023, it was agreed to distribute a dividend of US$90,000,000 equivalent to S/338,490,000, which corresponds to a dividend of US$0.82760989 per share, which was delivered in cash in May 2023. Of this amount, S/5,450,000 corresponds to dividends related to the treasury shares held by the Company.

During the first quarter of 2023, Supermercados Peruanos S.A., Subsidiary of the Company, agreed to distribute a dividend to minority shareholders in the amount of S/42,000.

(e) Unrealized profit or loss -

As of December 31, 2024 and 2023, the unrealized profit or loss was generated due to the financial instruments derivatives, see note 12.

23. Operating expenses

(a) The table below presents the composition of this caption as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Cost of sales and services	15,530,432	14,999,787
Selling expenses	3,452,374	3,292,783
Administrative expenses	659,076	639,969
Total	19,641,882	18,932,539

(b) The table below presents the components of operating expenses included in cost of sales and services, selling and administrative expenses captions:

	2024				2023			
	Cost of sales and services S/(000)	Selling expenses S/(000)	Administrative expenses S/(000)	Total S/(000)	Cost of sales and services S/(000)	Selling expenses S/(000)	Administrative expenses S/(000)	Total S/(000)
Initial balance of goods, note 10(a)	2,368,572	-	-	2,368,572	2,392,555	-	-	2,392,555
Initial balance of raw material, note 10(a)	661	-	-	661	2,707	-	-	2,707
Initial balance of supplies, note 10(a)	1,548	-	-	1,548	860	-	-	860
Acquisition of subsidiaries	2,873	-	-	2,873	15	-	-	15
Purchase of goods	15,286,305	-	-	15,286,305	14,584,945	-	-	14,584,945
Closing balance of goods, note 10(a)	(2,517,058)	-	-	(2,517,058)	(2,368,572)	-	-	(2,368,572)
Closing balance of raw material, note 10(a)	-	-	-	-	(661)	-	-	(661)
Closing balance of supplies, note 10(a)	(757)	-	-	(757)	(1,548)	-	-	(1,548)
Inventory impairment, note 10(d)	17,051	-	-	17,051	34,305	-	-	34,305
Recovery of inventory impairment, note 10(d)	(28,831)	-	-	(28,831)	(25,622)	-	-	(25,622)
Real estate cost of services (c)	382,923	-	-	382,923	366,698	-	-	366,698
Personnel expenses (f)	-	1,232,980	320,901	1,553,881	-	1,224,755	313,552	1,538,307
Depreciation, note 13(a)	5,601	348,016	30,969	384,586	2,746	341,549	28,970	373,265
Depreciation of asset for right of use, note 16(b)	11,071	406,050	9,125	426,246	10,412	350,665	9,874	370,951
Amortization, note 15(a)	-	20,532	58,747	79,279	4	28,138	53,158	81,300
Services provided by third parties (d)	-	958,219	161,779	1,119,998	-	855,464	166,581	1,022,045
Advertising	-	162,606	1,819	164,425	-	192,104	2,007	194,111
Taxes	-	44,868	26,868	71,736	-	47,125	25,243	72,368
Packing and packaging	-	32,714	600	33,314	-	35,595	273	35,868
Variable and low value lease, note 16(e)	473	37,049	18,582	56,104	943	28,027	24,882	53,852
Insurance	-	29,919	3,641	33,560	-	25,856	3,248	29,104
Provision for doubtful accounts, net of recoveries, note 8(g)	-	16,402	485	16,887	-	8,190	26	8,216
Provision for doubtful accounts for other accounts receivable, net of recoveries, note 9(f)	-	(1,866)	(52)	(1,918)	-	-	300	300
Other charges (e)	-	164,885	25,612	190,497	-	155,315	11,855	167,170
Total	15,530,432	3,452,374	659,076	19,641,882	14,999,787	3,292,783	639,969	18,932,539

(c) Corresponds to costs directly related to the real estate services, which mainly include electricity, advertising, maintenance, cleaning, among other in shopping centers.

(d) Corresponds mainly to expenses for electricity, water, telephone, premises maintenance services in stores and transport services.

(e) Mainly includes general expenses in stores and supplies consumption.

(f) The table below presents the components of the personnel expenses:

	2024 S/(000)	2023 S/(000)
By nature -		
Remunerations	944,656	927,718
Legal bonuses	173,869	166,268
Employees profit sharing	102,904	117,452
Contributions	95,449	99,507
Compensation for time of service	80,988	79,680
Holidays	72,422	69,891
Severance indemnity	27,332	15,732
Other	56,261	62,059
	1,553,881	1,538,307
By components -		
Selling expenses	1,232,980	1,224,755
Administrative expenses	320,901	313,552
	1,553,881	1,538,307

The average number of directors and employees in the Companies and its Subsidiaries was 47,234 and 46,959 for the years 2024 and 2023, respectively.

24. Other operating income, net

Below is the composition of the item:

	2024 S/(000)	2023 S/(000)
Other operating income -		
Disposal of lease liability, note 16(c)	104,517	48,830
Sale of property, plant and equipment, note 13(e)	47,156	21,503
Sale of Investment property, note 14(b)	38,233	-
Earnings from the increase in value of the joint venture, note 26(a) and 26(d)	12	624
Other	77,405	37,145
Total	267,323	108,102

	2024 S/(000)	2023 S/(000)
Other operating expenses -		
Disposal of right-of-use assets, note 16(b)	(97,511)	(43,059)
Disposal expense of property, plant and equipment, note 13(a) and 13(e)	(46,966)	(14,202)
Disposal of Investment property, note 14(b)	(34,796)	-
Loss of intangible assets, note 15(a)	(3,712)	(876)
Loss from valorization of the joint venture, note 26(a) and 26(d)	(591)	(1,275)
Other	(12,744)	(12,719)
	(196,320)	(72,131)
Total	71,003	35,971

25. Finance income and expenses

Below is the composition of this caption:

	2024 S/(000)	2023 S/(000)
Finance income -		
Interest from cash and short-term deposits, note 6(e)	26,194	27,733
Interests and other	24,051	6,895
Gain on financial instruments at fair value through profit or loss, note 7	14,358	6,110
Total	64,603	40,738
Finance expenses -		
Interests for senior notes issued, note 20(g)	(221,822)	(227,214)
Interests for loans and borrowings, note 19(f)	(154,201)	(182,786)
Interest on lease liabilities, note 16(c) and 16(e)	(146,096)	(121,807)
Lineal accrual of premium of derivative financial instruments, note 12(b) and 12(c)	(49,536)	(48,892)
Structuring costs accrued, note 20(h)	(18,052)	(14,939)
Accrual of value over time of the exchange of derivative financial instruments, note 12(c)	(15,235)	(15,194)
Interest on swap exchange flow	(13,482)	(13,474)
Accrual of debt and loan structuring costs, note 19(f)	(3,430)	(5,036)
Interests for related parties' loans, note 26(a)	(167)	(212)
Other finance expenses	(37,288)	(23,929)
Total	(659,309)	(653,483)

26. Transactions with related parties

(a) The following table provides the total amount of transactions that have been entered into the consolidated statements with related parties during the years 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Income -		
Rent income	157,233	152,453
Rendering of services	113,348	109,323
Sale of goods	35,400	30,203
Interest income	12,797	9,550
Collection services	4,837	7,222
Key money income	-	3,156
Sale of investment property, plant and equipment	37,037	7,284
Other	30,237	35,212
Expenses -		
Commissions per card and others	61,028	50,221
Minor services	34,205	39,267
Expense for Joint – venture	-	1,890
Renting of premises and land	45	748
Loss on valuation of the Joint – venture, note 24 and 26(d)	579	651
Interest, note 25	167	212
Other	9,798	9,394

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

	2024 S/(000)	2023 S/(000)
Receivables -		
Homecenters Peruanos S.A. (c)	93,609	91,176
Financiera Oh! S.A.	21,202	33,383
Tiendas Peruanas S.A.	12,566	19,171
San Borja Global Opportunities S.A.C.	2,224	5,785
Cineplex S.A.	2,494	3,575
Bembos S.A.C.	2,105	3,135
Banco Internacional del Perú S.A.A. – Interbank	1,550	3,019
EP Franquicias S.A.C.	2,794	2,780
Homecenters Oriente S.A.C.	260	2,491
Alert Perú S.A.	973	1,543
EP de Restaurantes S.A.C.	909	1,396
Tiendas Peruanas Oriente S.A.	486	571
Homecenters Ecuatorianos S.A.S.	290	530
Interseguro Compañía de Seguros S.A.	828	483
Intercorp Retail Inc.	-	375
Others	9,221	5,563
	151,511	174,976
Current portion	121,362	110,427
Non-current portion	30,149	64,549
Total	151,511	174,976

Payables -		
Homecenters Peruanos S.A. (d)	31,588	23,564
Financiera Oh! S.A. (e)	56,356	43,500
Intercorp Peru Ltd. (f)	305	16,478
Tiendas Peruanas S.A.	8,565	5,792
Banco Internacional del Perú S.A.A. – Interbank (g)	3,566	3,392
Interseguro Compañía de Seguros S.A.	253	1,027
Intercorp Retail Inc.	-	600
Others	8,012	3,645
Total	108,645	97,998
Current portion	87,174	61,820
Non-current portion	21,471	36,178
Total	108,645	97,998
Debts and loans bearing interest, nota 19(a)		
Banco Internacional del Perú S.A.A. – Interbank	581,402	605,172

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

Outstanding balances at the year-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.

(c) As of December 31, 2024, it corresponds mainly to an account receivable from Homecenters Peruanos S.A. for an amount of S/31,046,000 (as of December 31, 2023 S/30,703,000); said account receivable is due to the fact that Interproperties Peru acts as an intermediary between the lessor (unrelated third party) and Homecenters Peruanos S.A. (related company). It also includes S/29,827,000 receivable from Homecenters Peruanos S.A. for the sale of participation certificates that InRetail Shopping Malls held in land.

(d) Supermercados Peruanos S.A. and its Subsidiaries maintain joint venture contracts with Homecenters Peruanos S.A. The objective of these contracts is the construction, development and exploitation of the Power Center projects “Lurin” and “Tarapoto”.

Movements in the Joint - venture provision for the years ended December 31, 2024 and 2023, were as follows:

	Lurin S/(000)	Tarapoto S/(000)	Total S/(000)
Contract's term (*) -	60 years	30 years	
Balance as of January 1, 2023	20,360	16,260	36,620
Fair value (**), see note 24	(559)	1,210	651
Finished of the Joint - venture (***)	(19,801)	-	(19,801)
Balance as of December 31, 2023	-	17,470	17,470
Contributions	-	9	9
Fair value (**), see note 24	-	579	579
Others	-	15	15
Balance as of December 31, 2024	-	18,073	18,073

(*) Due to the term of the contracts, they are considered as a long-term liability.

(**) Corresponds to the fair value percentage allocated to each Associate, based in the interest shareholder of the Power Center project, the total effect is shown in the “Other operating income, net” caption of the consolidated income statements.

(***) In August 2023, it was agreed to terminate the joint venture agreement for "Lurin".

As a result of the joint venture, Supermercados Peruanos S.A., as of December 31, 2024 and 2023, presents a total amount payable to Homecenters Peruanos S.A., for S/18,073,000 and S/17,470,000 as of respectively.

Additionally, as of December 31, 2024, accounts payable to Homecenters Peruanos S.A., include balances for commercial operations (rental of spaces and purchase of assets), for amounts of approximately S/13,515,000 (S/6,094,000 as of December 31, 2023).

(e) In June 2013, Supermercados Peruanos S.A. and Financial Oh! S.A. signed the "Issuance and Administration Agreement" of the card Oh!, with the purpose that Financiera Oh! can operate exclusively with your card brand “Oh!” in the different establishments of the Company, instead of the "Vea" card of Banco Internacional del Perú S.A.A. , which until then operated in the Company's establishments. As of December 31, 2024 and 2023, as a consequence of said contract, the Company maintains accounts payable to Financiera Oh! for approximately S/31,594,000 and S/22,877,000, respectively.

These correspond mainly to the collection of payment fees from users of the Oh! carried out in the Company's establishments for S/24,762,000 and S/20,623,000 as of December 31, 2024 and 2023.

(f) Corresponds mainly to an account payable from Supermercados Peruanos S.A. who acquired the participation certificate held by Intercorp Perú Ltd. (Associated company) in 2023, for a total amount of S/15,383,000.

(g) As of December 31, 2024 and 2023, the InRetail Group holds the following balances with related parties in cash and cash equivalent captions and financial instruments at fair value through profit or loss:

	2024 S/(000)	2023 S/(000)
Cash and cash equivalent -		
Banco Internacional del Perú- Interbank S.A.A.	537,999	450,293
Inteligo Bank Ltd.	2,958	2,048

(h) The compensation of key management personnel of the InRetail Group is detailed below:

	2024 S/(000)	2023 S/(000)
Short term employee benefits	66,770	60,909
Benefits per term of employment relationship	2,173	2,181
Insurance and medical benefits	3,257	2,519
	72,200	65,609

27. Deferred revenue

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

	2024 S/(000)	2023 S/(000)
Key money (b)	29,714	31,598
Other deferred revenue (c)	20,129	27,385
Other operating leases as lessor	4,050	4,108
Total	53,893	63,091
Current portion	28,003	27,364
Non-current portion	25,890	35,727
Total	53,893	63,091

(b) As of December 31, 2024 and 2023, mainly corresponds to the entrance fee received from the tenants of the Shopping Centers of the InRetail Group, which are accrued based on contractual terms.

(c) It mainly corresponded to the "Monedero del ahorro" ("Savings Purse") customer loyalty program by which the Company and its Subsidiaries reward customers with points for their purchases that can be later redeemed for products. As of December 31, 2024 and 2023, Management estimates that the deferred income as of that date fairly reflects the future exchanges of their clients.

28. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive instruments are outstanding, basic and diluted earnings per share are the same. Basic and diluted earnings per share are calculated below:

	Outstanding shares	Number of days until end of year	Outstanding shares
Number as of January 1, 2023	106,996,882	365	106,996,882
Number as of December 31, 2023	106,996,882		106,996,882
Number as of January 1, 2024	106,996,882	365	106,996,882
Number as of December 31, 2024	106,996,882		106,996,882

	2024		
	Net profit (numerator) S/(000)	Shares (denominator) (000)	Earnings per share S/
Basic and diluted earnings per share	971,399	106,997	9.08

	2023		
	Net profit (numerator) S/(000)	Shares (denominator) (000)	Earnings per share S/
Basic and diluted earnings per share	935,814	106,997	8.75

29. Commitments and contingencies

(a) Commitments -

The main commitments assumed are presented below:

- As of December 31, 2024 and 2023, the InRetail Group have signed rental contracts with third parties for the premises in which some of its stores operate. The assumed commitments correspond to fixed and/or variable monthly rents base on sales, whichever is highest.

  The assumed commitments calculated on the basis of the leasing fixed amounts will be paid until 2077. The total commitments assumed up until 2077, calculated on the basis of the fixed rental amounts is presented in note 16.

- As of December 31, 2024, the InRetail Group agreed with several financial entities to issue solidarity and irrevocable letters of guarantee for amounts amounting to approximately S/78,046,000, US$5,655,000 and €150,000 (S/62,722,000, US$4,320,000, €150,000 and B$179,000 as of December 31, 2023) for compliance with the payment for purchase of goods to foreign suppliers and commitment of contract compliance; in addition, they guarantee the compliance of obligations arising from contractual agreements related to real estate projects of Interproperties Holding and Interproperties Holding II.

(b) Contingencies –

(b.1) As of December 31, 2024, the Tax Authority has completed the audit of the income tax returns and the monthly statements of the general sales tax presented by Supermercados Peruanos S.A in taxable exercises from 2004 to 2018. Those examinations resulted in Resolutions generating higher taxes, fines and interests for an approximate total of S/211,000,000 to date (S/199,000,000 as of December 31, 2023). The resolutions issued have been challenged and are pending resolution before the Tax Court. In Management's opinion and its legal advisors, Supermercados Peruanos S.A. has sufficient grounds supporting its case.

(b.2) As of December 31, 2024, InRetail Pharma S.A., QS Consumo S.A.C. (formerly Química Suiza S.A.C.), Mifarma S.A.C., Quifatex S.A., Boticas IP S.A.C. and Jorsa de la Selva S.A.C. maintain various civil, labor and tax legal processes for a total amount of approximately S/21,632,000 (S/62,171,000 as of December 31, 2023). In the opinion of Management and its legal advisors, said legal processes should be resolved favorably for these components; consequently, it is not necessary to recognize additional related liabilities as of December 31, 2024 and 2023.

Jorsa de la Selva S.A.C. (absorbed by Eckerd Amazonía S.A.C.) filed in previous years appeals against several resolutions of determination and fines for alleged omissions of IGV during April to December 2004 for a total of approximately S/17,942,000. In August 2021, coactive collection resolutions were issued for the total amount claimed; said resolutions were cancelled within the established term. It should be noted that the payments are presented under "Other accounts receivable, net" in the consolidated statement of financial position, within claims and deliveries to be rendered. As of the date of this report, this process is in court and pending to be resolved under file number No. 07108-2021-0-1801-JR-CA-18, in the 18th Specialized Court with tax sub-specialty. In the opinion of Management and its legal advisors, it will be resolved favorably.

The InRetail Group maintains labor demands that correspond mainly to compensation for arbitrary dismissals, non-payment of social benefits, reinstatement in the workplace, among others, which, in the opinion of Management and its legal advisors, must be resolved favorably to the InRetail Group, so in the opinion of Management, it is not necessary to register additional liabilities for these concepts

As of December 31, 2024 and 2023, the InRetail Group, in coordination with its legal advisors, maintains contingency provisions for S/105,028,000 and S/103,603,000, respectively, see note 18(a). It should be noted that, as of December 31, 2024 and 2023, Supermercados Peruanos S.A. paid approximately S/196,000,000 and S/180,000,000 principally as a result of paragraph (b.1) above, which is presented under “Claims and unsettled advances” in the caption “Other receivables, net” of the consolidated statements of financial position; however, said payment will be claimed from the Tax Authority and Management and its legal advisors are of the opinion that the matter will be resolved in a favorable manner for Supermercados Peruanos S.A.

30. Tax situation

(a) InRetail Perú Corp., InRetail Real Estate Corp. and Chelsea National Corp. are incorporated in Panama thus they are not subject to any Income Tax.

The Subsidiaries Supermercados Peruanos S.A. and Subsidiaries, InRetail Pharma S.A. and Subsidiaries, Real Plaza S.R.L. and Subsidiary, IR Management S.R.L., Agora Servicios Digitales S.A.C., InDigital XP S.A.C., Sociedad Comercializadora de Productos al Detalle S.A. and Almacén Gurú Perú S.A.C., are subject to the tax regime of the country in which they operate and are taxed on the basis of their separate profit and loss. As of December 31, 2024 and 2023, the income tax rate on taxable income in the main countries in which the Company and Subsidiaries operate is presented below:

	Tax rates	
	2024	2023
	%	%
Peru	29.50	29.50
Ecuador (i)	25,00	25.00
Bolivia	25.00	25.00
Chile	27.00	27.00

In accordance with current legal provisions as of December 31, 2024 and 2023, in some countries, cash dividends of non-domiciled shareholders are subject to income tax at the following rates:

	Tax rates	
	2024	2023
	%	%
Peru (i)	5.00	5.00
Ecuador (ii)	10.00	10.00
Bolivia	12.50	12.50
Chile	12.25	12.55
España	5.00	5.00

(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 6.80 percent withholding rate is applied – or to accumulated income as of December 31, 2014, in which case a 4.10 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 NAC-DGERCGC20-00000013, published on February 20, 2020, introduced other cases subject to withholding tax at source on distributed dividends.

(b) In Peru, non-domiciled entities are subject to income tax only in case of income taxed from a Peruvian source, e.g., those obtained by the indirect alienation of capital shares or interest representative of the capital of legal entities domiciled in the country. For these purposes, it should be considered that an indirect alienation occurs when shares or interest representative of the capital of a non-domiciled legal person that owns – directly or through another legal person or persons – shares or interest representative of the capital of one or more legal entities domiciled in the country are alienated, provided that the conditions established by the Income Tax Act are met. It also defines the cases in which legal persons domiciled in Peru have joint and several liabilities.
The Income Tax Act provides that an indirect transfer of shares occurs when the following conditions are met:

(i) In any of the 12 months prior to the alienation, the market value of the shares or interest of the domiciled legal person was equal to 50 percent or more of the market value of the shares or interest of the non-domiciled legal person; and,

(ii) In any 12-month period, shares or interest representing 10 percent or more of the capital of a non-domiciled legal person are alienated.

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).

(c) In Peru, transfer pricing regulations are applicable to determine the market value of transactions made by domiciled legal entities with related companies from, to or through non-cooperative countries or territories or those with low or no taxes, or those made with subjects whose income, profit or gains from said transactions are subject to a preferential tax regime.

The valuation methods applied, as well as the criteria used to determine the market value, shall be properly documented and supported. Based on the analysis of the operations, Management and its legal advisors believe that, as a consequence of the application of these standards, no significant contingencies will arise for the InRetail Group as of December 31, 2024 and 2023.

(d) During the years following the year of filing the tax return, the tax authorities have the power to review and, as applicable, correct the income tax computed by the InRetail Group. The Income Tax and Value Added Tax returns for the following years are open to review by the Tax Authorities:

	Income tax	**Valued added – tax**
Supermercados Peruanos S.A.	2015 and from 2019 to 2024	From 2021 to 2024
Plaza Vea Oriente S.A.C.	2020 and from 2022 to 2024	From 2021 to 2024
Plaza Vea Sur S.A.C.	2020	-
Desarrolladora de Strip Center S.A.C.	From 2020 to 2024	From 2021 to 2024
Makro Supermayorista S.A.	From 2020 to 2024	From 2021 to 2024
InRetail Foods S.A.C.	From 2020 to 2021	2021
Operadora de Servicios Logísticos S.A.C.	From 2021 to 2024	2021, 2023 and 2024
Compañía Hard Discount S.A.C.	2021 and from 2023 to 2024	From 2021 to 2024
Compañía Food Retail S.A.C.	From 2021 to 2024	From 2021 to 2024
Administración Food Regional S.A.C	From 2021 to 2024	From 2021 to 2024
Inmobiliaria Food Retail S.A.C	From 2021 to 2024	From 2021 to 2024
Digital Foods S.A.C. (formerly JOKR Perú S.A.C.)	From 2021 to 2024	From 2021 to 2024
InRetail Pharma S.A.	From 2019 to 2024	From 2021 to 2024
Eckerd Amazonía S.A.C.	From 2020 to 2021	2021
Boticas del Oriente S.A.C.	From 2020 to 2021	2021
Quicorp S.A.	From 2020 to 2024	From 2021 to 2024
QS Consumo S.A.C. (formerly Química Suiza S.A.C.)	From 2019 to 2024	From 2021 to 2024
Mifarma S.A.C.	From 2020 to 2024	From 2021 to 2024
Albis S.A.C.	From 2020 to 2021	2021
Jorsa de la Selva S.A.C.	From 2020 to 2024	From 2021 to 2024
Vanttive S.A.C.	2020 and from 2022 to 2023	From 2021 to 2023
Quifatex S.A. (Ecuador)	From 2021 to 2024	From 2021 to 2024
Vanttive Cía. Ltda. (Ecuador)	From 2021 to 2024	From 2021 to 2024
Droguería InRetail Pharma S.A.C.	From 2020 to 2022	From 2021 to 2022
Farmacias Peruanas S.A.C.	From 2020 to 2024	From 2021 to 2024
FP Mayorista S.A.C. (formerly FP Servicios Generales S.A.C.)	From 2021 to 2024	From 2021 to 2024

	Income tax	Valued added – tax
Boticas IP S.A.C.	From 2021 to 2024	From 2021 to 2024
Real Plaza S.R.L.	2020 and from 2022 to 2024	From 2021 to 2024
Inmobiliaria Puerta del Sol S.A.	From 2020 to 2024	From 2021 to 2024
Inversiones Real Estate S.A.C.	From 2020 to 2024	From 2021 to 2024
IR Management S.R.L.	From 2020 to 2024	From 2021 to 2024
Agora Servicios Digitales S.A.C.	From 2020 to 2024	From 2021 to 2024
InDigital XP S.A.C.	From 2020 to 2024	From 2021 to 2024
Almacén Gurú Perú S.A.C.	From 2021 to 2024	From 2021 to 2024
IR International Corp. S.L.	2024	2024
Food Retail Chile SPA.	2024	2024
Sociedad Comercializadora de Productos al Detalles S.A.	From 2021 to 2024	From 2022 to 2024
Supermercados Chilenos SPA.	2024	2024

In case of Peru, the Tax Administration Authority has a term to perform the reviews or audits to the sworn declarations submitted by taxpayers, which have a statute of limitations of 4 years, as of January 1 of the following year after the submission of the sworn declaration.

Due to possible interpretations that tax authorities can give to the current legislation, it is not possible to determine whether or not future reviews will result in tax liabilities for the InRetail Group, therefore, any major tax or surcharge that may result from eventual revision by the tax authority would be charged to the income statements of the period in which that tax or surcharge is determined.

As of the date of this report, some Subsidiaries are being reviewed; however, in opinion of the InRetail Group's Management and its legal advisors, any additional tax assessment would not be significant to the consolidated financial statements as of December 31, 2024 and 2023.

(e) According to Peruvian law, Interproperties Holding I, Interproperties Holding II, Interproperties Perú, InRetail Consumer and InRetail Shopping Malls are not considered as income taxpayers due to its status as special purpose entities (SPE). Such entities attribute their 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.

Therefore, to reflect this obligation, InRetail Perú Corp. has provisioned 30 percent for long-term income tax on profits to date. Consequently, as of December 31, 2024 and 2023, the income tax liability related to special purpose entities is comprised of:

	2024 S/(000)	2023 S/(000)
Opening balance as of January 1	526,916	424,547
Tax related to SPE, recorded as income tax expense, note 21(c)	87,873	102,369
Balance as of December 31	614,789	526,916

(f) The main tax regulations that were issued in Peru during 2024, effective as of January 1, 2024, are the following:

(i) Special depreciation regimes – Law No. 31652:
Special depreciation applicable from the year 2023 on buildings and constructions:

- Buildings and constructions may be depreciated, for the purposes of Income Tax, by applying an annual depreciation percentage to their value with a maximum of 33.33 percent up to their total depreciation, provided that the assets are used exclusively for business development and meet the following conditions:

  (a) Construction would have started on January 1, 2023.
  (b) Until December 31, 2024, the construction has a work progress of at least 80 percent.

- The foregoing also applies to taxpayers who, during fiscal years 2023 and 2024, own assets that comply with points a) and b) above.

- The special depreciation regime will not apply when the goods have been totally or partially built before January 1, 2023.

- In the case of subsequent costs generated by the buildings and constructions that meet the aforementioned conditions, the depreciation will be computed separately with respect to that corresponding to the assets to which they have been incorporated.

- Special depreciation applicable from the year 2023 on electric vehicles.

- Land transport vehicles (except railways) hybrid (with piston engine and electric motor) or electric (with electric motor), acquired in the years 2023 and 2024, affected to the production of taxable income, may be depreciated by applying on their value the annual percentage of depreciation with a maximum of 50%, until its total depreciation.

(ii) Exemption of income from the sale of shares - Law N°30341
By means of Law No. 31662 published in the 2022 period, it is established to extend until December 31, 2023 the exoneration of capital gains for the sale of securities carried out through a centralized negotiation mechanism supervised by the Superintendencia del Mercado de Valores, in accordance with the following:

- The exemption is applicable to capital gains generated by a natural person, undivided succession or conjugal partnership that chose to pay taxes as such.

- The exemption applies up to the first 100 UIT or S/495,000 (for 2023) of the capital gain generated in each taxable year.

31. Business segments

For management purposes, the InRetail Group is organized into business units based on their products and services. As of December 31, 2024 and 2023, it has five reportable segments: i) Food Retail, ii) Pharmacies, iii) Shopping Malls and iv) Digital and v) Others. The InRetail Group does not maintain operating segments that have been accumulated to form reportable 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 consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

31.1. Business segments -

The following table presents the financial information of InRetail Perú Corp. and Subsidiaries by business segments for 2024 and 2023:

	Food Retail S/(000)	Pharmacies S/(000)	Shopping centers S/(000)	Digital S/(000)	Others S/(000)	Total segments S/(000)	Holding accounts, consolidation adjustments and intercompany eliminations S/(000)	Consolidated S/(000)
2024 -								
Revenue								
External income	12,111,540	8,775,694	718,967	43,169	8,472	21,657,842	25,520	21,683,362
Inter - segment	25,362	34,213	93,520	56,831	-	209,926	(209,926)	-
Total revenue	12,136,902	8,809,907	812,487	100,000	8,472	21,867,768	(184,406)	21,683,362
Cost of sales	(9,285,668)	(5,912,799)	(266,064)	(33,928)	(6,516)	(15,504,975)	(25,457)	(15,530,432)
Inter - segment	(493)	(23,517)	(5,155)	(27,202)	-	(56,367)	56,367	-
Gross profit	2,850,741	2,873,591	541,268	38,870	1,956	6,306,426	(153,496)	6,152,930
Changes in fair value of investment properties	8,995	-	7,069	-	-	16,064	652	16,716
Selling expenses	(1,893,389)	(1,556,389)	(14,252)	(65,658)	(5,309)	(3,534,997)	82,623	(3,452,374)
Administrative expenses	(257,994)	(317,642)	(47,051)	(18,528)	(2,242)	(643,457)	(15,619)	(659,076)
Other operating income, net	24,997	25,421	4,389	2,939	980	58,726	12,277	71,003
Operating profit	733,350	1,024,981	491,423	(42,377)	(4,615)	2,202,762	(73,563)	2,129,199
Finance income	17,323	13,950	55,962	1,116	2,592	90,943	(26,340)	64,603
Finance expenses	(339,011)	(189,192)	(175,820)	(239)	(320)	(704,582)	45,273	(659,309)
Exchange difference, net	(6,501)	(3,515)	(7,533)	60	(399)	(17,888)	4,073	(13,815)
Profit before income tax	405,161	846,224	364,032	(41,440)	(2,742)	1,571,235	(50,557)	1,520,678
Income tax expense	(139,516)	(274,745)	(111,279)	(2,579)	(130)	(528,249)	(21,030)	(549,279)
Net profit	265,645	571,479	252,753	(44,019)	(2,872)	1,042,986	(71,587)	971,399
Attributable to:								
InRetail Perú Corp.	265,645	571,479	252,753	(44,019)	(2,872)	1,042,986	(71,632)	971,354
Non-controlling interests	-	-	-	-	-	-	45	45
Total	265,645	571,479	252,753	(44,019)	(2,872)	1,042,986	(71,587)	971,399
Other information								
Operating assets (*)	9,026,100	6,442,664	6,615,581	129,601	60,889	22,274,835	(35,891)	22,238,944
Operating liabilities	7,920,855	5,463,704	3,280,059	81,772	47,741	16,794,131	(604,304)	16,189,827
Additions to non-current assets -								
Property, furniture and equipment	482,025	347,924	9,141	282	-	839,372	1,742	841,114
Investment properties	284	-	165,716	-	-	166,000	(17,149)	148,851
Intangible assets	15,891	22,572	6,772	7,232	13,739	66,206	(1,845)	64,361
Gain for fair value adjustment of investment properties	8,995	-	7,069	-	-	16,064	652	16,716
Depreciation and amortization	268,405	155,930	8,714	4,501	116	437,666	26,199	463,865

	Food Retail S/(000)	Pharmacies S/(000)	Shopping centers S/(000)	Digital S/(000)	Total segments S/(000)	Holding accounts, consolidation adjustments and intercompany eliminations S/(000)	Consolidated S/(000)
2023 -							
Revenue							
External income	11,358,170	8,762,576	676,051	41,017	20,837,814	24,905	20,862,719
Inter - segment	19,857	28,490	86,621	56,219	191,187	(191,187)	-
Total revenue	11,378,027	8,791,066	762,672	97,236	21,029,001	(166,282)	20,862,719
Cost of sales	(8,680,823)	(6,001,597)	(257,902)	(34,441)	(14,974,763)	(25,024)	(14,999,787)
Inter - segment	-	(18,558)	(5,854)	(24,703)	(49,115)	49,115	-
Gross profit	2,697,204	2,770,911	498,916	38,092	6,005,123	(142,191)	5,862,932
Gain on valuation at fair value of investment properties	953	-	101,909	-	102,862	(19,131)	83,731
Selling expenses	(1,764,209)	(1,528,267)	(14,713)	(75,869)	(3,383,058)	90,275	(3,292,783)
Administrative expenses	(240,427)	(322,008)	(42,510)	(20,446)	(625,391)	(14,578)	(639,969)
Other operating income, net	37,930	(1,071)	1,059	1,189	39,107	(3,136)	35,971
Operating profit	731,451	919,565	544,661	(57,034)	2,138,643	(88,761)	2,049,882
Financial income	4,809	16,423	44,721	1,633	67,586	(26,848)	40,738
Financial expenses	(320,360)	(189,247)	(177,413)	(124)	(687,144)	33,661	(653,483)
Exchange difference, net	16,869	15,751	17,749	(383)	49,986	(9,838)	40,148
Profit before income tax	432,769	762,492	429,718	(55,908)	1,569,071	(91,786)	1,477,285
Income tax expense	(143,885)	(255,539)	(127,208)	(732)	(527,364)	(14,107)	(541,471)
Net profit	288,884	506,953	302,510	(56,640)	1,041,707	(105,893)	935,814
Attributable to:							
InRetail Perú Corp	288,884	506,953	302,510	(56,640)	1,041,707	(105,942)	935,765
Non-controlling interests	-	-	-	-	-	49	49
Total	288,884	506,953	302,510	(56,640)	1,041,707	(105,893)	935,814
Other information							
Operating assets (*)	8,591,700	6,093,410	6,252,135	122,069	21,059,314	(44,104)	21,015,210
Operating liabilities	7,542,032	5,384,389	3,140,904	72,365	16,139,690	(552,802)	15,586,888
Additions to non-current assets -							
Property, furniture and equipment	332,135	204,860	12,126	121	549,242	87,198	636,440
Investment properties	1,011	-	209,457	-	210,288	(163,440)	46,848
Intangible assets	17,808	26,943	5,950	9,399	60,100	(379)	59,721
Gain for fair value adjustment of investment properties	953	-	101,909	-	102,862	(19,131)	83,731
Depreciation and amortization	248,043	173,471	8,205	4,153	435,171	19,394	454,565

Income and expenses of the Company are not allocated to individual segments as the underlying instruments are managed at the InRetail Group level and are reflected in the adjustments and eliminations column. Additionally Inter-segment revenues are eliminated upon consolidation and reflected also in the adjustments and eliminations column.

31.2 Geographic information –

The geographic information analyses the Group's revenue and non-current assets by the Companies' country of domicile and other countries. In presenting the geographic information, segment revenue was based on the geographic location of customers and segment assets were based on the geographic location of the assets, as follows.

Revenue:

	2024 S/(000)	2023 S/(000)
Peru	20,478,065	19,545,980
Ecuador	1,191,483	1,242,234
Other countries	13,814	74,505
	21,683,362	20,862,719

Non-current assets (*):

	2024 S/(000)	2023 S/(000)
Peru	14,083,384	13,310,610
Ecuador	42,174	40,797
Other countries	26,005	3,296
	14,151,563	13,354,703

(*) Non-current assets exclude goodwill.

32. Objectives and policies of financial risk management

The risk is inherent to InRetail Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to InRetail Group's continuing profitability and each individual within InRetail Group is accountable for the risk exposures relating to his or her responsibilities.

The InRetail Group is exposed to market risk, credit risk and liquidity and capital management risk.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. These are monitored through the Group's strategic planning process.

(a) Risk management structure -

The Group's Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies in the subsidiaries responsible for managing and monitoring risks, as further explained bellow:

(i) Board of Directors

The Group's Board of Directors is responsible for the overall risk management approach and for the approval of the policies and strategies currently in place. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, liquidity risk and capital management.

(ii) Internal Audit

Risk management processes throughout InRetail Group are monitored by the internal audit functions, which examine both the adequacy of the procedures and the compliance of them. Internal Audit discusses the findings and recommendations to the Management and Board of Directors.

(iii) Management

The InRetail Group's management oversees the management of the Company's risks. The Financial Managers provide assurance to InRetail Group's senior management that the procedures and those financial risks are identified, measured and managed in accordance with the Board of Directors guidelines. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(b) Mitigation of risks -

As part of the risk management, the InRetail Group constantly assesses the different scenarios and identifies the different strategies to manage the expositions resulting from changes in interest rates, foreign currency risk, capital risk and credit risk.

32.1 Credit risk -

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The InRetail Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, investments and derivative instruments.

This risk is managed by the Financial Managers in accordance with the Board's principles to minimize risk concentration and, consequently, mitigate financial losses from potential defaults of the counterpart. The maximum exposure to credit risk of the components of the consolidated financial statements as of December 31, 2024 and 2023, comes from the captions accounts "Cash and cash equivalent", "Accounts receivable", "Accounts receivable from related parties", "Financial instruments at fair value through profit or loss" and "Derivative financial instruments". The maximum exposure to credit risk of the components of the consolidated financial statements as of December 31, 2024 and 2023, is their book value, net of the respective provisions for impairment.

(a) Credit risk associated with:

(a.1) Trade accounts receivable -

The InRetail Group assesses the risk concentration of the trade accounts receivable and other accounts receivable. In general, The InRetail Group does not hold significant concentrations of accounts receivable with any entity in particular. The InRetail Group assesses the collectability risk of the accounts receivable in order to determine the respective provision.

In case of the trade accounts receivable for retail sales, which are mainly generated by sales with credit cards, the credit risk is minimum because they have a period from 2 to 7 days to become cash.

Accounts receivable from the distribution of different pharmaceutical and mass-market products are periodically reviewed to ensure their recovery. Trade accounts receivable are collectible from clients with credit solvency and strength and large credit lines, which ensure the timely collection of receivables.

In case of leases receivable and merchandise coupons, payment contracts are maintained currently in force.

(a.2) Bank deposits, derivatives financial instruments and financial instruments at fair value through profit or loss, financial instruments at amortized cost -
The balances of cash and derivative financial instruments are held in top-level financial entities, including a related financial entity. Likewise, the InRetail Group's financial instruments at fair value through profit or loss have fast settlements and are managed by renowned entities.

32.2 Market risk -

Market risk is the risk of suffering losses in the consolidated statements of financial position due to fluctuations in market prices. These prices comprise three risk types: (i) exchange rate; (ii) interest rate; and (iii) commodity prices and others. The financial instruments of the InRetail Group are affected by exchange rate risk and interest rate risk.

(i) Foreign currency risk -
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Financial Managers of the Subsidiaries are responsible for identifying, measuring, controlling and informing on the exposure to global exchange rate risk of the Group. As of December 31, 2024 and 2023, the InRetail Group maintains "Call Spread", "Range Principal Only Swap" and "Cross Currency Swap" contracts for US$1,050,000,000, to reduce its foreign currency risk related to a part of senior notes issued. These derivative financial instruments have been qualified as effective hedging instruments; see further detail in note 12.

The following chart shows the sensitivity analysis on U.S. Dollars (US$), Bolivianos (B$), Euros (EUR), Chilean pesos (CLP) and Swiss francthe (CHF) only currencies different from the functional currency due to which the InRetail Group has a significant exposure in monetary assets and liabilities and estimated cash flows as of December 31, 2024 and 2023. The analysis determines the effect of a reasonably possible variation in the exchange rate of those currencies, considering other constant variables in the consolidated income statement before income tax. A negative amount in the chart reflects a net potential reduction in the consolidated income statement, while a positive amount reflects a net potential increase.

Sensitivity analysis	Change in exchange rates	Gain/(loss) before taxes	
	%	2024 S/(000)	2023 S/(000)
Devaluation -			
U.S. Dollars	5	23,100	20,721
U.S. Dollars	10	46,200	41,442
Boliviano	5	-	(970)
Boliviano	10	-	(1,940)
Euros	5	500	753
Euros	10	1,000	1,506
Swiss Franc	5	23	131
Swiss Franc	10	45	261
Chilean Pesos	5	282	-
Chilean Pesos	10	564	-
Revaluation -			
U.S. Dollars	5	(23,100)	(20,721)
U.S. Dollars	10	(46,200)	(41,442)
Boliviano	5	-	970
Boliviano	10	-	1,940
Euros	5	(500)	(753)
Euros	10	(1,000)	(1,506)
Swiss Franc	5	(23)	(131)
Swiss Franc	10	(45)	(261)
Chilean Pesos	5	(282)	-
Chilean Pesos	10	(564)	-

(ii) Interest rate risk -

The interest rate risk is the risk that the future fair values of cash flows of a financial instrument fluctuate due to changes of the market interest rates.

The InRetail Group's policy is to hold financial instruments that accrue fixed interest rates; therefore, the operating cash flows of the InRetail Group are substantially independent of changes in the market's interest rates. In this sense, in the opinion of the InRetail Group's Management, they are not significantly exposed to interest rate risk.

(iii) Price risk -

The InRetail Group's exposure to this risk is given by changes in the prices of variable income financial instruments, classified in the consolidated statement of financial position as financial instruments at fair value through profit or loss.

As of December 31, 2024 and 2023, Management conducted sensitivity tests on the market prices of mutual funds. The effect on the consolidated statement of comprehensive income would be as follows:

Sensitivity analysis	Prices %	2024 S/(000)	2023 S/(000)
Mutual funds	+/-10	33,315	19,822
Mutual funds	+/-20	66,630	39,646
Mutual funds	+/-30	99,944	59,469

Management believes that future fluctuations in the exchange rate, interest rate and prices of its capital securities will not significantly affect the future profit and loss of its operations.

32.3 Liquidity risk -

It is the risk that InRetail Group could not comply with their payment obligations related to financial liabilities at maturity. The consequence would be the default in the payment of their obligations to third parties.

Liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit sources and the ability to settle transactions, mainly debt. To that respect, Management of the InRetail Group focuses its efforts to maintain funding sources through the availability of credit lines. Likewise, the InRetail Group assesses medium-term and long-term liquidity through a structural analysis of its funds inflows and outflows in different maturity terms. This process allows to know, for each currency, the various funding sources, how liquidity needs increase and which terms are mismatched.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	As of December 31, 2024				
	Less than 3 months S/(000)	From 3 to 12 months S/(000)	1 - 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Senior notes issued and interest-bearing loans and borrowings -					
Principal payments	564,729	492,864	6,174,762	108,476	7,340,831
Interest payments flow	59,390	247,407	658,315	19,987	985,099
Trade payables	4,696,754	29,442	2,904	-	4,729,100
Accounts payable to related parties	34,594	52,580	21,471	-	108,645
Other payables and current income tax	495,964	69,555	31,307	26,030	622,856
Lease liability -					
Principal payments	117,337	235,288	816,956	967,939	2,137,520
Interest payment flow	51,020	111,805	434,660	706,833	1,304,318
Total liabilities	6,019,788	1,238,941	8,140,375	1,829,265	17,228,369

	As of December 31, 2023				
	Less than 3 months S/(000)	From 3 to 12 months S/(000)	1 - 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Senior notes issued and interest-bearing loans and borrowings -					
Principal payments	182,328	308,909	6,865,526	135,848	7,492,611
Interest payments flow	97,007	266,242	611,351	40,459	1,015,059
Trade payables	4,206,006	44,580	3,774	-	4,254,360
Accounts payable to related parties	59,669	2,151	36,178	-	97,998
Other payables and current income tax	507,693	165,504	31,809	23,362	728,368
Lease liability -					
Principal payments	94,197	222,496	806,309	732,163	1,855,165
Interest payment flow	27,690	98,547	383,950	524,274	1,034,461
Total liabilities	5,174,590	1,108,429	8,738,897	1,456,106	16,478,022

32.4 Capital management risk -

The objectives of the InRetail Group when managing capital are to ensure they have a strong credit qualification and to maintain sound capital ratios to support the business and maximize the value for shareholders.

The InRetail Group manages their capital structure and makes pertinent adjustments depending on changes in economic conditions. In order to maintain and adjust their capital structure, the InRetail Group might modify the payments of dividends to shareholders, reimburse them capital stock or issue new shares. During 2024 and 2023 there were no modifications in the objectives, policies or processes related to capital management.

The InRetail Group controls the capital using a debt ratio, defined as the quotient between the net debt and equity plus net debt. The InRetail Group has the policy of maintaining the debt ratio between 60 and 80 percent. The InRetail Group includes in the net debt the interest-bearing loans and borrowings, trade accounts payable, accounts payable to related parties, other payables, income tax liabilities and senior notes issued, less cash and short-term deposits.

	2024 S/(000)	2023 S/(000)
Interest-bearing loans and borrowings (note 19)	2,922,050	2,755,412
Trade accounts payable, accounts payable to related parties, other accounts payable and income tax liability (notes 17, 26(b), 18 and 30(e))	6,042,232	5,523,663
Lease liabilities, note 16(c)	2,137,520	1,855,165
Senior note issued, note 20	4,418,781	4,737,199
Minus: cash and short-term deposits, note 6	(1,127,417)	(944,067)
Net debt (a)	14,393,166	13,927,372
Equity	6,049,117	5,428,322
Capital stock and net debt (b)	20,442,283	19,317,407
Leverage ratio (a/b)	70%	72%

32.5 Changes in liabilities arising from financing activities:

The table below presents the changes in liabilities arising from financing activities:

	Balance at beginning of year S/(000)	Balance from Subsidiary acquisition S/(000)	Dividends declared S/(000)	Accrued interests S/(000)	New leasing S/(000)	New financing of derivatives instruments S/(000)	Cash flows S/(000)	Foreign currency movement S/(000)	Structuring commission accrual S/(000)	Others S/(000)	Balance at end of year S/(000)
As of December 31, 2024 -											
Dividends payable	-	-	329,534	-	-	-	(329,534)	-	-	-	-
Financial obligations	7,492,611	6,234	-	-	19,738	-	(256,630)	57,396	21,482	-	7,340,831
Lease liabilities	1,855,165	23,416	-	146,096	736,833	-	(530,531)	12,599	-	(106,058)	2,137,520
Interests for financial obligations	85,099	-	-	399,764	-	-	(409,661)	(34)	-	-	75,168
Total liabilities related to financing activities	9,432,875	29,650	329,534	545,860	756,571	-	(1,526,356)	69,961	21,482	(106,058)	9,553,519
As of December 31, 2023 -											
Dividends payable	-	-	333,082	-	-	-	(333,082)	-	-	-	-
Financial obligations	7,794,063	-	-	-	40,913	15,704	(279,383)	(100,186)	21,502	(2)	7,492,611
Lease liabilities	1,742,567	-	-	121,807	553,990	-	(475,987)	(37,804)	-	(49,408)	1,855,165
Interests for financial obligations	82,957	-	-	423,474	-	-	(421,482)	150	-	-	85,099
Total liabilities related to financing activities	9,619,587	-	333,082	545,281	594,903	15,704	(1,509,934)	(137,840)	21,502	(49,410)	9,432,875

32.6 Property risk:

Property risk is the possibility of loss as a result of variations or volatility in the market prices of investment properties.

The InRetail Group, through the InRetail Real Estate Group, has identified the following risks associated to its investment properties:

- The cost of projects being executed or that will be executed can increase if the planning process is delayed. InRetail Real Estate is provided with services by advisors that are expert in the requirements for project planning and execution.

- The principal tenant can be insolvent, thereby causing a significant loss in rental income and the decrease of the related property value. To reduce this risk, InRetail Real Estate reviews the financial situation of all possible tenants, determines the adequate level of security and requests security deposits or any other type of guarantee, if necessary.

- The fair value of investment properties can be affected by the cash flows generated by occupants and/or tenants, significant variations in the assumptions used for fair value estimation (see note 14(g)) or fluctuations in the real estate market due to factors outside the InRetail Group.

33. Fair value of financial instruments

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 values of the main financial instruments:

(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. This assumption is applicable too for the time deposits and savings accounts with no specific maturity. These instruments are classified in the Level 1 of the hierarchy of fair value.

(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. These instruments are classified in the Level 2 of the hierarchy of fair value.

(c) Financial instruments at fair value through other comprehensive income and financial instruments at fair value through profit or loss -
The fair value of financial instruments at fair value through other comprehensive income or through profit or loss is based on the quoted prices of active markets, if available; in the case they are not available, the fair value is estimated using the discounted cash flow method. These instruments are classified in the Level 2 of the hierarchy of fair value.

(d) Derivative financial instruments, interest-bearing loans and borrowings, lease liabilities and senior notes issued -
These fair values were determined by level 3 of the hierarchy, their fair values were determined by comparing the market interest rates at the time of initial recognition with the current market rates related to similar financial instruments. The comparison between the book values and the fair values of these financial instruments, is presented below:

	2024		2023	
	Book value S/(000)	**Fair value** S/(000)	**Book value** S/(000)	**Fair value** S/(000)
Derivative financial instrument, note 4.3(d) and 12	130,335	130,335	144,315	144,315
Interest-bearing loans and borrowings, note 19 and 20	7,340,831	7,089,164	7,492,611	7,218,974
Lease liabilities, note 16(c)	2,137,520	2,137,520	1,855,165	1,855,165

Based on the criteria described above, Management estimates that there are no significant differences between the book value and the fair value of the financial instruments of the Companies as of December 31, 2024 and 2023.

Fair value hierarchy -

The InRetail Group uses the fair value accounting hierarchy to record or disclose, as required by the International Financial Reporting Standards, the fair value of its financial instruments. A detailed description of the accounting hierarchy of fair value is presented in note 4.3(e) to the consolidated financial statements.

The InRetail Group has not performed transfers of financial instruments from Level 3 to Level 1 or to Level 2 during the years 2024 and 2023. The financial instruments and its level of hierarchy for the determination of the fair value, to record or disclose, are the following:

- Financial instruments at fair value with changes in other comprehensive income, Level 2 of the hierarchy.
- Financial instruments at fair value with changes in results, Level 2 of the hierarchy.
- Derivative financial instruments, Level 2 of the hierarchy.
- Senior notes issued, debts and loans that accrue interest, Level 2 of the hierarchy.

The InRetail Group has determined the fair value of the investment properties through the Level 3 hierarchy the fair value, see note 14.

34. Subsequent events

On February 21, 2025, a section of the infrastructure of the food court of the Real Plaza Shopping Center located in the city of Trujillo was affected, resulting in the temporary closure of the shopping mall. Several investigations have initiated by the involved entities, regulatory institutions and the InRetail Group to determine the causes of the incident. The InRetail Group has activated insurance policies and provided forms of assistance to those affected, including the opening of a S/20,000,000 fund for immediate aid, managed by La Fiduciaria S.A.

The InRetail Group is assessing the economic impacts of this event. However, given the uncertainty related to the temporary closure and the ongoing investigations, it is not possible to predict the extend to which the operations of the InRetail Group will be affected.

35. Additional explanation for English translation

The accompanying consolidated financial statements were originally issued in Spanish and are presented on the basis of International Financial Reporting Standards "IFRS" as described in Note 4.1. These consolidated financial statements should be read in conjunction with the Spanish consolidated financial statements, in the event of a discrepancy the Spanish language version prevails.

COLEGIO DE CONTADORES PÚBLICOS DE LIMA

E002-0090

Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que:

TANAKA VALDIVIA & ASOCIADOS S. CIVIL DE R.L

SOCIEDAD: SO761

Se encuentra **HÁBIL,** para el ejercicio de las funciones profesionales que le facultala Ley N.º 13253 y su modificación Ley N.º 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente. Esta constancia tiene vigencia hasta el 31 de MAYO del 2025.

Lima, 27 de junio 2024

CPC. Onofré Francisco Pizarro Chima
DECANO

CPC. Lydia Wilma Rosales Solano
DIRECTOR SECRETARIO

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