

EARNINGS REPORT Q2'23

August, 2023



This management discussion and analysis should be used in combination with Q2'23 financial statements prepared for:

- InRetail Perú Corp.
- InRetail Consumer
- InRetail Pharma
- InRetail Shopping Malls

The above mentioned financial statements can be downloaded from our website:
www.inretail.pe

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2023

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01

HIGHLIGHTS FOR THE SECOND QUARTER 2023

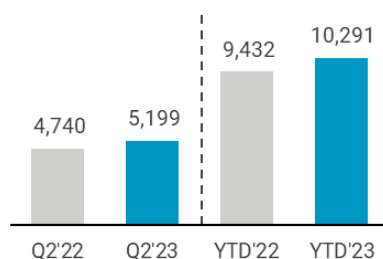


The IFRS 16 accounting standard was adopted in the preparation of the interim financial statements since the first quarter of 2019. All numbers shown in this report include IFRS 16.

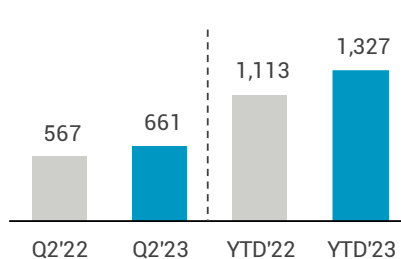
InRetail Perú Consolidated

- Consolidated Revenues of S/5,199 million, a 9.7% growth over Q2'22
- Adjusted EBITDA of S/661 million, a 16.4% growth over Q2'22
- Adjusted EBITDA margin of 12.7%, compared to 12.0% in Q2'22
- Consolidated Net Income of S/223 million, compared to S/106 million in Q2'22
- Net Income margin of 4.3%, compared to 2.2% in Q2'22

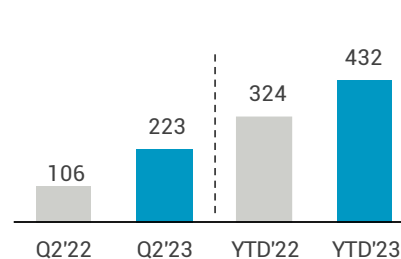
Revenues (S/ mm)



Adjusted EBITDA^{1/} (S/ mm)



Net Income (S/ mm)



^{1/}Adj. EBITDA excludes mark-to-market gains from valuation of investment properties of Food Retail and Shopping Malls segments and includes IFRS 16 effect.

Food Retail

- Revenues of S/2,772 million, a 9.9% growth over Q2'22
- Same store sales growth of 4.1% in Q2'23
- Adjusted EBITDA of S/255 million, a 12.4% growth over Q2'22
- Adjusted EBITDA margin of 9.2% compared to 9.0% in Q2'22
- Opened 38 Mass stores and closed 1 Mass store in Q2'23

Pharma

- Revenues of S/2,261 million, a 9.6% increase over Q2'22
- Adjusted EBITDA of S/343 million, a 26.4% increase over Q2'22
- Adjusted EBITDA margin of 15.2%, compared to 13.2% in Q2'22

Pharmacies^{1/}

- Revenues of S/1,639 million, a 7.5% increase over Q2'22
- Same store sales of 7.1% in Q2'23
- Adjusted EBITDA of S/311 million, a 27.8% increase over Q2'22
- Adjusted EBITDA margin of 19.0% compared to 16.0% in Q2'22
- Opened 5 pharmacies and closed 11 in Q2'23

Distribution^{1/}

- Revenues of S/ 804 million, a 15.9% increase over Q2'22
- Adjusted EBITDA of S/34 million, a 16.0% increase over Q2'22
- Adjusted EBITDA margin remained at 4.2% in both comparable periods





Shopping Malls

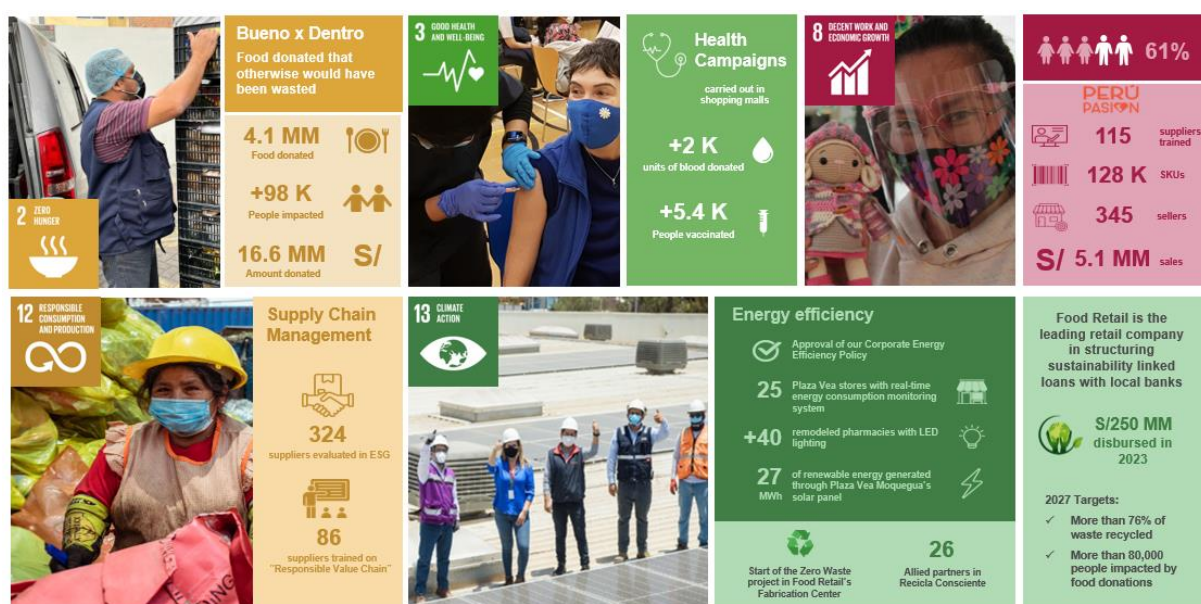
- Revenues of S/187 million, a 17.8% increase over Q2'22
- Tenant same stores sales of 1.7%^{2/} in Q2'23
- Adjusted EBITDA of S/111 million, a 2.0% increase over Q2'22
- Net Rental Margin of 82.0%, compared to 92.7% in Q2'22

^{1/} Pharmacies refers to the retail pharma unit which operates Inkafarma and Mifarma stores. Distribution refers to the pharmaceutical distribution unit.

^{2/} Shopping Malls' SSS excludes Molina Plaza.

INRETAIL PERÚ AT A GLANCE

	Food Retail	Pharma	Shopping Malls	
LTM Q2'23 (S/ mm; %)	 Supermercados Peruanos SA	 InRetail Pharma	 InRetail Shopping Malls	 InRetail PERU CORP ^{1/}
Revenues	10,981	9,018	733	20,641
% Revenues Contribution	53%	44%	4%	
Adj. EBITDA ^{2/}	1,074	1,351	433	2,711
% Adj. EBITDA Contribution	38%	47%	15%	
Adj. EBITDA Margin ^{3/}	9.8%	15.0%	79.5%	13.1%
Market Position	1 st	1 st	1 st	-
# of Stores	897	2,281	21	-
# of Employees	21,729	21,710	479	43,918

Q2'23 - ESG UPDATE ^{4/}

Note: ^{1/} Consolidated figures for InRetail include intercompany eliminations, consolidation adjustments and Digital segment.

^{2/}Adj. EBITDA excludes mark-to-market gains from valuation of investment properties in the Food Retail and Shopping Malls segments and includes IFRS 16 effect.

^{3/} InRetail Shopping Malls' Adjusted EBITDA margin is represented here as our Net Rental margin, calculated as Adj. EBITDA (inc. IFRS 16)/Net Rental Income. ^{4/} Figures presented are for Q2'23.

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CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Income Statement

Second quarter of 2023, compared to the second quarter of 2022

Six months ended June, 2023 compared to six months ended June, 2022

InRetail Perú Corp Consolidated Income Statement

In Million (\$/)	Second Quarter			For the six months ended June 30		
	2023	2022	Change %	2023	2022	Change %
Revenues:						
Food Retail	2,772	2,523	9.9%	5,514	5,047	9.2%
Pharma	2,261	2,062	9.6%	4,447	4,097	8.5%
Pharmacies	1,639	1,524	7.5%	3,229	3,056	5.6%
Distribution	804	694	15.9%	1,575	1,405	12.1%
Shopping Malls	187	159	17.8%	365	310	17.6%
Total revenues	5,199	4,740	9.7%	10,291	9,432	9.1%
Cost of sales:						
Food Retail	-2,117	-1,928	9.8%	-4,216	-3,863	9.1%
Pharma	-1,558	-1,439	8.3%	-3,069	-2,865	7.2%
Pharmacies	-1,019	-977	4.3%	-2,014	-1,972	2.1%
Distribution	-719	-611	17.7%	-1,407	-1,248	12.8%
Shopping Malls	-66	-54	21.2%	-126	-104	21.1%
Total cost of sales	-3,747	-3,423	9.5%	-7,428	-6,834	8.7%
Gross profit:						
Food Retail	655	596	10.0%	1,298	1,184	9.7%
Pharma	703	624	12.7%	1,378	1,232	11.8%
Pharmacies	620	548	13.2%	1,215	1,084	12.1%
Distribution	86	83	2.7%	168	157	6.8%
Shopping Malls	121	104	16.1%	238	206	15.8%
Total gross profit	1,452	1,317	10.3%	2,863	2,597	10.2%
Selling and administrative expenses	-991	-951	4.2%	-1,957	-1,884	3.9%
Other operating income (expenses), net	-5	21	-	-0	24	-
Operating profit	456	386	18.0%	905	737	22.8%
Financial income (expenses), net	-80	-185	-56.5%	-201	-189	6.4%
Income tax expense	-153	-96	59.6%	-272	-224	21.7%
Net income	223	106	111.1%	432	324	33.1%

Consolidated Statement of Financial Position*As of June 30, 2023 and December 31, 2022 (audited)*

InRetail Peru Corp		
Consolidated Statement of Financial Position	As of June 30,	As of December 31,
In Million (S/)	2023	2022
Assets		
Cash and short-term deposits	754	952
Investments at fair value through profit or loss	79	-
Inventories, net	2,622	2,609
Other current assets	1,314	1,391
Property, furniture and equipment	5,146	5,062
Right-of-use assets	1,567	1,525
Investment properties	4,150	4,136
Intangible assets	3,944	3,961
Other non current assets	694	728
Total assets	20,270	20,364
Liabilities		
Short-term debt	690	791
Other short-term liabilities	5,023	5,270
Long-term debt	7,050	7,003
Other long-term liabilities	2,589	2,533
Total liabilities	15,352	15,597
Non-controlling interest	0	-4
Total equity	4,919	4,766
Total equity and liabilities	20,270	20,364

Consolidated Statement of Cash Flows*Six months ended June 30, 2023 and 2022*

InRetail Peru Corp	For the six months	
Consolidated Statement of Cash Flows	ended June 30	
In Million (S/)	2023	2022
Net cash flows from operating activities	918	377
Net cash flows used in investing activities	-388	-476
Net cash flows used in financing activities	-729	-200
Net (decrease) increase of cash and short-term deposits	-198	-298
Cash and short-term deposits at the beginning of the period	952	917
Cash and short-term deposits at the end of the period	754	619

03

RESULTS ANALYSIS



The following analysis compares **InRetail Perú's** results for the second quarter of 2023 with the same period in 2022.

Intercompany transactions are eliminated upon consolidation of our financial statements.

In the following pages, we will comment on the different lines of the Consolidated Income Statement, starting with a consolidated view of **InRetail Perú** and further explaining the **Food Retail**, **Pharma** and **Shopping Malls** segments. The **Pharma** segment will be further divided into units: Pharmacies and Distribution.

The IFRS 16 accounting standard was adopted in the preparation of the interim financial statements since the first quarter of 2019. All numbers shown in this report include IFRS 16.

▪ Revenues

InRetail Perú's revenues grew S/460 million, or 9.7% in the second quarter of 2023 compared to the same period in 2022, driven by a strong performance in our three segments, despite the high comparable basis and the generalized slower consumption environment in the country. For the six months ended June 2023, InRetail Perú's revenues were S/10,291 million, a 9.1% increase over the same period in 2022.

Food Retail's revenues grew S/249 million, or 9.9% in the second quarter of 2023 compared to the same period in 2022, driven by a same store sales growth of 4.1% in the second quarter of this year, positively impacted by a solid growth in food categories offset by a decline in non-food categories from the downtrend in the electronics segment and by the contribution of the new stores opened in 2022. For the six months ended June 2023, revenues were S/5,514 million, a 9.2% increase over the same period in 2022, with a same store sales growth of 4.4%.

Pharma's revenues in the second quarter of 2023 increased S/199 million, or 9.6% compared to the same period in 2022. For the six months ended June 2023, revenues were S/4,447 million, 8.5% above the same period in 2022.

- **Pharmacies'** revenues increased S/115 million, or 7.5% in the second quarter of 2023 compared to the same period in 2022, with a strong same store sales growth of 7.1% in Q2'23, due to a strong growth in non-pharma categories and a moderate

growth in pharma categories due to a lower comparable basis from the slowdown in demand from COVID-19 related categories in Q2'22. For the six months ended June 2023, revenues were S/3,229 million, a 5.6% increase over the same period in 2022, with a same store sales growth of 4.9%.

- **Distribution's** revenues increased S/110 million, or 15.9% in the second quarter of 2023 compared to the same period in 2022, due to higher sales in Ecuador from the new exclusive distribution lines and higher sales to pharmacy chains in Peru. For the six months ended June 2023, revenues were S/1,575 million, a 12.1% increase over the same period in 2022.

Shopping Malls' revenues increased S/28 million, or 17.8% in the second quarter of 2023, compared to the same period in 2022^{1/}. This growth is mainly explained by the increase in GLA opened (~95% of GLA opened at the end of Q2'23 compared to ~92% of GLA opened at the end of Q2'22) and by the increase in both inflation-linked fixed rents and variable rents, particularly from entertainment tenants, which compare to a low comparable basis in Q2'22 when COVID-19 restrictions inside malls were still not fully lifted. Shopping Malls' revenues were S/365 million for the six months ended June 2023, an increase of 17.6% over the same period in 2022.

In the second quarter of this year, we also registered a tenant same store sales growth of 1.7%, mainly affected by lower sales from anchor tenants, particularly home improvement and department stores, given a high comparable basis from last year and from a generalized slowdown in these sectors from a decline in consumption of discretionary categories. Excluding anchor tenants, tenant same store sales would have been 9.5% in the quarter.

Net rental income is defined as total income minus reimbursable operating costs related to the maintenance and management of shopping malls. These operating costs are billed directly to tenants and are also reported as "Income from rendering of services". InRetail Shopping Malls' net rental income increased from S/118 million in the second quarter of 2022 to S/136 million in the same period of 2023, a 15.3% increase. For the six months ended June, net rental income increased from S/232 million in 2022 to S/268 million in 2023, a 15.3% increase.

▪ Cost of Sales

InRetail Perú's cost of sales increased S/324 million, or 9.5% in the second quarter of 2023, compared to the same period in 2022. For the six months ended June 2023, InRetail Perú's cost of sales was S/7,428 million, an increase of 8.7% over the same period in 2022.

^{1/} Considers a minor reclassification between revenues and cost of sales in Q2'22 which does not impact gross profit.

Food Retail's cost of sales grew S/189 million, or 9.8% in the second quarter of 2023 compared to the same period in 2022^{1/}, in line with growth in revenues. For the six months ended June 2023, Food Retail's cost of sales was S/4,216 million, an increase of 9.1% over the same period in 2022, similarly in line with growth in revenues.

Pharma's cost of sales increased S/120 million in the second quarter of 2023, 8.3% higher than the same period in 2022. For the six months ended June 2023, cost of sales was S/3,069 million, an increase of 7.2% over the same period in 2022.

- **Pharmacies'** cost of sales increased S/42 million, or 4.3% in the second quarter of 2023, compared to the same period in 2022. For the six months ended June 2023, cost of sales was S/2,014 million, an increase of 2.1% over the same period in 2022.
- **Distribution's** cost of sales increased S/108 million in the second quarter of 2023, or 17.7% compared to the same period in 2022. For the six months ended June 2023, cost of sales was S/1,407 million, an increase of 12.8% over the same period in 2022.

Shopping Malls' cost of sales was S/66 million in the second quarter of 2023, an increase of S/12 million or 21.2% compared to the same period in 2022^{2/}. For the six months ended June 2023, Shopping Malls' cost of sales was S/126 million, an increase of 21.1% over the same period in 2022.

▪ Gross Profit

InRetail Perú's gross profit increased S/135 million, or 10.3% in the second quarter of 2023, compared to the same period in 2022. Gross margin (gross profit as a percentage of revenues) was 27.9% in the second quarter of 2023, slightly above the same period of 2022. For the six months ended June 2023, InRetail Perú's gross profit was S/2,863 million, an increase of 10.2% over the same period in 2022, with a gross margin of 27.8% compared to 27.5% in the same period in 2022.

Food Retail's gross profit increased S/59 million, or 10.0% in the second quarter of 2023 compared to the same period in 2022 and gross margin reached 23.6%, in line with the same period of 2022, from a change in category mix, despite the higher participation of our hard discount format. For the six months ended June 2023, the gross profit was S/1,298 million, compared to S/1,184 million in the same period in 2022, with a gross margin of 23.5%, similar to the comparable period in 2022.

Pharma's gross profit increased S/79 million, or 12.7% in the second quarter of 2023, compared to the same period in 2022. Gross margin increased from 30.2% in the second quarter of 2022, to 31.1% in the same period of 2023. For the six months ended June 2023, gross profit and gross margin were S/1,378 million and 31.0%, respectively, compared to S/1,232 million and 30.1% for the same period in 2022.

^{1/} Considers reclassification of logistics expenses from cost of sales to operational expenses in Q2'22, comparable to Q2'23

^{2/} Considers a minor reclassification between revenues and cost of sales in Q2'22, comparable to Q2'23.

- **Pharmacies'** gross profit grew S/72 million, or 13.2% in the second quarter of 2023, compared to the same period in 2022. Gross margin was 37.8% in the second quarter of 2023, above the same period in 2022, driven by a change in sales mix and lower promotional activity. For the six months ended June 2023, the gross profit and the gross margin were S/1,215 million and 37.6%, respectively, compared to S/1,084 million and 35.5% for the same period in 2022.
- **Distribution's** gross profit increased S/2 million, or 2.7% in the second quarter of 2023 compared to the same period in 2022. Gross margin was 10.7% in the second quarter of 2023, below the same period in 2022, mainly affected by a negative net FX translation effect in our cost of sales and the higher representation of exclusive distribution lines both in Ecuador. For the six months ended June 2023, the gross profit and the gross margin were S/168 million and 10.7% respectively, compared to S/157 million and 11.2% for the same period in 2022.

Shopping Malls' gross profit increased S/17 million, or 16.1% in the second quarter of 2023, compared to the same period in 2022. Gross margin in the second quarter of 2023 was 64.8%, below the same period in 2022, mainly explained by an increase in marketing and advertisement expenses aimed at enhancing traffic, and by an extraordinary provision related to mall services. For the six months ended June 2023, gross profit and the gross margin were S/238 million and 65.3%, respectively, compared to S/206 million and 66.3% for the same period in 2022.

▪ Selling and Administrative Expenses

InRetail Peru Corp Selling and Administrative Expenses	Second Quarter			For the six months ended June 30		
	2023	2022	Change %	2023	2022	Change %
In Million (S/)						
Food Retail	502	466	7.6%	988	921	7.4%
Pharma	471	452	4.2%	931	905	2.8%
Pharmacies	413	388	6.6%	806	777	3.8%
Distribution	59	60	-3.0%	120	120	0.5%
Shopping Malls	15	11	35.2%	27	24	12.5%
Total selling and administrative expenses	991	951	4.2%	1,957	1,884	3.9%

InRetail Perú's selling and administrative expenses grew S/40 million, or 4.2% in the second quarter of 2023, compared to the same period in 2022. As a percentage of revenues, selling and administrative expenses were 19.1% in the second quarter of 2023, below the same period in 2022.

For the six months ended June 2023, InRetail Perú's selling and administrative expenses were S/1,957 million, 3.9% higher than in the same period in 2022. As a percentage of revenues, selling and administrative expenses were 19.0% in the six months ended June 2023, compared to 20.0% in the same period in 2022.

Food Retail's selling and administrative expenses increased S/36 million, or 7.6% in the second quarter of 2023 compared to the same period in 2022^{1/}, mainly due to an increase in operational expenses from new store openings and from certain expenses affected by inflation. As a percentage of revenues, selling and administrative expenses were 18.1% in the second quarter of 2023, below the same period in 2022, explained by operational efficiencies and continued fixed costs dilution from a solid top line growth. For the six months ended June 2023, selling and administrative expenses were S/988 million, an increase of 7.4% over the same period in 2022. As a percentage of revenues, these expenses decreased from 18.2% to 17.9%.

Pharma's selling and administrative expenses increased S/19 million, or 4.2% in the second quarter of 2023, compared to the same period in 2022. As a percentage of revenues, selling and administrative expenses were 20.8% in the second quarter of 2023, compared to 21.9% in the same period in 2022. For the six months ended June 2023, selling and administrative expenses were S/931 million, an increase of 2.8% over the same period in 2022. As a percentage of revenues, these expenses decreased from 22.1% to 20.9%.

- **Pharmacies'** selling and administrative expenses increased S/25 million, or 6.6% in the second quarter of 2023, compared to the same period in 2022. As a percentage of revenues, selling and administrative expenses decreased from 25.5% in the second quarter of 2022 to 25.2% in the same period of 2023. Additionally, Q2'22 had S/13.7 million of incremental rent expenses that were later reclassified due to IFRS 16 in Q3'22, from a delay in the recognition of renegotiated rent contracts. For the six months ended June 2023, selling and administrative expenses were S/806 million, increasing 3.8% over the same period in 2022. As a percentage of revenues, these expenses decreased from 25.4% to 25.0%. For the six months ended June 2022, there were S/27.6 million of incremental rent expenses that were later reclassified due to IFRS16 in Q3'22, as mentioned above.
- **Distribution's** selling and administrative expenses decreased S/2 million, or 3.0% in the second quarter of 2023, compared to the same period in 2022. As a percentage of revenues, selling and administrative expenses decreased from 8.7% in the second quarter of 2022 to 7.3% in the same period of 2023, mainly due to increased fixed costs dilution in Ecuador from a strong top line growth and to efficiencies in operating expenses in Peru. For the six months ended June 2023, selling and administrative expenses were S/120 million, in line with the same period in 2022. As a percentage of revenues, these expenses decreased from 8.5% to 7.6%.

Shopping Malls' selling and administrative expenses increased S/4 million, or 35.2% in the second quarter of 2023 compared to the same period in 2022, mainly explained by a higher net provision for doubtful accounts due to lower recoverables compared to the high comparable basis of last year post COVID-19 and due to an extraordinary provision from a third-party service provider. As a percentage of revenues, selling and administrative expenses were 8.2% in the second quarter of 2023, compared to 7.1% in the same period in 2022. For the six months ended June 2023, selling and administrative expenses were S/27 million, 12.5% above the same period in 2022. As a percentage of revenues, these expenses decreased from 7.6% to 7.3%.

^{1/} Considers reclassification of logistics expenses from cost of sales to operational expenses in Q2'22, comparable to Q2'23.

▪ Other Operating Income (Expenses), Net

InRetail Perú's other operating income (expenses), net, resulted in an expense of S/5 million in the second quarter of 2023, compared to an income of S/21 million in the same period in 2022, mainly explained by the absence of an extraordinary landbank sale in our Shopping Malls segment and the lower other income in our Pharma segment. For the six months ended June 2023, InRetail Perú's other operating income (expenses), net, resulted in an expense of S/0.5 million, compared to an income of S/24 million in the same period in 2022.

Food Retail's other operating income (expenses), net, resulted in an income of S/7 million in the second quarter of 2023, compared to an income of S/10 million in the same period in 2022. For the six months ended June 2023, Food Retail's other operating income (expenses), net, resulted in an income of S/12 million, compared to an income of S/23 million in the same period in 2022.

Pharma's other operating income (expenses), net, resulted in an income of S/2 million in the second quarter of 2023, compared to an income of S/8 million in the same period of 2022. For the six months ended June 2023, Pharma's other operating income (expenses), net, resulted in an income of S/4 million, compared to an income of S/15 million in the same period in 2022.

Shopping Malls' other operating income (expenses), net, is generated primarily by changes in the fair value of investment properties, determined in accordance with IFRS. In the second quarter of 2023, other operating income (expenses), net, registered an expense of S/0.2 million, compared to an income of S/12 million in the same period in 2022, due to an extraordinary landbank sale registered in Q2'22. For the six months ended June 2023, Shopping Malls' other operating income resulted in an expense of S/5 million, compared to an expense of S/8 million in the same period in 2022.

▪ Operating Profit

InRetail Peru Corp Operating Profit

In Million (S/)	Second Quarter			For the six months ended June 30		
	2023	2022	Change %	2023	2022	Change %
Food Retail	160	139	15.1%	322	286	12.5%
Pharma	234	180	30.2%	451	342	32.0%
Pharmacies	208	166	25.0%	412	320	28.9%
Distribution	28	24	14.3%	49	40	23.1%
Shopping Malls	106	105	0.1%	206	174	18.7%
Total operating profit	456	386	18.0%	905	737	22.8%

InRetail Perú's operating profit increased S/70 million, or 18.0%, in the second quarter of 2023 compared to the same period in 2022, mainly explained by the strong growth in revenues, the slight improvement in gross profit and the increased fixed cost dilution. Operating margin (operating profit as a percentage of revenues) was 8.8% in the second quarter of 2023, compared to 8.1% in the second quarter of 2022.

For the six months ended June 2023, InRetail Perú's operating profit reached S/905 million, 22.8% higher than the same period in 2022. InRetail Perú's operating margin was 8.8% for the six months ended June 2023, higher than 7.8% for the same period in 2022.

Food Retail's operating profit increased S/21 million, or 15.1% in the second quarter of 2023, compared to the same period in 2022. Operating margin was 5.8% in the second quarter of 2023, higher than the same period in 2022. For the six months ended June 2023, Food Retail's operating profit and operating margin were S/322 million and 5.8%, respectively, compared to S/286 million and 5.7% over the same period in 2022.

Pharma's operating profit increased S/54 million, or 30.2% in the second quarter of 2023, compared to the same period in 2022. Operating margin was 10.4% in the second quarter of 2023, compared to 8.7% in the same period in 2022. For the six months ended June 2023, Pharma's operating profit and operating margin were S/451 million and 10.1%, respectively, compared to S/342 million and 8.3% over the same period in 2022.

- **Pharmacies'** operating profit increased S/42 million, or 25.0% in the second quarter of 2023, compared to the same period in 2022. Operating margin was 12.7% in the second quarter of 2023, compared to 10.9% in the same period in 2022. For the six months ended June 2023, operating profit and operating margin were S/412 million and 12.8%, respectively, compared to S/320 million and 10.5% over the same period in 2022.
- **Distribution's** operating profit increased S/3 million, or 14.3% in the second quarter of 2023, compared to the same period in 2022. Operating margin was 3.4% in the second quarter of 2023, compared to 3.5% in the same period in 2022. For the six months ended June 2023, operating profit and operating margin were S/49 million and 3.1% respectively, compared to S/40 million and 2.8% over the same period in 2022.

Shopping Malls' operating profit increased S/0.1 million, or 0.1% in the second quarter of 2023 compared to the same period in 2022, mainly due to the high comparison basis. Operating margin was 56.5% in the second quarter of 2023, compared to 66.5% in the same period in 2022. For the six months ended June 2023, Shopping Malls' operating profit and operating margin were S/206 million and 56.5%, respectively, compared to S/174 million and 56.0% over the same period in 2022.

▪ **Financial Income (Expenses), Net**

InRetail Perú's net financial expenses (including FX gain/loss) resulted in S/80 million in the second quarter of 2023, lower than the S/185 million in the same period of 2022, mainly explained by a net FX gain compared to a net FX loss in Q2'22. Financial expenses for the second quarter of 2023 include a net FX gain of S/78 million, compared to a net FX loss of S/47 million in Q2'22.

For the six months ended June 2023, InRetail Perú registered a net financial expense of S/201 million, compared to a net financial expense of S/189 million in the same period in 2022.

■ Income Tax

InRetail Perú's income tax is calculated over profit from sales and rental revenues in our segments, as well as over capital gains from realized gains or losses in the value of investment properties. InRetail Perú registered an income tax expense of S/153 million in the second quarter of 2023, an increase of S/57 million compared to the same period in 2022.

For the six months ended June 2023, income tax expense amounted to S/272 million, an increase of S/49 million compared to the same period in 2022.

■ Net Income

InRetail Perú registered a net income of S/223 million in the second quarter of 2023, compared to a net income of S/106 million in the same period in 2022, mainly due to a net FX gain compared to a net FX loss in Q2'22 and a higher operating profit. Net margin (net income as a percentage of revenues) was 4.3% in the second quarter of 2023, higher than the 2.2% in the same period in 2022.

For the six months ended June 2023, net income was S/432 million compared to S/324 million in the same period in 2022. Net margin was 4.2%, in comparison to 3.4% in the same period in 2022.

■ Adjusted EBITDA

InRetail Peru Corp Adjusted EBITDA

	Second Quarter			For the six months ended June 30		
	2023	2022	Change %	2023	2022	Change %
In Million (S/)						
Food Retail	255	227	12.4%	512	459	11.7%
Pharma	343	272	26.4%	676	524	29.1%
Pharmacies	311	243	27.8%	616	471	30.6%
Distribution	34	29	16.0%	61	49	23.0%
Shopping Malls	111	109	2.0%	221	203	9.2%
Adjusted EBITDA	661	567	16.4%	1,327	1,113	19.2%

InRetail Perú's adjusted EBITDA^{1/} increased S/93 million, or 16.4% in the second quarter of 2023 compared to the same period in 2022, mainly explained by the strong growth in revenues and the increased fixed costs dilution in our three segments, combined with a stable gross margin. Adjusted EBITDA margin (adjusted EBITDA as a percentage of revenues) was 12.7% in the second quarter of 2023, above the 12.0% in the same period in 2022.

^{1/} Adj. EBITDA excludes mark-to-market gains from valuation of investment properties of Food Retail and Shopping Malls segments and includes IFRS 16 effect.

InRetail Perú's EBITDA amounted to S/1,327 million for the six months ended June 2023, an increase of 19.2% over the same period in 2022. Adjusted EBITDA margin was 12.9%, higher than 11.8% in the same period in 2022.

Food Retail's adjusted EBITDA increased S/28 million, or 12.4% in the second quarter of 2023, compared to the same period in 2022. The adjusted EBITDA margin in the second quarter of 2023 was 9.2%, above the 9.0% in the same period in 2022, mainly explained by the operational efficiencies and continued fixed costs dilution from a solid top line growth, despite an increase in operational expenses from new store openings and in certain expenses affected by inflation. For the six months ended June 2023, Food Retail's adjusted EBITDA amounted to S/512 million, an increase of 11.7% over the same period in 2022. For the six months ended June 2023, adjusted EBITDA margin was 9.3%, higher than 9.1% in the same period in 2022.

Pharma's adjusted EBITDA increased S/72 million, or 26.4% in the second quarter of 2023, compared to the same period in 2022. The adjusted EBITDA margin increased from 13.2% in the second quarter of 2022 to 15.2% in the same period in 2023. For the six months ended June 2023, Pharma's adjusted EBITDA amounted to S/676 million, an increase of 29.1% over the same period in 2022. Adjusted EBITDA margin increased to 15.2% in the six months ended June 2023 from 12.8% in the same period of 2022.

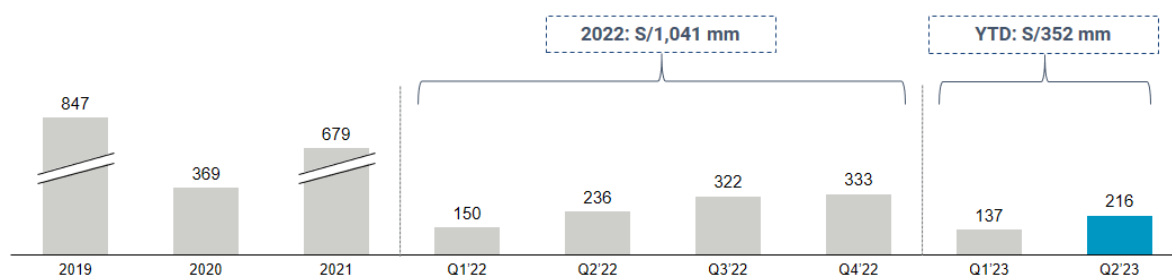
- **Pharmacies:** Adjusted EBITDA increased S/68 million, or 27.8% in the second quarter of 2023, compared to the same period in 2022. Adjusted EBITDA margin was 19.0% higher than the 16.0% in the second quarter of 2022, positively impacted by the improvement in gross margin and the continued fixed costs dilution. Additionally, Q2'22 had S/13.7 million of incremental rent expenses that were later reclassified due to IFRS 16 in Q3'22, from a delay in the recognition of renegotiated rent contracts. For the six months ended June 2023, adjusted EBITDA amounted to S/616 million, an increase of 30.6% over the same period in 2022. Adjusted EBITDA margin increased to 19.1% in the six months ended June 2023 from 15.4% in the same period in 2022. For the six months ended June 2022, there were S/27.6 million of incremental rent expenses that were later reclassified due to IFRS16 in Q3'22, as mentioned above.
- **Distribution:** Adjusted EBITDA increased S/5 million, or 16.0% in the second quarter of 2023, compared to the same period in 2022. Adjusted EBITDA margin remained at 4.2% in both comparable periods, mainly due to increased fixed costs dilution in Ecuador from a strong top line growth and to efficiencies in operating expenses in Peru, compensating the impact from a lower gross margin. For the six months ended June 2023, adjusted EBITDA amounted to S/61 million, an increase of 23.0% over the same period in 2022. Adjusted EBITDA margin increased from 3.5% to 3.9%.

Shopping Malls' adjusted EBITDA was S/111 million in the second quarter of 2023, 2.0% higher than the same period of 2022, mainly explained by the high comparable basis in Q2'22 due to an extraordinary landbank sale of /12.9 million and higher recovery of doubtful accounts, compensated by a continued fixed cost dilution. Adjusted EBITDA margin was 59.7% in the second quarter of 2023, lower than 68.9% in the same period of 2022. For the six months ended June 2023, adjusted EBITDA amounted to S/221 million, an increase of 9.2% over the same period in 2022. Adjusted EBITDA margin decreased from 65.3% in the six months ended June 2023 to 60.7% in the same period in 2023.

Shopping Malls' adjusted EBITDA divided by net rental income (net rental margin) was 82.0% in the second quarter of 2023, lower than the 92.7% in the same period of 2022. The lower margin is mainly explained by the high comparison basis in Q2'22 due to an extraordinary landbank sale and higher recovery of doubtful accounts, compensated by a continued fixed cost dilution from a solid top line growth. For the six months ended June 2023, Shopping Malls' net rental margin was 82.7% compared to 87.3% in the same period in 2022.

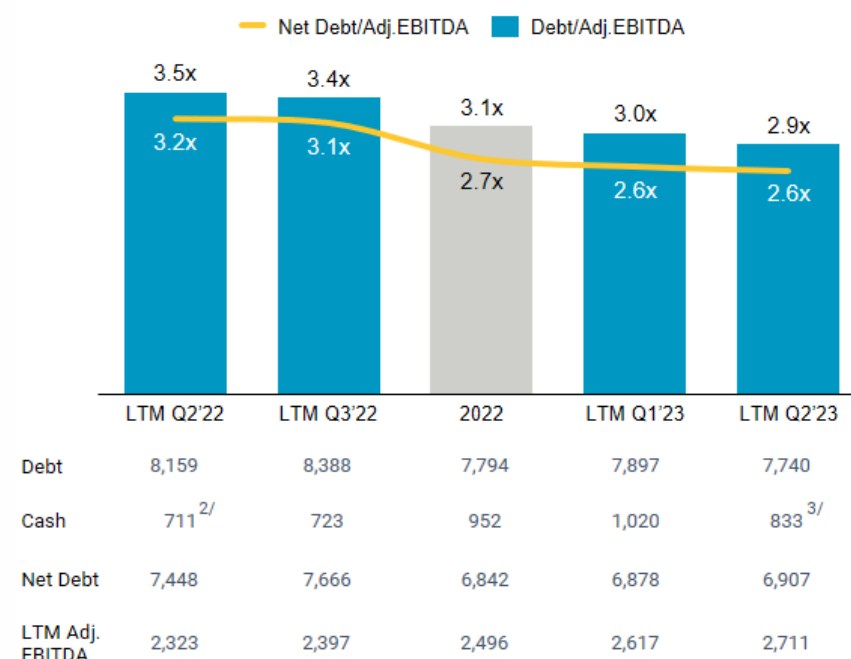
Consolidated CAPEX (S/ mm)

The following graph sets forth the evolution of the CAPEX per quarter of **InRetail Perú**, mainly used to finance the development of new store openings and shopping malls.



Consolidated Financial Debt^{1/} (S/ mm)

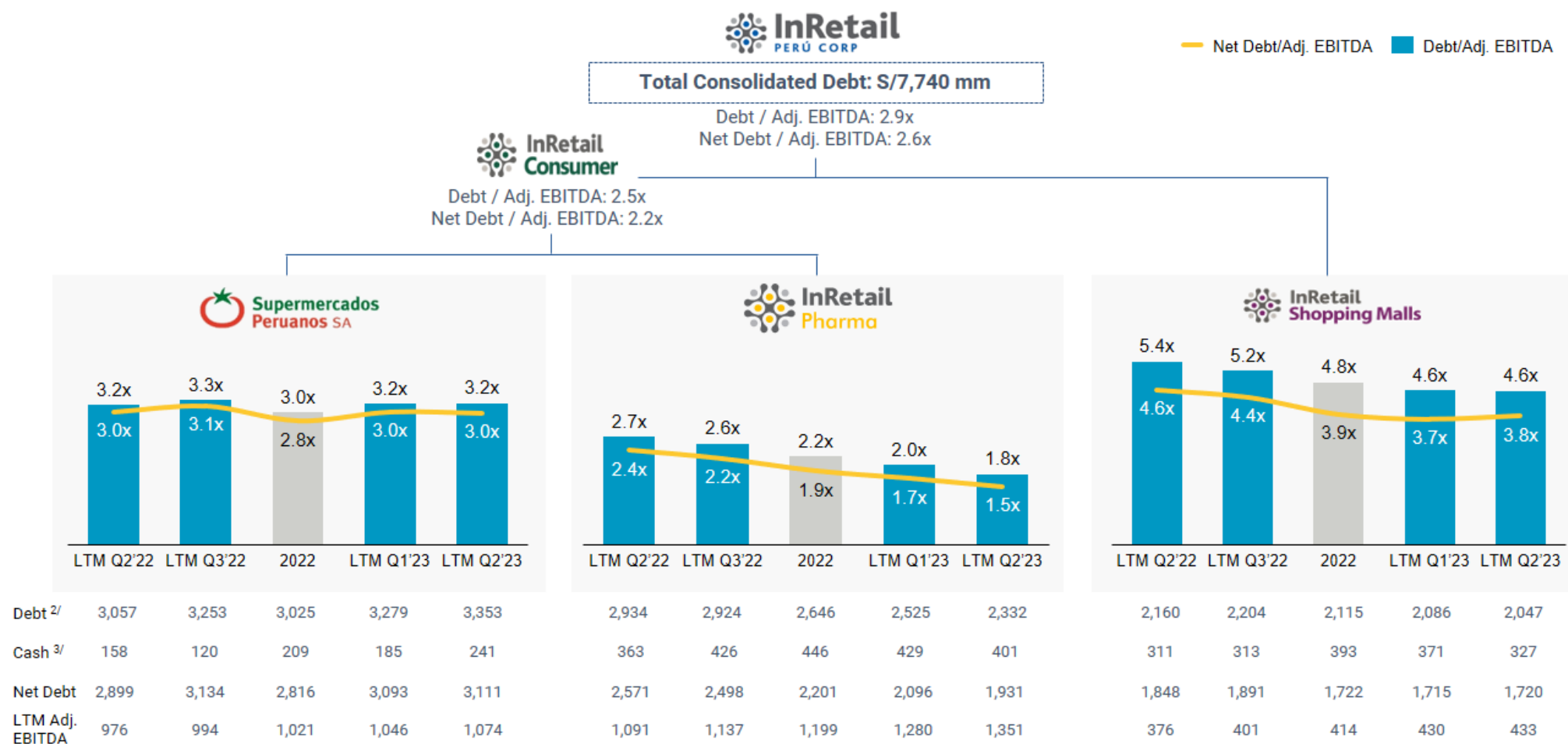
The following graph sets forth the main financial ratios of **InRetail Perú** at a consolidated level:



^{1/} Financial Debt does not include lease liabilities associated to IFRS 16. Cash considers cash equivalents. Ratios are adjusted for currency hedge effect. ^{2/} An ordinary dividend of USD 75 mm was distributed in May'22. ^{3/} An ordinary dividend of USD 90 mm was distributed in May'23.

Financial Debt by Segment^{1/} (\$/ mm)

The following diagram sets forth the financial consolidated debt by segment:

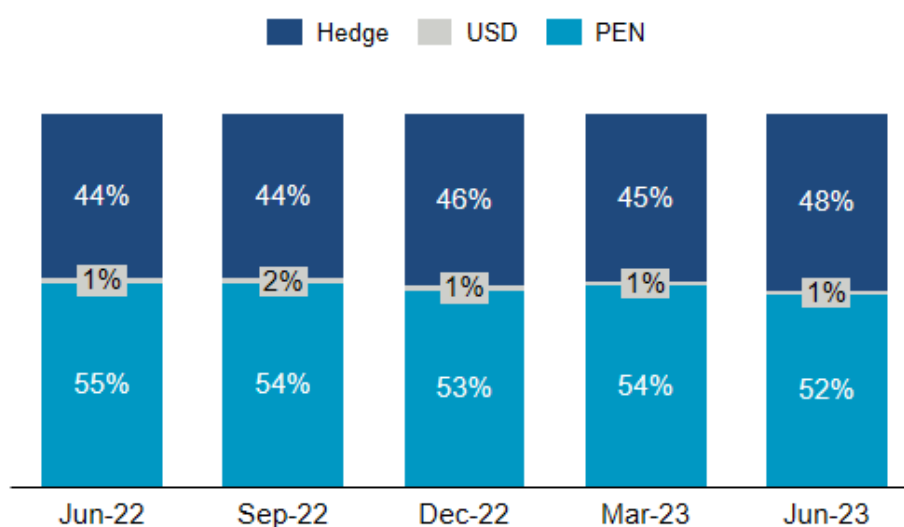


^{1/} Financial Debt does not include lease liabilities associated to IFRS 16. Cash includes cash equivalents, treasury stock and treasury bonds when at Subsidiary level. Ratios are adjusted for currency hedge effect.

^{2/} Considers intercompany loans with InRetail Consumer tied to bond issuance.

^{3/} Cash balance impacted by dividend distributions to fund InRetail Perú's ordinary dividends (USD 90 mm in 2023 and USD 75 mm in 2022).

▪ USD Exposure on Financial Debt



As of June 30, 2023, we have the following hedge instruments in place for the outstanding bonds in USD:

InRetail Consumer:

- Call Spreads that protect us from exchange rate depreciation between S/3.70 to S/4.20, for a notional of USD 300 mm until maturity.
- Range Principal-Only Swaps with an average strike price of S/4.1063 within the range of S/3.70 and S/6.00, for a notional of USD 300 mm until maturity.

InRetail Shopping Malls:

- Call Spread that protects us from exchange rate depreciation between S/3.26 to S/3.75, for a notional amount of USD 250 mm until maturity. Since April 4, 2023, we have an additional Call Spread between S/3.90 and S/4.30 for a notional of USD 100 mm until maturity.
- Full Cross Currency Swap, with a strike price of S/3.887 and a PEN swap rate of 8.75%, for a notional of USD 10 0mm until maturity.

As of June 30, 2023, PEN/USD exchange rate was S/3.633.

Financial Covenants^{1/}

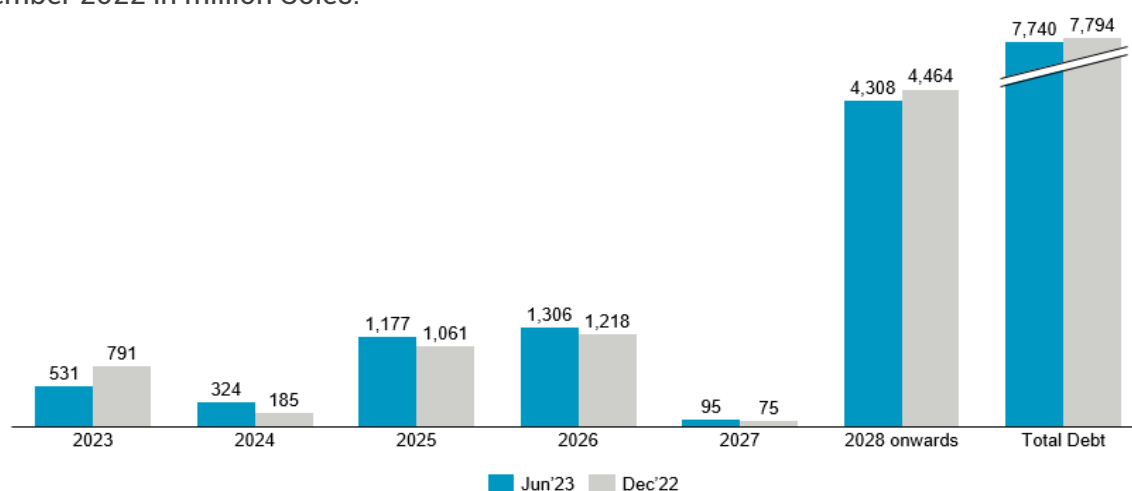
2018 InRetail Shopping Malls Bonds

	Q2'23	Covenants
Total Debt / Total Assets	35.6%	<=60%
Secured Debt / Total Assets	5.1%	<=30%
Adj. EBITDA / Interest Expense	3.3x	>=1.75x
Unencumbered Assets / Unsecured Debt	292%	>=150%

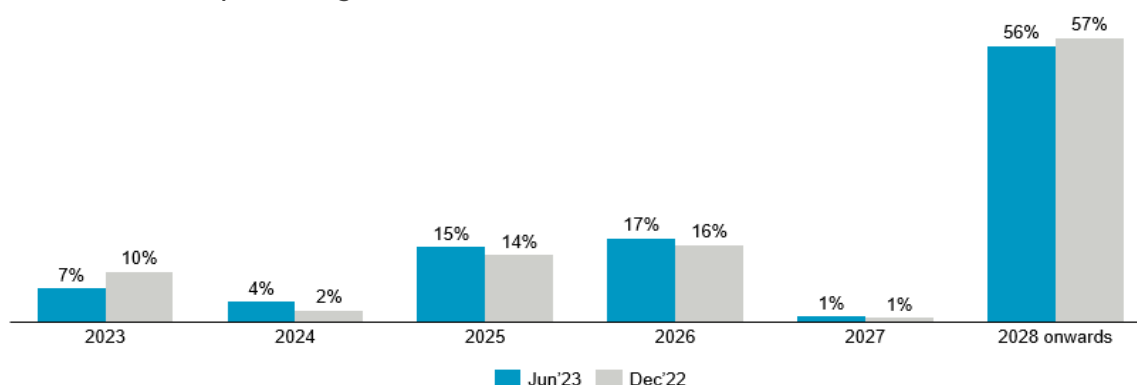
^{1/} All covenants are incurrence-only. Bond covenants are calculated Pre-IFRS 16, in accordance with the bond indenture.

Debt Maturity Schedule (S/ mm and %)

The following graph sets forth the debt maturity schedule for **InRetail Perú**, as of June 2023 and December 2022 in million Soles:



The following graph sets forth the debt maturity schedule for **InRetail Perú**, as of June 2023 and December 2022 as a percentage of total debt:



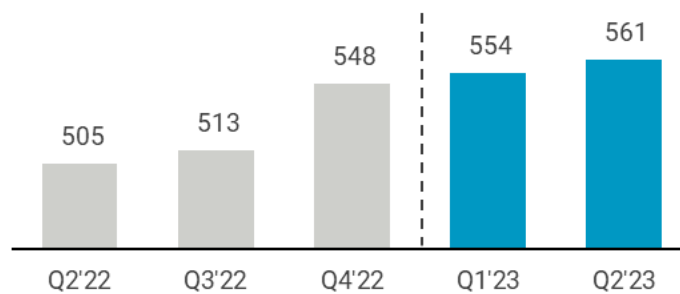
04

KEY INDICATORS



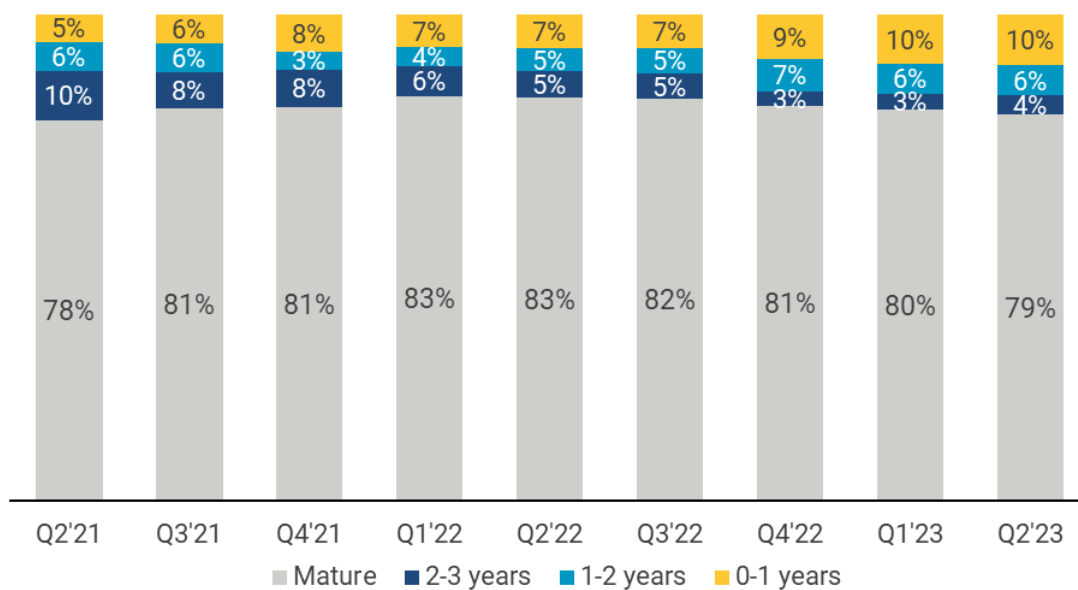
Number of Stores, Sales Area and Age Composition of Retail Segments

Food Retail Sales Area ('000 sqm)

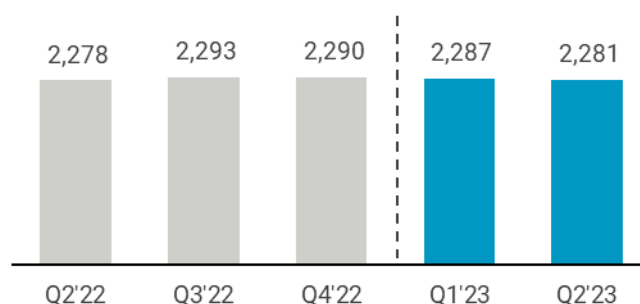


N° Supermarkets	109	109	111	111	111
N° Cash and Carry	23	23	26	26	26
N° Hard Discount	571	612	693	723	760

Age of Food Retail Stores (%)



Pharmacy Stores (N°)



Note:

Q2'22: 18 stores opened and 3 closed

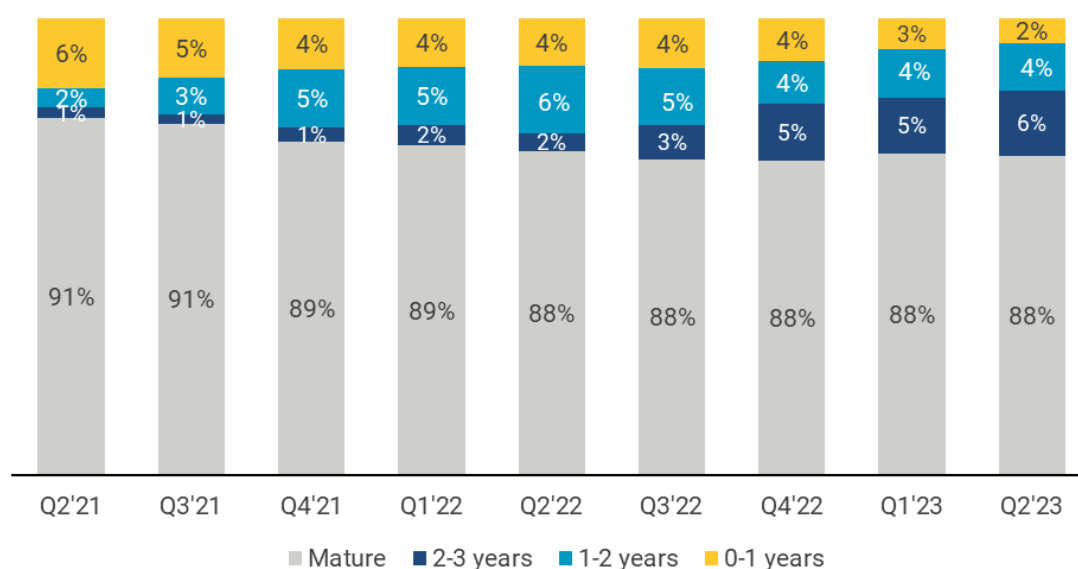
Q3'22: 22 stores opened and 7 closed

Q4'22: 19 stores opened and 22 closed

Q1'23: 3 stores opened and 6 closed

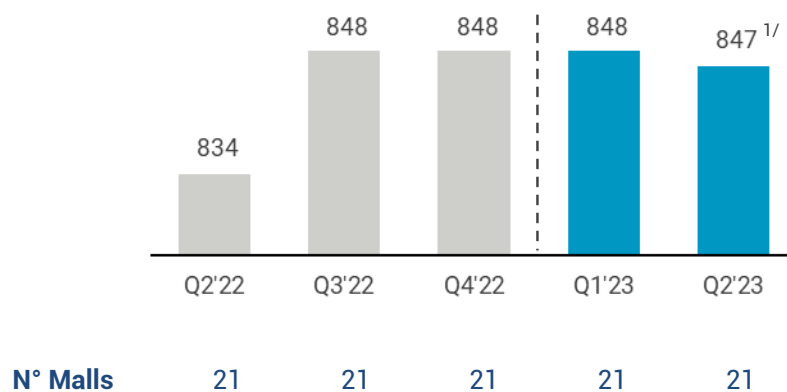
Q2'23: 5 stores opened and 11 closed

Age of Pharmacy Stores (%)



Number and GLA of Shopping Malls

Shopping Malls GLA ('000 sqm)



GLA by Mall

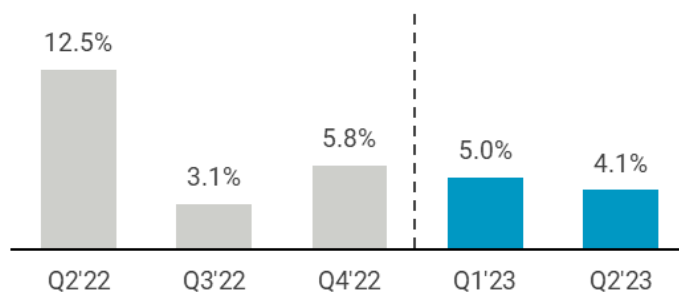
As of June 30, 2023

Mall	sqm	Opening Date
Puruchuco	126,257	Nov 19
Salaverry	72,972	May 14
Piura	53,708	Nov 10
Trujillo	52,089	Nov 07
Centro Cívico	49,324	Jan 10
Chiclayo	50,329	Jan 06
Huancayo	45,317	Jan 09
Cusco	60,044	Dec 13
Primavera	36,491	Sep 01
Pucallpa	35,365	Sep 14
Cajamarca	34,216	Dec 13
La Curva	30,324	Dec 16
Juliaca	29,923	Apr 11
Huánuco	28,633	Dec 12
Arequipa	24,816	Sep 10
Santa Clara	21,864	Apr 09
Pro	22,072	Jan 08
Guardia Civil	20,034	Oct 11
Molina Plaza	15,743	Jul 22
Sullana	14,324	Dec 13
Unión	11,712	Dec 10
Chimbote	11,074	Nov 10
Total GLA	846,632	

^{1/} GLA (sqm) was adjusted in Q2'23 due to on-site measurement updates.

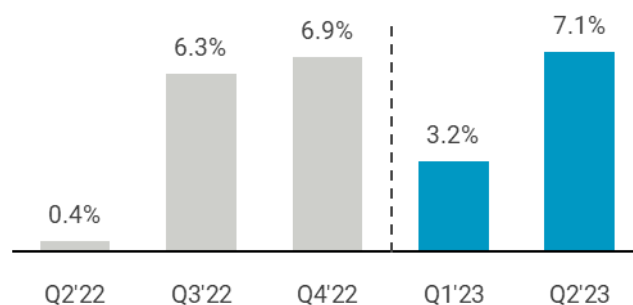
Quarterly Same Store Sales (SSS) Growth by Segment (%)

Food Retail



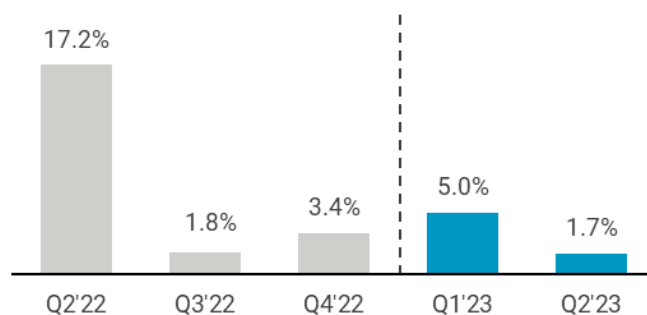
SSS Averages **2020:** 17.7% **2021:** 7.8% **2022:** 7.1% **YTD'23:** 4.4%

Pharmacies



SSS Averages **2020:** 4.5% **2021:** 10.6% **2022:** 3.1% **YTD'23:** 4.9%

Shopping Malls^{1/}

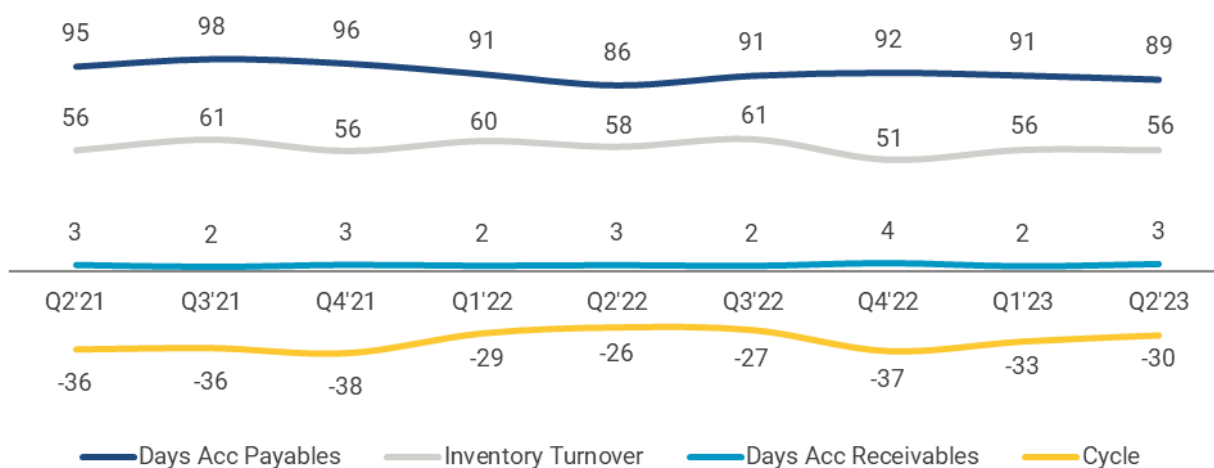


SSS Averages **2020:** 0.3% **2021:** 16.3% **2022:** 8.7% **YTD'23:** 3.3%

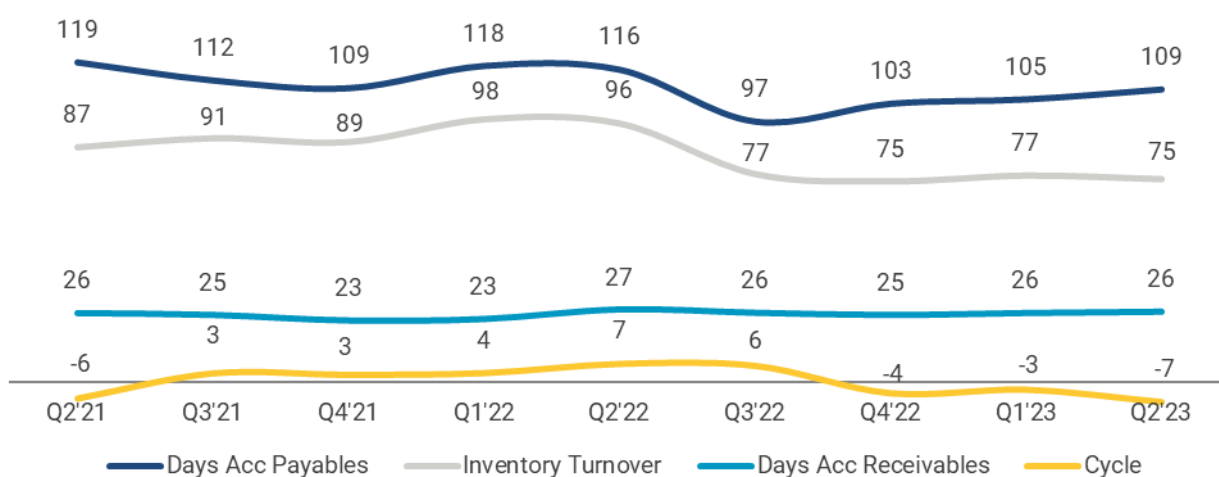
^{1/} Shopping Malls' SSS excludes Molina Plaza.

Quarterly Cash Conversion Cycle (N° days) by Segment

Food Retail



Pharma



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