



AUNA S.A.

(Incorporated in the Grand Duchy of Luxembourg)

Offer to Exchange any and all of the 6.500% Senior Notes due 2025 (the “Existing Notes”) for Newly Issued 10.000% Senior Secured Notes due 2029 (the “New Notes”) and the Solicitation of Consents to Proposed Amendments to the Existing Indenture governing the Existing Notes

To be eligible to receive the Total Consideration (as defined below), which includes the Early Participation Premium (as defined below), registered holders of the Existing Notes (each such holder of the Existing Notes, a “Holder”) must validly tender their Existing Notes and deliver their Consents (as defined below) on or prior to 5:00 p.m., New York City time, on November 28, 2023, unless extended or earlier terminated by the Issuer (as defined below), in its sole discretion (such date and time, as the same may be extended or earlier terminated, the “Early Participation Deadline”). Existing Notes tendered for exchange on or prior to the Early Participation Deadline may be validly withdrawn, and the related Consents may be validly revoked, at any time prior to 5:00 p.m., New York City time, on November 28, 2023, unless extended by the Issuer, in its sole discretion (such date and time, as the same may be extended, the “Withdrawal Deadline”). The Exchange Offer (as defined below) will expire at 5:00 p.m., New York City time, on December 12, 2023, unless extended by the Issuer, in its sole discretion (such date and time, as the same may be extended, the “Expiration Deadline”). Eligible Holders who validly tender their Existing Notes and deliver their Consents after the Early Participation Deadline, but on or prior to the Expiration Deadline will be eligible to receive only the Exchange Consideration (as defined below).

Auna S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg with its registered office located at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B267590 (the “Issuer” or “Company”), hereby offers to Eligible Holders (as defined below) the opportunity to exchange (the “Exchange Offer”) upon the terms and subject to the conditions set forth in this Exchange Offer Memorandum and Consent Solicitation Statement (as it may be amended or supplemented from time to time, this “Exchange Offer Memorandum”) any and all of the Existing Notes for the consideration described in “Description of the Exchange Offer and the Solicitation—Total Consideration, Exchange Consideration and Early Participation Premium.” The Existing Notes will be exchanged for newly issued 10.000% Senior Secured Notes due 2029 (the “New Notes”), issued by the Issuer, and initially guaranteed on a senior basis by the guarantors described in “Description of the New Notes” (the “Guarantors”) and secured by the Collateral (as defined in “Description of the New Notes”).

Simultaneously with the Exchange Offer, the Issuer is conducting a solicitation (the “Solicitation”) of consents (the “Consents”) from Eligible Holders (as defined below) of the Existing Notes to effect certain proposed amendments (the “Proposed Amendments”) to the indenture, dated as of November 20, 2020 (as amended and supplemented from time to time, the “Base Indenture”), by and among, Auna Peru (as defined below), as issuer, the guarantors party thereto, and Citibank, N.A., as trustee, paying agent, registrar and transfer agent (the “Existing Notes Trustee”), a first supplemental indenture dated as of October 5, 2022 between Auna Peru, as issuer, the supplemental guarantors party thereto, and the Existing Notes Trustee (the “First Supplemental Indenture”), a second supplemental indenture dated as of June 8, 2023 between Auna Peru, as issuer, the guarantors party thereto, and the Existing Notes Trustee (the “Second Supplemental Indenture”) and a third supplemental indenture dated as of July 19, 2023 between the Issuer, as issuer, the guarantors party thereto, and the Existing Notes Trustee (the “Third Supplemental Indenture” and, together with the Base Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the “Existing Indenture”), under which the Existing Notes were issued. See “Description of the New Notes” and “Proposed Amendments to the Existing Indenture.” Each of the Exchange Offer and the Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing the other, provided that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Financing Condition (each as defined below).

The obligation of the Issuer to accept Existing Notes tendered and Consents delivered pursuant to the Exchange Offer and the Solicitation is subject to certain conditions, which include (i) the receipt of the Consents of Eligible Holders that, in the aggregate, represent not less than 80% in aggregate principal amount of the Existing Notes outstanding (the “Required Holders”), prior to the Expiration Deadline (the “Minimum Exchange Condition”) and (ii) the successful closing of the New Term Loan (as defined herein) on terms and conditions acceptable to the Issuer in its sole discretion (the “Financing Condition”). The Issuer may, in its sole discretion, waive the Minimum Exchange Condition, the Financing Condition or any other condition applicable to the Exchange Offer. See “Description of the Exchange Offer and the Solicitation—Conditions to the Exchange Offer and the Solicitation.”

Effective as of July 6, 2023 the Issuer merged with Auna S.A.A., the Issuer’s then sister company (“Auna Peru”) by way of absorption of Auna Peru by the Issuer pursuant (i) to article 344° and others of the Peruvian Corporate Law (*Ley General de Sociedades- Ley 26887*) and (ii) to article 1021-1 et seqq. of the Luxembourg law of August 10, 1915 on commercial companies, as amended.

The following table summarizes certain payment terms of the Exchange Offer and Solicitation:

Existing Notes	CUSIP/ISIN Numbers	Principal Amount Outstanding	Early Participation Premium ⁽¹⁾	Exchange Consideration ⁽²⁾	Total Consideration ⁽³⁾
6.500% Senior Notes due 2025	CUSIP: 05151V AA5 / P0592V AA6 ISIN: US05151VAA52 / USP0592VAA63	US\$300,000,000	US\$40.00	US\$1,000.00	US\$1,040.00

- (1) The Early Participation Premium for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline will be equal to US\$40.00 in principal amount of New Notes payable on the Settlement Date (as defined below).
- (2) Exchange Consideration per each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) after the Early Participation Deadline but on or prior to the Expiration Deadline. The Exchange Consideration will be payable in principal amount of New Notes on the Settlement Date. The Exchange Consideration does not include Accrued Interest (as defined herein). Accrued Interest will be paid in cash on the Settlement Date, together with additional amounts thereon, if any. Holders who validly tender Existing Notes after the Early Participation Deadline but prior to the Expiration Deadline will receive only the Exchange Consideration and Accrued Interest.
- (3) Total Consideration payable per each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline. The Total Consideration for the Existing Notes will be payable in principal amount of New Notes, in each case on the Settlement Date. The Total Consideration (i) includes the Early Participation Premium, and (ii) does not include Accrued Interest (as defined below), which will be paid in cash on the Settlement Date. Holders who tender after the Early Participation Deadline but prior to the Expiration Deadline will receive only the Exchange Consideration.

Upon the terms and subject to the conditions set forth in the Exchange Offer Documents (as defined below), Eligible Holders who validly tender Existing Notes and deliver Consents, and do not validly revoke such tenders and Consents, on or prior to the Early Participation Deadline and whose Existing Notes are accepted for exchange by us will receive the Total Consideration. Eligible Holders who validly tender Existing Notes and deliver Consents after the Early Participation Deadline and before the Expiration Deadline and whose Existing Notes are accepted for exchange by us will receive the Exchange Consideration. The exchange consideration for each US\$1,000.00 aggregate principal amount of Existing Notes is equal to US\$1,000.00 principal amount of New Notes (the “Exchange Consideration”). The early participation premium for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline will be equal to US\$40.00 in principal amount of New Notes, payable on the Settlement Date (the “Early Participation Premium”). The total consideration for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline is equal to US\$1,040.00 in principal amount of New Notes (the “Total Consideration”).

Eligible Holders whose Existing Notes are accepted for exchange will be paid accrued and unpaid interest on such Existing Notes from, and including, the most recent date on which interest was paid on such Holder's Existing Notes to, but not including, the Settlement Date (the "Accrued Interest"), together with additional amounts thereon, if any, payable in cash on the Settlement Date. Accrued Interest will be paid in cash on the Settlement Date. Interest will cease to accrue on the Settlement Date for all Existing Notes accepted for exchange in the Exchange Offer.

The New Notes will mature on December 15, 2029. Interest on the New Notes will accrue from the Settlement Date and will be payable semi-annually, in arrears on June 15 and December 15 of each year, commencing on June 15, 2024. The New Notes will be our senior secured obligations. The New Notes will be secured on a first-priority basis by security interests in the Collateral (as defined below). The New Term Loan will be secured on a *pari passu* basis with the New Notes by the same Collateral. See "Description of the New Notes—The Collateral" for a complete description of the Collateral. The New Notes will be unconditionally guaranteed (the "Guarantees") by certain of our subsidiaries (the "Guarantors"), jointly and severally, on a senior secured basis. Certain of our future subsidiaries may also become Guarantors under circumstances as further described herein. The New Notes and the Guarantees will (i) rank senior in right of payment to any of the Issuer's and the Guarantors' respective existing and future subordinated indebtedness; (ii) rank equal in right of payment with all of the Issuer's and the Guarantors' respective existing and future senior indebtedness, including obligations under the New Term Loan and the Existing Notes; (iii) rank senior in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a junior basis with the New Notes; (iv) rank equal in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a *pari passu* basis with the New Notes, including the New Term Loan; (v) rank effectively senior to any of the Issuer's and the Guarantors' respective existing and future senior indebtedness that is unsecured or that is secured by a lien ranking junior to the liens on the New Notes to the extent of the value of the Collateral; (vi) be effectively subordinated to all of the Issuer's and the Guarantors' respective existing and indebtedness secured by assets not constituting Collateral, to the extent of the value of such assets securing such indebtedness; (vii) be subordinated to any existing and future obligations of the Issuer and the Guarantors preferred by statute; and (viii) be structurally subordinated to all existing and future liabilities of any subsidiaries that do not provide a Guarantee. See "Description of the New Notes." At our option, on or after December 15, 2026, we may redeem the New Notes, in whole or in part, at the redemption prices set forth in this Exchange Offer Memorandum, plus accrued and unpaid interest, if any, plus additional amounts payable to the date of redemption. Prior to December 15, 2026, we may redeem the New Notes, in whole or in part, by paying the principal amount of the New Notes, plus the applicable "make-whole" premium and accrued and unpaid interest. Prior to December 15, 2026, we may also redeem up to 35% of the New Notes with the proceeds of certain equity offerings. See "Description of the New Notes—Optional Redemption." If a change of control as described in this Exchange Offer Memorandum occurs with respect to us, unless we have exercised our option to redeem the New Notes, each holder of the New Notes will have the right to require us to repurchase all or any part of that holder's New Notes at 101% of the aggregate principal amount of New Notes repurchased plus accrued and unpaid interest and additional amounts, if any. See "Description of the New Notes—Repurchase at the Option of Holders—Change of Control." The New Notes will be issued to Eligible Holders in minimum denominations of US\$1,000 and multiples of US\$1 above that amount.

The New Notes and the Guarantees have not been and will not be registered or qualified under the Securities Act of 1933, as amended (the "Securities Act"), any state securities laws or the securities laws of any other jurisdiction. The New Notes may not be offered or sold in the United States or to any "U.S. persons" (as defined in Rule 902 under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on resale and transfer of the New Notes, see "Transfer Restrictions" and "Notice to Certain Non-U.S. Holders" in this Exchange Offer Memorandum. The New Notes are being offered for exchange only (i) to Holders of Existing Notes that are reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof, and (ii) outside the United States, to Holders of Existing Notes who are not U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are non-U.S. qualified offerees (as defined under "Transfer Restrictions"). The Exchange Offer is also subject to limitations in certain other jurisdictions. See "Notice to Certain Non-U.S. Holders." Only Holders who have returned a duly completed Eligibility Letter (as defined below) certifying that they are within one of the categories described in the second preceding sentence and meet the other requirements set forth in "Description of the Exchange Offer and the Solicitation—Other Matters" are authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer and the Solicitation (such Holders, the "Eligible Holders"). Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Solicitation, and Holders may not deliver their Consents pursuant to the Solicitation without tendering their Existing Notes for exchange pursuant to the Exchange Offer. The tender of Existing Notes by a Holder for exchange pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments.

There is currently no public market for the New Notes. We intend to apply for the listing and quotation of the New Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Exchange Offer Memorandum. Approval in-principle from, admission to the Official List of, and listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer, the Issuer or any of its subsidiaries. For as long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes will be traded on the SGX-ST in a minimum board lot size of US\$1,000.

During the course of the Exchange Offer, on or about December 1, 2023, we expect to issue unaudited interim condensed consolidated financial statements as of September 30, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of a supplement hereto.

Neither the U.S. Securities Exchange Commission (the "SEC") nor any state securities commission or any other regulatory body has approved or disapproved of these securities or determined if this Exchange Offer Memorandum is accurate or complete, passed upon the merits or fairness of the Exchange Offer or passed upon the adequacy or accuracy of the disclosure in this Exchange Offer Memorandum. Any representation to the contrary is a criminal offense.

You should consider the risk factors beginning on page 36 of this Exchange Offer Memorandum before you decide whether to participate in the Exchange Offer and the Solicitation of Consents, and invest in the New Notes.

Dealer Managers and Solicitation Agents

Citigroup

HSBC

Santander

BTG Pactual

November 10, 2023

IMPORTANT DATES AND TIMES

Please take note of the following important dates and times in connection with the Exchange Offer and the Solicitation.

Date	Calendar Date	Event
Commencement of the Exchange Offer and the Solicitation	November 10, 2023.	The day the Exchange Offer and the Solicitation are announced and this Exchange Offer Memorandum is made available to Eligible Holders.
Early Participation Deadline	5:00 p.m., New York City time, on November 28, 2023, unless extended or earlier terminated by the Issuer, in its sole discretion, in which case the term “Early Participation Deadline” will mean the latest date and time to which it is extended.	The deadline for Eligible Holders to validly tender Existing Notes for exchange for New Notes and deliver Consents in order to be eligible to receive the Total Consideration on the Settlement Date.
Withdrawal Deadline	5:00 p.m., New York City time, on November 28, 2023, unless extended or earlier terminated by the Issuer, in its sole discretion, in which case the term “Withdrawal Deadline” will mean the latest date and time to which it is extended.	The deadline for Existing Notes validly tendered for exchange and Consents validly delivered prior to the Early Participation Deadline to be validly withdrawn and revoked, unless a later deadline is required by law. See “<i>Description of the Exchange Offer and the Solicitation—Withdrawal of Tenders and Revocation of Consents.</i>” At any time after the Withdrawal Deadline and before the Expiration Deadline, if the Minimum Exchange Condition has been satisfied or waived by the Issuer and the Issuer has received the Consents from holders that, in the aggregate, represent not less than 50% in aggregate principal amount of the Existing Notes outstanding (the “Majority Holders”), on such date, each of the Issuer, the guarantors of the Existing Notes and the Existing Notes Trustee may execute and deliver a fourth supplemental indenture to the Existing Indenture (the “Fourth Supplemental Indenture”). The Fourth Supplemental Indenture will give effect to the Proposed Amendments to the Existing Notes, that will be effective upon execution. However, the Fourth Supplemental Indenture, by its terms, will provide that the Proposed Amendments will not become operative unless and until the Total Consideration and the Exchange Consideration, as applicable, is paid to tendering holders of the Existing Notes at the Settlement Date.

Date	Calendar Date	Event
		Unless the context indicates otherwise, all references to a valid tender of the Existing Notes and delivery of the Consents in this Exchange Offer Memorandum shall mean that such Existing Notes and such Consents have been validly tendered or delivered, at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable, and such tender or delivery has not been validly withdrawn or revoked at or prior to the Withdrawal Deadline.
Exchange Offer Memorandum Supplement Date	On or about December 1, 2023.	We expect to issue our unaudited condensed consolidated financial statements as of September 30, 2023 on or about December 1, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of a supplement hereto.
Expiration Deadline	5:00 p.m., New York City time, on December 12, 2023, unless extended or terminated earlier by the Issuer, in its sole discretion, in which case the term “Expiration Deadline” will mean the latest date and time to which it is extended.	The deadline for Eligible Holders to validly tender Existing Notes for their exchange for New Notes and deliver Consents to be eligible to receive the Exchange Consideration on the Settlement Date.
Settlement Date	The “Settlement Date” will be promptly following the Expiration Deadline and is expected to be the third business day after the Expiration Deadline. The expected Settlement Date is December 15, 2023, unless extended.	New Notes will be issued in connection with the exchange of any Existing Notes validly tendered in the Exchange Offer and accepted by the Issuer prior to the Expiration Deadline, in the amount and manner described in this Exchange Offer Memorandum.

The above times and dates are subject to the Issuer’s right to extend, amend and/or terminate the Exchange Offer and/or the Solicitation of Consents (subject to applicable law and as provided in this Exchange Offer Memorandum). To the extent that the Exchange Offer is extended and the settlement date is changed, the maturity final date, interest payment dates, redemption date and other dates that correspond to the issuance date of the New Notes may be modified accordingly. Each of the Exchange Offer and the Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing the other, provided that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Financing Condition. Eligible Holders of Existing Notes are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes as to when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in this Exchange Offer Memorandum. The deadlines set by any such intermediary, The Depository Trust Company (“DTC”), Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, *société anonyme* (“Clearstream”) for the submission of tender instructions may be earlier than the relevant deadlines specified above.

TABLE OF CONTENTS

	<u>Page</u>
Important Dates and Times.....	i
About This Exchange Offer Memorandum and Consent Solicitation Statement	iv
General Matters	vii
Notice to Certain Investors	viii
Available Information.....	x
Cautionary Statement Regarding Forward-Looking Statements	xi
Presentation of Financial and Certain Other Information.....	xiii
Summary.....	1
Summary of the Exchange Offer and the Solicitation	16
Summary of the New Notes.....	23
Auna Summary Financial And Other Information	30
Grupo OCA Summary Financial and Other Information.....	35
Risk Factors	36
Description of the Exchange Offer and the Solicitation	76
Proposed Amendments to the Existing Indenture.....	88
Use of Proceeds	90
Capitalization.....	91
Unaudited Pro Forma Combined Financial Information	92
Management’s Discussion and Analysis of Financial Condition and Results of Operations	95
Industry.....	118
Business	147
Management	187
Principal Shareholders	192
Related Party Transactions	193
Description of the New Notes.....	195
Book-Entry, Delivery and Form	264
Transfer Restrictions.....	268
Notice to Certain Non-U.S. Holders	272
Certain Tax Considerations	277
Certain Considerations for ERISA and Other Benefit Plan Investors	287
Information Related to the Exchange Agent, the Information Agent and the Dealer Managers	289
Legal Matters.....	291
Independent Auditors	292
Enforcement of Judgments and Certain Limitations on Validity and Enforceability of the New Notes, the Guarantees and the Security Interests	293
Listing and General Information.....	309
Index to Financial Statements.....	F-1

ABOUT THIS EXCHANGE OFFER MEMORANDUM AND CONSENT SOLICITATION STATEMENT

In this Exchange Offer Memorandum, unless otherwise indicated or the context otherwise requires, all references in this Exchange Offer Memorandum to:

- “Auna,” the “Issuer,” the “Company,” “we,” “our” and “us” are to, as the context requires, Auna S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg with its registered office located at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B267590 and its consolidated subsidiaries after giving effect to the merger with Auna S.A.A. or to Auna S.A.A. and its consolidated subsidiaries prior to the merger;
- “COP” and “Colombian peso” are to the lawful currency of Colombia;
- “Dealer Managers” are to Citigroup Global Markets Inc., HSBC Securities (USA) Inc., Santander US Capital Markets LLC and Banco BTG Pactual S.A. – Cayman Branch, the Dealer Managers and Solicitation Agents for the Exchange Offer and the Solicitation;
- “Enfoca” are to Enfoca Sociedad Administradora de Fondos de Inversión S.A., a corporation (*sociedad anónima*) and/or to the group of entities affiliated with Enfoca Sociedad Administradora de Fondos de Inversión S.A., as the context requires;
- “EPS” and “EPSs” are to *Entidades Proveedoras de Salud* in Peru or *Entidades Promotoras de Salud* in Colombia, as the context requires. EPSs in Peru are private health insurance companies that provide EPS plans, a type of private insurance plan funded through a percentage of contributions to Seguro Social de Salud del Perú (“EsSalud”), the social security regime in Peru. EPSs in Colombia are institutions responsible for collecting and managing funds contributed to the social security system in Colombia by employers and employees and for providing the general and mandatory health insurance plans in Colombia. See “Industry—The Peruvian Healthcare Sector” and “Industry—The Colombian Healthcare Sector;”
- “EUR” and “euro” are to the lawful currency of the European Monetary Union;
- “Exchange Agent” or the “Information Agent” are to Global Bondholder Services Corporation;
- “MXN” and “Mexican peso” are to the lawful currency of Mexico;
- “S/” and “sol” are to the lawful currency of Peru;
- “Transaction” are to the Exchange Offer and the New Term Loan, including the use of proceeds therefrom as described elsewhere in this Exchange Offer Memorandum;
- “Trustee” are to Citibank, N.A., acting in such capacity under the Existing Indenture and the indenture governing the New Notes (the “New Notes Indenture”), as applicable; and
- “US\$” and “U.S. dollars” are to the lawful currency of the United States of America.

None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent have authorized anyone to provide you with any information or to make any representation not contained, or incorporated by reference, in this Exchange Offer Memorandum or to which we have referred you. Accordingly, none of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent takes responsibility for, and can provide no assurance as to the reliability of, any other information. You should assume that the information appearing in this Exchange Offer Memorandum is accurate only as of the date on the front cover of this

Exchange Offer Memorandum. Neither the delivery of this Exchange Offer Memorandum nor any exchange hereunder will, under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof, or that there has been no change in the affairs of the Issuer as of such date. Our business, financial condition, results of operations and prospects may have changed since such date.

Neither we nor the Dealer Managers are making, and this Exchange Offer Memorandum does not constitute, an offer or sale of New Notes, or an offer or an invitation by, or on behalf of, us or by, or on behalf of, the Dealer Managers to participate in the Exchange Offer in any jurisdiction in which it is unlawful to make such an offer, sale or solicitation. The distribution of this Exchange Offer Memorandum and the Exchange Offer of the Existing Notes for the New Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Memorandum comes are required by us and the Dealer Managers to inform themselves about and to observe any such restrictions. This Exchange Offer Memorandum may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. See “Notice to Certain Non-U.S. Holders.”

This Exchange Offer Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Exchange Offer and an investment in the New Notes (i) to Holders that are reasonably believed to be QIBs in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to Holders who are not “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are non-U.S. qualified offerees (as defined under “Transfer Restrictions”). The Exchange Offer and issuance of the New Notes are also subject to limitations in certain other jurisdictions. See “Notice to Certain Non-U.S. Holders.” Only Holders who have returned a duly completed eligibility letter related to this Exchange Offer Memorandum certifying that they are within one of the categories described in the second preceding sentence (the “Eligibility Letter” and, together with this Exchange Offer Memorandum, the “Exchange Offer Documents”) and meet the other requirements set forth in “Description of the Exchange Offer and the Solicitation—Other Matters” are authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer and the Solicitation.

The use of this Exchange Offer Memorandum for any other purpose is not authorized. Distribution of this Exchange Offer Memorandum to any person other than the offeree and any person retained to advise such offeree with respect to its participation in the Exchange Offer is unauthorized, and any disclosure of any of its contents is prohibited. Each prospective participant in the Exchange Offer, by accepting delivery of this Exchange Offer Memorandum, agrees to the foregoing and to make no copies or reproductions of this Exchange Offer Memorandum or any Exchange Offer Documents in whole or in part.

We are relying on exemptions from registration under the Securities Act for the Exchange Offer of the Existing Notes for the New Notes that do not involve a public offering. Because the New Notes have not been and will not be registered under the Securities Act or any other laws, they are subject to certain restrictions on transfer. You should read the information contained under “Transfer Restrictions” in this Exchange Offer Memorandum for a description of the restrictions on transfers of beneficial interests in the New Notes. By delivering the Eligibility Letter related to this Exchange Offer Memorandum and by tendering your Existing Notes and accepting the New Notes in the Exchange Offer, you will be agreeing with certain statements, and you will be making certain acknowledgements, representations and agreements, described under “Transfer Restrictions” and “Description of the Exchange Offer and the Solicitation—Other Matters” in this Exchange Offer Memorandum. You may be required to bear the financial risks of your investment for an indefinite period of time.

Neither the SEC nor any other regulatory body has registered, recommended or approved of these securities or passed upon the accuracy or adequacy of this Exchange Offer Memorandum. Any representation to the contrary is a criminal offense. Neither we nor the Dealer Managers are making any representations to any offeree of the New Notes described herein regarding the legality of an investment therein by such offeree under applicable legal investment or similar laws or regulations. None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee, the Exchange Agent or the Information Agent makes any recommendation as to whether or not Eligible Holders of the Existing Notes should exchange their Existing Notes or deliver Consents in the Exchange Offer and the Solicitation.

You should read this entire Exchange Offer Memorandum and any related documents and any amendments or supplements carefully before making your decision to participate in the Exchange Offer. In making an investment decision regarding the New Notes, you must rely on your own examination of us, the terms of the Exchange Offer, the terms of the Solicitation of Consents and the terms of the New Notes, including the merits and risks involved. You should not consider any information in this Exchange Offer Memorandum to be legal, business, financial or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of participating in the Exchange Offer.

This Exchange Offer Memorandum contains summaries of certain documents which we believe are accurate. We refer you to the actual documents and information for a more complete understanding of what is discussed in this Exchange Offer Memorandum, and we qualify all summaries by such reference. We will make copies of such documents and information available to you upon request. Eligible Holders must tender their Existing Notes in accordance with the procedures described under “Description of the Exchange Offer and the Solicitation—Procedures for Tendering.”

Any questions regarding the terms of the Exchange Offer and the Solicitation should be directed to the Dealer Managers. The addresses and telephone numbers of the Dealer Managers are listed on the back-cover page of this Exchange Offer Memorandum. Any questions concerning tender procedures and requests for additional copies of the Exchange Offer Documents should be directed to the Information Agent at its address or telephone numbers listed on the back-cover page of this Exchange Offer Memorandum. Any questions concerning the terms of the Exchange Offer should be directed to the Dealer Managers at the telephone numbers listed on the back-cover page of this Exchange Offer Memorandum.

After the Expiration Deadline, the Issuer or any of its affiliates may, from time to time, purchase additional Existing Notes in the open market, in privately negotiated transactions, through cash tender offers, exchange offer or otherwise, or the Issuer may redeem Existing Notes pursuant to the terms of the Existing Indenture or repay the Existing Notes at or prior to maturity. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Existing Notes than the terms of the Exchange Offer and, in either case, could be for cash or other consideration. Any future purchases or transactions will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future.

GENERAL MATTERS

The information in this Exchange Offer Memorandum relates to an exchange offer that is exempt from the registration requirements under the Securities Act. The information included in this Exchange Offer Memorandum is not intended to, and does not, comply with all of the disclosure requirements of the SEC that would apply if the Exchange Offer and the Solicitation of Consents were being made pursuant to a registration statement filed with the SEC. Compliance with such requirements could require the modification or exclusion of certain financial measures, and the presentation of certain other information not included in this Exchange Offer Memorandum or the exclusion of certain information included herein. There are no SEC registration rights associated with the New Notes, and we have no intention to offer to exchange the New Notes pursuant to a registration statement to be filed with the SEC. The New Notes Indenture will not be qualified under the Trust Indenture Act of 1939, as amended. Our financial statements included elsewhere in this Exchange Offer Memorandum have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board.

This Exchange Offer Memorandum does not contain, nor does it purport to contain, a summary of all of the terms and conditions of the New Notes. Any reference in this Exchange Offer Memorandum to the terms and conditions of the New Notes is qualified in its entirety by the terms and conditions of the New Notes Indenture. See “Description of the New Notes.”

NOTICE TO CERTAIN INVESTORS

Notice to Investors within the United Kingdom

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Notice to Investors within the European Economic Area

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA, has been prepared and therefore offering the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

We have not authorized the making of any offer (other than permitted public offers) of New Notes in circumstances in which an obligation arises for us to publish a prospectus for such offer.

Notice to Investors within Canada

The New Notes may be sold only to purchasers in the provinces of Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Notice to Residents in the Republic of Colombia

The New Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore,

foreign financial entities must abide by the terms of Decree 2558 of 2007 to offer privately the New Notes to their Colombian clients.

Notice to Residents in Mexico

The New Notes have not and will not be registered with the RNV maintained by the CNBV and, therefore, the New Notes may not be offered or sold publicly in Mexico; however, the New Notes may be offered and sold in Mexico to investors that qualify as institutional or accredited investors under the LMV and regulations thereunder, on a private placement basis. The information contained in this Exchange Offer Memorandum is exclusively the responsibility of the Company and has not been reviewed or authorized by the CNBV. In making an investment decision, all investors, including any Mexican investor, who may acquire New Notes must rely on their own examination of us.

Notice to Prospective Investors in Peru

The New Notes will not be subject to a public offering in Peru. This prospectus supplement and the New Notes have not been, and will not be, registered with or approved by the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*, or “SMV”) or the Lima Stock Exchange (*Bolsa de Valores de Lima*, or “BVL”). Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the New Notes and, therefore, the disclosure obligations set forth therein will not be applicable to the issuer, the Guarantors before or after their acquisition by prospective investors. This Exchange Offer Memorandum and other offering materials relating to the offer of the New Notes and the Guarantees are being supplied to those Peruvian institutional investors who have expressly requested them. Such materials are strictly confidential and may not be distributed to any person or entity other than the intended recipients.

Accordingly, the New Notes cannot be offered or sold in Peru, except if (i) the New Notes are previously registered with the SMV or (ii) such offering is considered to be a private offering under the securities laws and regulations of Peru. The Peruvian securities laws establish, among other things, that an offer directed exclusively to institutional investors (as defined under Peruvian law) qualifies as a private offering. In making an investment decision, institutional investors (as defined under Peruvian law) must rely on their own examination of the terms of the offering of the New Notes to determine their ability to invest in the New Notes. No offer or invitation to subscribe for or sell the New Notes or beneficial interests therein can be made in Peru except in compliance with the securities laws thereof.

AVAILABLE INFORMATION

For so long as any New Notes are “restricted securities” within the meaning of Rule 144A(a)(3) under the Securities Act, the Issuer will furnish, upon the request of any holder or beneficial owner of such restricted securities, such information as is specified in Rule 144A(d)(4) under the Securities Act (i) to such holder or beneficial owner, (ii) to a prospective purchaser of such restricted securities (or a beneficial interest therein) who is a QIB designated by such holder or beneficial owner and to the trustee for the New Notes for delivery to such holder, beneficial owner or prospective purchaser, in each case in order to permit compliance by such holder, beneficial owner or prospective purchaser with Rule 144A under the Securities Act.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Exchange Offer Memorandum includes forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this Exchange Offer Memorandum regarding our business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of the Existing Notes and the New Notes, and those statements preceded by, followed by or that otherwise include the words “may,” “might,” “will,” “would,” “could,” “should,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “target,” “goal,” “guidance,” “budget,” “plan,” “objective,” “potential,” “seek,” or similar expressions or variations on these expressions are forward-looking statements. We can give no assurances that the assumptions upon which the forward-looking statements are based will prove to be correct or that, even if correct, intervening circumstances will not occur to cause actual results to be different than expected. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements, including, but not limited to:

- the form and results of the Exchange Offer and the Solicitation of Consents;
- our ability to comply with covenants in the Existing Indenture;
- our ability to obtain amendments to the covenants in the Existing Indenture;
- our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate;
- our ability to estimate and control healthcare costs, or if we cannot increase our prices to offset cost increases or expenditure increases, at our hospitals and clinics and with respect to our oncology plans;
- our relationships with third-party payers;
- our significant reliance on our information technology systems and the potential consequences of a failure of such systems;
- our ability to provide high-quality, advanced care for a broad array of medical needs to maintain and expand our markets;
- our ability to maintain sufficient funds to settle current liabilities;
- competition in fragmented markets like Mexico, Peru and Colombia;
- our ability to recruit and retain quality medical professionals;
- our relationships with unaffiliated physicians in Mexico;
- acquisitions, partnerships or joint ventures that we make or enter into;
- our ability to integrate our acquired facilities or obtain the expected benefits from such acquisitions;
- our ability to collect rent payments from third-party physicians in Mexico and such tenants’ ability to make those payments;
- our ability to execute our organic growth plan, which includes the construction of additional hospitals and clinics as well as expansion of our existing facilities;
- our internal control over financial reporting;

- our ability to continue growing our business at historical rates;
- our reliance on a limited number of suppliers of medical equipment, medicines and other supplies needed to provide our medical services;
- our compliance with extensive legislation and regulations, including privacy laws in Mexico, Peru and Colombia;
- our ability to obtain registrations, authorizations, licenses and permits for the establishment and operation of our hospitals and clinics;
- our ability to develop and commercialize new products and services under Oncosalud;
- our exposure to liabilities from claims brought against our healthcare professionals or our facilities;
- our exposure to litigation and other legal, labor, administrative and regulatory proceedings to which we are subject;
- insufficiency of our insurance policies to cover potential losses;
- any loss of members of our senior management team;
- our ability to maintain favorable labor relations with our employees;
- our reliance, as a holding company, on our subsidiaries to conduct all of our operations, and the ability of our subsidiaries to pay dividends and make other distributions to us which could adversely affect our ability to service our debt and other obligations;
- our significant indebtedness;
- economic, social and political developments in Mexico, Peru and Colombia, including political and economic instability, regime change, violence, inflation and unemployment;
- adverse climate conditions and other natural disasters;
- the concentration of our operations in Peru, Monterrey and Medellín;
- corruption and ongoing high-profile corruption investigations in Mexico, Peru and Colombia which could have an adverse effect on the Mexican, Peruvian and Colombian economies;
- developments and the perception of risk in other countries, especially emerging market countries;
- variations in foreign exchange rates;
- changes in tax laws in Mexico, Peru, Colombia and Luxembourg or any other relevant jurisdiction which may increase our tax liabilities; and
- other factors identified or discussed under “Risk Factors.”

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The information included herein is given as of the date of this Exchange Offer Memorandum and, except as otherwise required by securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to, or to withdraw, any forward-looking statement contained in this Exchange Offer Memorandum to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Change of Corporate Name and Form

Prior to July 6, 2023, as Auna Peru, we were incorporated in Peru as an openly held corporation (*sociedad anónima abierta*) named Auna S.A.A. On July 6, 2023, we redomiciled to Luxembourg by way of a merger with Auna S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office located at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B267590, Auna S.A. being the surviving entity.

In this Exchange Offer Memorandum, “Auna,” the “Company,” “our company,” “we,” “us” and “our” may refer, as the context requires, to Auna S.A. and its consolidated subsidiaries after giving effect to the merger or to Auna S.A.A. and its consolidated subsidiaries prior to the merger.

Financial Statements

Our consolidated financial statements included in this Exchange Offer Memorandum have been prepared in *soles*. Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board. The unaudited condensed consolidated interim financial statements were prepared in accordance with IAS 34 *Interim Financial Reporting*. Our financial information contained in this Exchange Offer Memorandum includes our audited consolidated financial statements as of and for the years ended December 31, 2022, 2021 and 2020 and our unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2023 and 2022.

On October 5, 2022, we acquired 100% of the outstanding share capital of Hospital y Clínica OCA, S.A. de C.V. (“OCA”) DRJ Inmuebles, S.A. de C.V. (“DRJ”), Inmuebles JRD 2000, S.A. de C.V. (“Inmuebles JRD 2000”), and Togleja HG, S.A. de C.V. (“Togleja” and together with OCA, DRJ and Inmuebles JRD 2000, “Grupo OCA”), a leading healthcare group in Monterrey, Mexico. The aggregate purchase price was S/2,683 million (US\$739.5 million). We funded our purchase of Grupo OCA through the incurrence of indebtedness, as well as a capital contribution by certain of our shareholders, which they financed through the incurrence of indebtedness (the “Sponsor Financing”) and pledged substantially all of the shares they hold in us in connection therewith. We are not a party to nor do we guarantee, nor are we otherwise liable with respect to the debt under, the Sponsor Financing. For additional information, see “Principal Shareholders.” The audited combined financial statements of Grupo OCA as of October 4, 2022 and for the period from January 1 to October 4, 2022, together with the notes thereto, were prepared in accordance with IFRS and are included elsewhere in this Exchange Offer Memorandum.

This Exchange Offer Memorandum includes certain unaudited pro forma combined financial information giving pro forma effect to our acquisition of Grupo OCA as if it had occurred on January 1, 2022. A pro forma statement of financial position as of December 31, 2022 is not presented or required given that the statement of financial position in our consolidated financial statements for the year ended December 31, 2022 already includes our acquisition of Grupo OCA. See “Unaudited Pro Forma Combined Financial Information.”

Our fiscal year ends on December 31. References in this Exchange Offer Memorandum to a fiscal year refer to our fiscal year ended on December 31 of that calendar year.

Currency Translations

We have translated some of the *sol* amounts contained in this Exchange Offer Memorandum into U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate *sol* amounts to U.S. dollars was S/3.6280 to US\$1.00, which was the exchange rate reported on June 30, 2023 by the Peruvian *Superintendencia de Banca, Seguros y AFPs* (“SBS”). We have also translated certain Colombian *peso* amounts contained in this Exchange Offer Memorandum into Peruvian *soles* or U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate Colombian *peso* amounts to Peruvian *soles* was COP 1,152.72 to S/1.00 and the rate used to translate Colombian *peso* amounts to U.S. dollars was COP4,191.28 to US\$1.00, which in each case was the exchange rate reported on June 30, 2023 by the Central Bank of Colombia (*Banco de la República*). We have also translated certain Mexican

peso amounts contained in this Exchange Offer Memorandum into Peruvian *soles* or U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate Mexican *peso* amounts to Peruvian *soles* was MXN4.7189 to S/1.00 and the rate used to translate Mexican *peso* amounts to U.S. dollars was MXN17.1187 to US\$1.00, which in each case was the exchange rate reported on June 30, 2023 by the Mexican Central Bank (*Banco de México*) and published in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*). These translations are provided solely for convenience of investors and should not be construed as implying that the *soles*, Colombian *pesos*, Mexican *pesos* or other currency amounts represent, or could have been or could be converted into, U.S. dollars or Peruvian *soles*, as applicable, at such rates or at any other rate.

Rounding

Certain figures included in this Exchange Offer Memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

In preparing our audited consolidated financial statements as of and for the fiscal years ended December 31, 2022, 2021 and 2020, and our unaudited condensed consolidated interim financial statements as of June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, numerical figures are presented in thousands of Peruvian *soles*, unless otherwise noted.

The aggregations of figures derived from our financial statements may be computed using the corresponding figure expressed in thousands of Peruvian *soles* in our financial statements rather than being calculated on the basis of the financial information that has been subjected to rounding adjustments in this Exchange Offer Memorandum.

Non-GAAP Financial Measures

We use EBITDA, Segment EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin, which are non-GAAP financial measures, in this Exchange Offer Memorandum. A non-GAAP financial measure is generally defined as one that purports to measure financial performance but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure.

We calculate EBITDA as profit (loss) for the period plus income tax expense, net finance cost and depreciation and amortization. EBITDA is a key metric used by management and our board of directors to assess our financial performance. We calculate Segment EBITDA as segment profit before tax plus net finance cost and depreciation and amortization. We calculate Adjusted EBITDA as profit (loss) for the period plus income tax expense, net finance cost, depreciation and amortization, pre-operating expenses for projects under construction and business development (income) expenses for expansion into new markets. We calculate EBITDA Margin as EBITDA divided by total revenue from contracts with customers. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue from contracts with customers.

We present EBITDA, Segment EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, management and our board of directors use EBITDA, Segment EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin to assess our financial performance and believe they are helpful in highlighting trends in our core operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding the growth of our business.

EBITDA, Segment EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin are not measures of operating performance under IFRS and have limitations as analytical tools. You should not consider such measures either in isolation or as substitutes for analyzing our results as reported under IFRS. Additionally, our calculations of EBITDA, Segment EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin may be different from the calculations used by other companies for similarly titled measures, including our competitors, and therefore may not be comparable to those of other companies. For reconciliations of EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin to profit (loss) for the period and Segment EBITDA to segment profit (loss) before tax for the period, in each case, the most directly comparable IFRS measure, see “Auna Summary Financial and Other Information—Key Performance Indicators.”

Medical Loss Ratio

We use medical loss ratio (“MLR”), in this Exchange Offer Memorandum. MLR is calculated as (i) claims for medical treatment generated by our prepaid oncology and general healthcare plans plus (ii) technical reserves relating to plan members treated pursuant to such plans, whether at our facilities or third-party facilities, divided by revenue generated by our prepaid oncology and general healthcare plans. We believe that MLR is an important measure of our operating performance in our healthcare coverage business as it is an indicator of the percentage of payments under our oncology plans that is used for medical treatment as compared to administrative costs and is widely used in the healthcare industry as a measure of operating efficiency.

Industry and Market Data

We make estimates in this Exchange Offer Memorandum regarding our competitive position and market share, as well as the market size and expected growth of the healthcare industries in Mexico, Peru and Colombia. We have made these estimates on the basis of our management’s knowledge and statistics and other information from the following sources: the Mexican *Secretaría de Salud*, the Mexican *Instituto Nacional de Estadística y Geografía* (“INEGI”), the Mexican *Colegio Nacional de Especialistas en Medicina Integrada* (“CONAEMI”), the *Asociación Mexicana de Instituciones de Seguros* and the Mexican *Estadísticas de Salud en Establecimientos Particulares* (“ESEP”), EsSalud, the Peruvian *Superintendencia Nacional de Salud* (“SUSALUD”), the Peruvian Ministry of Health (“MINSA”), the Colombian *Superintendencia Nacional de Salud* (“SUPERSALUD”), the Colombian Ministry of Health and Social Protection (“MinSalud”), the World Health Organization (“WHO”), the SBS, Fitch Solutions, Emerging Markets Information System (“EMIS”) and the Economist Intelligence Unit (“EIU”), among others.

Industry publications, governmental publications and other market sources, including those referred to above, generally state that the information they include has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. In addition, the data that we compile internally and our estimates have not been verified by an independent source. Except as disclosed in this Exchange Offer Memorandum, none of the publications, reports or other published industry sources referred to in this Exchange Offer Memorandum were commissioned by us or prepared at our request. Except as disclosed in this Exchange Offer Memorandum, we have not sought or obtained the consent of any of these sources to include such market data in this Exchange Offer Memorandum.

We believe such sources are the most recently available as of the date of this Exchange Offer Memorandum, from government agencies, industry professional organizations, industry publications and other sources. We believe these estimates to be accurate as of the date of this Exchange Offer Memorandum.

SUMMARY

This summary highlights information contained elsewhere in this Exchange Offer Memorandum but does not contain all the information that may be important to you. Before making an investment decision, you should read this entire Exchange Offer Memorandum. You should also carefully consider the information set forth under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the consolidated financial statements and accompanying notes thereto appearing elsewhere in this Exchange Offer Memorandum.

The Auna Way

Our mission is to lead the transformation toward a significantly improved and highly integrated healthcare system throughout Spanish-speaking Latin America (“SSLA”). Our focus lies in providing access to high-quality healthcare, incentivizing prevention and concentrating on some of the high-complexity diseases that contribute the most to healthcare expenditures. Our model offers an accessible and integrated healthcare experience to a broad segment of the population in the markets we serve. We offer a unique end-to-end healthcare ecosystem by leveraging our patient-centric model, high-complexity-focused medical capabilities, unique healthcare plans and digital platform. This ecosystem provides our members and patients with access to life-long high-quality healthcare and empowers them to be in control of their own health journey, while offering them exceptional patient experiences and medical resolutions in their disease care. Our care delivery approach reflects our human-centered and patient-obsessed lens, which combined with our wide-ranging practices and capabilities across our ecosystem, enables us to provide cutting-edge services and deliver excellent patient outcomes.

Our unique operating model is what we call the “Auna Way.” The Auna Way is our approach to effectively managing our businesses and operations; creating high value for patients, families, and our staff; and achieving sustainable competitive advantages. It is our corporate DNA, our organization’s spirit and our deeper meaning; the one we revert to for clarity of action.

Our mission is underpinned by the Auna Way’s key pillars:

- I. We are committed to amplifying access to a life-long ecosystem of health and well-being, incentivizing prevention, and focusing on the few diseases that are the biggest part of healthcare expenditures. We empower our users to be in control of their health journey, by providing them with life-long care for the entire family, which we believe makes us many patients’ preferred healthcare partner. We want to lead the improvement of access to healthcare by bringing affordability and immediacy to a large portion of the populations we serve.
- II. Our patient-centric approach prioritizes the human element, the patient and family, and we strive to deliver Auna to their service. This results in high patient satisfaction and robust patient demand, positioning Auna as one of the premier healthcare providers in our markets, which is integral to enabling sustainable growth. We ease patient engagement and support life journeys through health and disease, from prevention to early detection, to early treatment, to disease management and recovery. We recognize the immense market potential for catering to this fundamental need.
- III. We relentlessly pursue excellent medical outcomes, by providing cutting-edge services and fostering evidence-based medicine, with patient well-being as the ultimate benchmark of quality and success. We are laser-focused on high-complexity care and are establishing Centers of Excellence in strategic high-complexity diseases. High-complexity care relates to highly specialized medical care, including specialized equipment and expertise, usually provided over an extended period of time, that involves advanced and complex diagnostics, procedures and treatments performed by medical specialists in state-of-the-art facilities. We have established Auna as a leading provider of cancer management in SSLA and seek to equal these capabilities in cardiology, neurology and emergency trauma. Our aim is to continue scaling, outperforming and deploying end-to-end solutions in key medical specialties and attend to the robust market demand for superior healthcare solutions in the markets where we operate.

- IV. We aim to standardize and scale first-in-class medical protocols for increased predictability and better outcomes, to establish care ecosystems through our horizontal integration and to increase population health-based offerings and unlock access to health, through our vertical integration. We leverage technology to enhance our traditional healthcare platform, delivering an innovative healthcare experience to our patients, while allowing us to efficiently expand our reach.
- V. We focus on sustainable, deliberate and congruent growth. We want to continue growing organically by optimizing assets and concentrating spare capacity towards higher complexity and inorganically by completing the current urban and national ecosystems in the markets where we operate.
- VI. Our operations rest on the solid foundation of our organizational culture, as all we achieve depends on our strongest asset: our people. Every person at Auna embodies our principles of caring for patients, families, members and staff; transforming healthcare in our region; being passionate about human-centeredness and excellence; and surprising with a superb and seamless healthcare experience and high-quality services. These cultural principles contribute to our institutional excellence in the pursuit of the best possible outcomes.

This combination of mission, values, and practices put in place within our organization is what truly defines the Auna Way. It is the corporate strategy that propels us to continue transforming healthcare in the region by effectively managing our business and operations, creating high value for our patients and members, their families and our staff, while achieving sustainable competitive advantages.

Our Model

Our business model closely reflects the key tenets of the Auna Way and is integrated both horizontally and vertically. It is also distinguished by an end-to-end ecosystem that bridges physical and virtual care delivery, integrated with affordable healthcare plans and telehealth service packages that provide additional access to the populations we serve. Our care delivery ecosystem consists of virtual care, at-home care and a range of high-quality, in-person services provided through our network of medium-to-high-complexity focused hospitals, clinics and outpatient facilities. Over the past five years, we have built one of SSLA's largest and most modern healthcare platforms that consists of two key components: a horizontally integrated network of healthcare facilities across SSLA (our "Healthcare Network") and a vertically integrated portfolio of oncological plans and selected general healthcare plans (our "Healthcare Plans"). We believe ours to be the only platform with a truly regional footprint in SSLA. We seek to operate in under-penetrated markets, characterized by limited access to medical care, a poor quality of clinical services, and deficient public healthcare infrastructure. We believe that the Auna Way provides us with a differentiated operating ability to serve these markets, which is further complemented by our robust platform that can efficiently scale to serve all segments of the population and unlock operating efficiencies. We have implemented this business model throughout our regional network, and it is currently in different stages of completion in each of our markets.

Highlights of our integrated platform include:

- ***Horizontally integrated healthcare network facilities:*** We own and operate networks of premium hospitals and clinics providing high-quality care at all levels of complexity in the three markets in which we operate. As of June 30, 2023, our network of facilities included 15 hospitals with 2,301 beds and 16 outpatient, prevention and wellness facilities in Mexico, Peru, and Colombia. Each component of our healthcare ecosystem is integrated through our scaled platform, standardized clinical best practices and protocols, and centralized operational and administrative support function. This cohesive approach improves our operating efficiency by better supporting providers and employees as they deliver exceptional care and an exceptional experience to the more than 1.0 million patients we serve annually. During the six-month period ended June 30, 2023, our medical staff carried out over 530,000 in-person interactions as well as over 43,000 procedures, of which 35% were from high-complexity related specialties, while maintaining a net promoter score ("NPS") of 80.0 in Mexico, 62.3 in Peru, and 80.2 in Colombia as of June 30, 2023. These scores compare favorably with other large healthcare networks in Latin America, such as Rede D'Or and Diagnosticos da America ("DASA"), with scores of 56.0 and 71.0, respectively, as of 2022.

- ***Vertically integrated portfolio of mono-risk plans and selected general healthcare plans:*** Fully vertically integrated with our healthcare provider network in Peru, we provide prepaid health plans in Peru. We are the leading private healthcare plan provider in Peru, with 29.3% market share, which we believe is a reflection of our robust offering of moderately priced and innovative plans, that incorporate preventative care, early detection services, early treatment and complex care. Oncosalud, our mono-risk, now principally oncological healthcare plan business founded in 1989, had over 940,000 memberships as of June 30, 2023. Our selected general healthcare plan business which was launched in 2019, had over 263,000 memberships as of June 30, 2023. Almost all of our patients with an Auna health plan also utilize the Auna healthcare facilities in Peru and we believe this contributes to the resulting outstanding medical outcomes, patient experiences, and disciplined cost controls. As a fully integrated payer and provider of care, we are able to take a long-term, value-based approach to healthcare and focus on prevention, early detection and treatment. Our approach results in a 74% 5-year survival rate for our oncology plans, which is above the national average in both the U.S. and England. In addition, in February 2023, we acquired Dentegra Seguros Dentales, S.A. (“Dentegra”), a small insurance platform previously owned by Delta Dental that provides dental and vision plans to over 2.6 million memberships in Mexico. We are in the process of leveraging Dentegra’s existing nationwide insurance license, distribution platform, regulatory and commercial relationships, and membership base to begin offering our successful mono-risk healthcare plans, particularly our proven oncology plans, in Mexico, which would expedite our time to market and would create a fully integrated payer and provider ecosystem in Mexico.
- ***Technologically enabled:*** Our platform serves patient experience, clinical, administrative and operational goals, which benefits patients, members and caregivers. We have leveraged tools from best-in-class vendors to create a solid, scalable platform. Patients, members and caregivers benefit from electronic health records, online appointment scheduling, appointment management, insurance management and membership verification, telehealth services and access to a digital pharmacy. Our platform is accessible through a smartphone app (the “Auna App”) and via desktop in Peru and is being rolled out in other geographies. Internally, our technology supports medical insights, medical record management, administrative functions and revenue cycle management. We believe that by investing in our technology solutions, we can better reach underserved segments of the population and provide accessible, immediate and timely access to healthcare.

Our History

Our business was founded in Peru in 1989 as Oncosalud, a healthcare coverage provider, selling prepaid coverage plans that provide members a full range of services for the prevention, detection and treatment of cancer. Our prepaid oncology plans require only a modest monthly payment and address an unmet need in the healthcare coverage market in Peru, which has resulted in a consistent plan membership growth through the years. Starting in 1997, we established our own network of Oncosalud facilities to integrate and treat our plan members, as well as the patients of other payers, including private insurance companies.

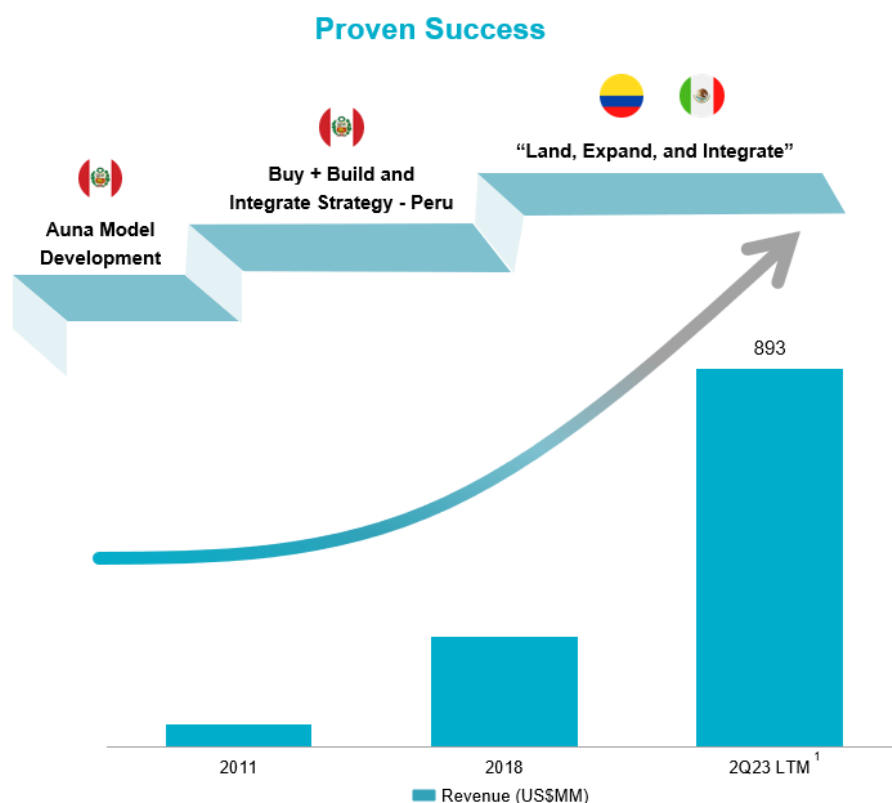
In 2011, we continued to extend our healthcare services offerings and facility network through organic development and strategic acquisitions across all major cities in Peru. Today, through our Auna Peru network, we own and operate six general hospitals, two specialized oncology hospitals and seven clinics, and numerous other facilities which offer a wide range of medical specialties and subspecialties. We offer a wide range of premium clinical services in our facilities, providing patients convenient access to their treatments, diagnostics, imaging, laboratory and pharmacy needs. Our purpose-built physical locations are complimented by our technology platform, which is built on over 30 years of actuarial data and longitudinal patient medical records. This single shared source of information is enhanced by robust analytics capabilities, integrated to enable data-driven clinical and operational decisions, improving service efficiency and optimizing margins.

In 2018, we expanded into Colombia by acquiring Promotora Médica Las Américas S.A. (“Grupo Las Américas”), one of Colombia’s leading healthcare providers with unique oncology capabilities and one of Colombia’s leading and largest private oncology hospitals, Instituto de Cancerología (“IDC”). This acquisition provided a meaningful footprint in Colombia’s second-largest city, Medellín and positioned us to further expand our Auna Colombia network with a set of additional meaningful acquisitions and organic expansions, with our acquisition of IMAT Oncomédica in Montería being the most recent. In Medellín, Auna operates one general

hospital, one specialized oncology hospital (IDC), and six clinics. In Envigado, we operate one general hospital and one clinic. Finally, we operate one hospital in Monteria and one in Barranquilla. Our facilities provide healthcare services to patients covered by a range of payers in Colombia, including both public and private insurers.

In October 2022, we expanded into Mexico through the landmark acquisition of Grupo OCA, a private healthcare group located in Monterrey, Mexico operating three high-complexity hospitals with 708 beds and an estimated market share of 34% in Monterrey. Similar to what we did in Colombia, we entered Mexico with scale and market power in one of the largest cities, which we believe will allow us to further expand our network and brand in the country. Grupo OCA was ranked as the #1 hospital network in Northern Mexico for oncology, cardiology and other high-complexity specialties by Fundación Mexicana para la Salud in 2022.

In February 2023, we acquired Dentegra, a leading dental and visual insurer with nationwide coverage across Mexico. Through Dentegra, we gained access to a nationwide health insurance license, more than 2.6 million memberships and deep commercial and regulatory know-how, which we believe will accelerate our ability to roll out our oncological plan products in the country and replicate our proven model, consisting of vertically integrated oncological health plans and a horizontally integrated healthcare services ecosystem.



Notes: ¹ 2Q23 LTM revenue from contracts with customers calculated as: (i) total revenue from contracts with customers for the six months ended June 30, 2023, which amounted to S/1,839.8 million, plus (ii) total revenue from contracts with customers for the year ended December 31, 2022, which amounted to S/2,451.6 million minus (iii) total revenue from contracts with customers for the six months ended June 30, 2022, which amounted to S/1,050.3 million, divided by the exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023.

Our Hospitals' Geographic Footprint

Our Hospitals' Geographic Footprint



Today, we operate our business through four segments: (i) Healthcare Services in Mexico, which consists of our Auna Mexico network and Dentegra, (ii) Healthcare Services in Peru, which consists of our Auna Peru network, (iii) Healthcare Services in Colombia, which consists of our Auna Colombia network and (iv) Oncosalud Peru, which consists of our prepaid healthcare plans and oncology services provided at the Oncosalud Peru segment facilities. On a consolidated basis, in the six-month period ended June 30, 2023, we generated revenue of S/1,839.8 million (US\$507.1 million), profit of S/22.6 million (US\$6.2 million), EBITDA of S/404.3 million (US\$111.4 million) and Adjusted EBITDA of S/401.1 million (US\$110.6 million). Our revenues and Adjusted EBITDA increased 75.2% and 152.7%, respectively, compared to the six-month period ended June 30, 2022, which reflects the consolidation of our recent acquisitions. During the same period of time, 28.1%, 21.8%, 27.2% and 22.9% of revenue, 51.5%, 3.9%, 23.0% and 21.7% of operating profit and 51.8%, 7.8%, 21.3% and 19.1% of Segment EBITDA was generated at Healthcare Services in Mexico, Healthcare Services in Peru, Healthcare Services in Colombia and Oncosalud Peru, respectively.

Our Market

We currently operate in Mexico, Peru, and Colombia, which possess an aggregated gross domestic product (“GDP”) of approximately US\$2,000 billion in 2022, a total population above 213 million, and a healthcare services expenditure of over \$140 billion, and collectively account for 49%, and 52% of SSLA’s healthcare spending and population, respectively. These countries also have some of the largest groups of young populations in the region, which translates into favorable aging expectations, and have experienced rapid economic growth and improvements in per capita income, growing the middle classes in recent years, which we expect will increase healthcare spending in these markets over time. We also believe that the regulatory frameworks in these countries are conducive to further growth in the private healthcare provider segment for an integrated player like us. We believe that our integrated networks and operational model in each market provide us with a significant competitive advantage to capitalize on this growth. Through our operating model, we strive to achieve regional scale and a high degree of both horizontal and vertical integration in all of the markets where we operate, adapting to the specific characteristics and regulatory framework of each market.

The healthcare market in SSLA has several key characteristics that make it ripe for disruption and significant growth:

- **Lack of access:** According to Fitch Solutions, healthcare spending in SSLA is expected to amount to US\$314 billion in 2023 and reach US\$469 billion by 2028, in a market covering over 400 million people, yet more than 350 million individuals have restricted or no timely access to healthcare services. As a means of comparison, total healthcare spending in the U.S. amounts to more than US\$4,000 billion in a market covering only approximately 330 million people. Average waiting times in SSLA are four to five times those of the U.S. and other advanced markets, while existing beds, outpatient rooms and related infrastructure is significantly below the WHO minimum recommended standards. For example, hospital beds per 1,000 inhabitants reach 1.0, 1.6 and 1.7 in Mexico, Peru and Colombia compared to the minimum recommended of 3.0 by WHO. The healthcare markets in many regions in SSLA remain significantly underpenetrated as compared to developed economies, despite the SSLA market as a whole growing at 1.2 times the U.S. market, from 2019 to 2022, according to Fitch Solutions.
- **Evolving demographics:** As the region’s main economies continue to transition towards becoming middle-income countries aided by improving living standards, the growing populations will feature an increased representation of the elderly segment and this is expected to increase spending on healthcare needs, thus providing favorable tailwinds for the industry. The percentage of the population above 50 years old is expected to increase from 22.6% to 38.4% in Mexico, 21.6% to 34.4% in Peru and 24.5% to 42.1% in Colombia by 2050.
- **Deficient public and private healthcare:** Public healthcare systems throughout the region have been negatively impacted by pervasive, long-term lack of investment, leading to deficiencies in infrastructure and care. While private healthcare options exist, they are often unaffordable, making them inaccessible for most of the population and resulting in high out-of-pocket spending across the board. Private healthcare insurance penetration levels in SSLA remain substantially below those of the United States and even

Brazil. Healthcare expenditure as a percentage of GDP excluding pharmaceutical sales in 2022 was 6.3%, 5.7% and 8.4% in Mexico, Peru and Colombia compared to 17.9% in the United States and 8.9% in Brazil.

- **Lack of transparency:** Throughout the region, conflicts of interest between insurers and providers result in poor client experience: asymmetries of information lead insurers to provide low or no coverage and demand high copayments to minimize costs, while hospitals and doctors frequently perform unnecessary procedures to maximize revenue. Patients thus face opaque cost structures and uncertain outcomes.
- **Fragmentation and lack of coordination:** The provider landscapes for healthcare services are often fragmented, with many independently owned hospitals and clinics, independent practitioners and overlapping and uncoordinated diagnostic labs, imaging providers and other services, leading to poor patient experiences, deficient medical outcomes and high costs due to lack of scalability. Patients are often forced to maneuver through various systems to receive care that could otherwise be provided by one provider. Patients also struggle to receive consistent and reliable healthcare services, as providers typically lack standardized and protocolized practices.
- **Limited investments in technology:** Digital solutions are critical to scaling healthcare delivery in the region, yet they represent only a small fraction of capital invested into emerging technologies in the region. The number of OECD countries that have implemented electronic medical records (“EMRs”) has increased over time, where on average, 93% of primary care practices use EMRs across 24 OECD countries in 2021. Additionally, most patients are able to view and interact with their information on EMRs as well as to access to teleconsultations or video-conferencing. In Mexico, the largest country where we operate by GDP, the percentage of primary care practices that use EMRs does not reach more than 40%.
- **Differing regulatory frameworks:** Across the region, multiple frameworks add an additional layer of complexity as they provide private companies with widely different incentives and margins of action. However, we believe that the regulatory frameworks in our markets are conducive to further growth for regional integrated players as they have a similarity of investor-friendly features, welcoming imported best-practices, therefore allowing us to establish standardized protocols and practices that allow us to manage and control costs.

Our Competitive Strengths

Our key strengths closely reflect the Auna Way and include:

Vertical integration in Peru provides first-class patient outcomes and experiences at an affordable cost and empowers our users to be in control of their own health journeys

We believe our vertically integrated approach in Peru allows us to offer access to a large part of the populations we serve with an obsessive focus on healthcare plans (from traditional insurance products to mono-risk coverage of certain complex diseases and to service packages) that produce excellent patient outcomes and foster a seamless patient experience. Given that these plans are integrated to our horizontally integrated network, they result principally in high confidence levels with respect to their patient experience, medical resolution and cost predictability. This is a great competitive advantage, in particular when compared to the standards in the SSLA and other developed markets where the patient confronts fragmentation, wrong incentives and little standardization as the norm.

Through our Oncosalud network in Peru, we operate Latin America’s only fully vertically integrated oncology program where coverage and virtually all diagnostic and treatment services are provided by a single company. Oncosalud had over 940,000 memberships and a market share of 29.3% as of June 30, 2023, making it the top healthcare plan operator in Peru, according to SUSALUD, a position it has consistently maintained over the last decade. Our vertical integration has allowed us to be highly efficient and effective, as evidenced by Oncosalud’s 49.4% MLR as of June 30, 2023 and 74% 5-year cancer survival rate for the cohort of patients diagnosed between 2016 and 2021. Our plan members include healthcare consumers who do not have any other healthcare coverage, members who are covered by EsSalud but want supplemental coverage for cancer and individuals who have healthcare coverage from another private payer but want access to our leading expertise in oncology and our integrated care platform. We believe our prepaid oncology plans meet an important need in the Peruvian market,

where the vast majority of the population either lacks health insurance or is reliant on the public sector for healthcare coverage and the growth in our Oncosalud membership from 266,000 in 2008 to over 940,000 as of June 30, 2023, shows the appeal of our innovative plans.

In 2019, we expanded our portfolio to include selected general healthcare plans aiming to provide first-class services at more competitive prices than traditional insurance plans, leveraging our highly successful oncological model. As of June 30, 2023 we had a total of over 263,000 memberships for our general healthcare plans, which represented a 6.4% market share as of March 30, 2023, according to SUSALUD. Just in the first half of 2023, net additions to our membership base of the selected general healthcare plans reached over 65,000 new memberships or a growth of 33% in just 6 months. We believe we can leverage our deep expertise and extensive know-how developed in Peru across other similarly situated regions, particularly in Mexico.

Horizontally integrated regional healthcare networks provide excellent outcomes, seamless patient experiences and significant network-level efficiencies

We believe our horizontally integrated approach allows us to produce excellent patient outcomes and foster a seamless patient experience. Across our integrated network of facilities, we are able to care for our patients in an efficient and coordinated way. The providers in our healthcare network access the same patient health record and are incentivized to follow the same protocol of standardized services, which allows us to work at any time with the information for each patient, at each stage of their treatments, and enables seamless transitions across sites of care within the Auna network. Our integrated approach also allows us to establish internationally recognized protocols and medical practices to ensure excellent medical outcomes at competitive costs. Given that we are the principal payers for the patients that benefit from this integration, we promote preventative medicine and practice longitudinal population health management. We can closely monitor and anticipate patient health requirements, then offer patients expedited treatment to achieve excellent medical outcomes. By covering all our patients' healthcare needs in a preventative and coordinated manner, we enhance customer satisfaction and clinical outcomes, which drive positive brand awareness, resulting in greater customer loyalty and demand for our services.

In addition to providing high-quality patient outcomes and experiences, our Healthcare Network provides us with multiple network-level efficiencies that we believe would be difficult for competitors to replicate. We operate one of SSLA's largest healthcare platforms, which we believe is the only platform with a truly regional footprint. Due to our high-quality care and scale, we have become a "must carry" provider for major private health insurers in the three countries where we operate, meaning that including our Auna Mexico, Auna Peru and Auna Colombia facilities in their in-network coverage has become important for their plans to be competitive within their markets. This provides increased negotiating power with third-party payers, particularly private insurance companies and other healthcare payers. We also have the ability to reduce costs through the negotiation of favorable rates for the procurement of medicines and medical equipment and through the ability to make long-term investments in technology systems, data analytics and research on a centralized basis. The scale and quality of our network also allows us to attract the best doctors and management talent in the market.

Standardization of best practices across our networks through information sharing and normalized protocols

Our strategy continues to result in the roll-out of standardized protocols across medical, operational and administrative areas of our business. This strategy is further enhanced through our digitalized and integrated information systems. We have developed robust reporting processes to track treatment stages and outcomes across these areas and are able to share best practices across our networks to improve outcomes. We have implemented over 1,300 protocols and over 450 standardized clinical practice guidelines. Our doctors and patients have access to a cross-border, comprehensive network of medical expertise. For example, we are able to share the more than 30 years of experience and know-how that Oncosalud possesses with IDC and Oncomédica in Colombia. Likewise, Oncosalud has greatly benefitted from IDC's and Oncomédica's impeccable track-record as one of the top cancer care institutions in Colombia. These types of collaborations provide us with formidable oncology capabilities in the region.

Premium clinical capabilities at all levels of complexity, with emphasis on high-complexity

We operate 15 hospitals with 2,301 beds and 16 outpatient, prevention and wellness facilities across Mexico, Peru and Colombia, including three hospitals specializing in oncology. While we provide services at all levels, our

facilities specialize in medium and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. We estimate that 62%, 56% and 57% of total revenue from contracts with customers from the Auna Mexico network, Auna Peru network and Auna Colombia network is derived from high-complexity related specialties, respectively. The flagship hospital in our Auna Peru network, Clínica Delgado, which has a Diamond accreditation from Accreditation Canada International (“ACI”), is one of only two private hospitals in the country that are licensed to perform organ transplants and owns a well-equipped neonatal intensive care unit and maternity wards. Our flagship hospital in our Auna Colombia network, Clínica Las Américas, is a private hospital in Medellín specialized in high-complexity services, including oncology, cardiology and bone-marrow transplants and was ranked as the 10th best hospital in Colombia in América Economía’s 2021 Best Hospitals Ranking. Our flagship hospital in our Auna Mexico network, Doctors Hospital, is the leading private hospital in Monterrey specializing in high-complexity services and was ranked as the #1 hospital network for oncology, cardiology, heart surgery and gastrointestinal surgery by Fundación Mexicana para la Salud in 2022. Moreover, our Auna Mexico hospitals operate the only two cyclotrons available in northern Mexico at present. Our premium clinical capabilities are central to the strength of our reputation and our brand, our “must carry” status with health insurers, our ability to attract the best doctors and, most importantly, our ability to provide high-quality care to our patients and plan members.

Successful inorganic and organic growth with active expansion plans in progress

Establishing scale in each of our markets has been a key component of our success to date and we believe increasing our overall network scale will increase our efficiency and competitiveness in the future. We have built our Healthcare Network through a combination of organic facilities and through acquisitions of other facilities. We have leveraged our deep experience and proven track record to create a replicable “playbook” that we believe we can use to continue to successfully expand our reach. We employ the same strategy – land, expand and integrate – over and over again. When we enter a new market, we focus on targets that allow us to immediately acquire a significant market share, which allows us to have scale in the new markets where we operate, providing significant benefits, such as bargaining power with suppliers and insurance companies.

When we acquire or build new facilities, we invest in standardizing the layout, equipment and operations. We have a dedicated integration team with more than ten years of experience, which works to implement best practices. The successful execution of organic and inorganic initiatives has allowed us to increase the number of beds in our networks on an aggregate basis from 112 in 2012 to 2,301 as of June 30, 2023.

Strong biomedical research and innovation capabilities through our Auna Ideas engine

We are increasingly able to rely on Auna Ideas, which is our biomedical and innovation engine that incubates and accelerates disruptive ideas throughout our regional network and is focused on the integration of the newest technologies available to push and widen Auna’s reach and expand access to more patient-centric health offerings. Auna Ideas currently operates seven accredited clinical research sites in the region, monitors more than 120 active trials within our networks and conducts more than 50 ongoing applied research projects. It is also in the process of establishing itself as an academic powerhouse, having produced more than 100 peer-reviewed publications in high-impact biomedical journals in 2022 and has been distinguished as Peru’s first Oncology Research Center by the Consejo Nacional de Ciencia, Tecnología e Innovación (“CONCYTEC”), the country’s leading public scientific research institution. Furthermore, Auna Ideas’ head of biomedical innovation has been awarded the Golden Medal for his pioneering work in data science in radiology by the American College of Radiology. These capabilities are further complemented by the premier research capabilities of our Auna Colombia network oncology-focused hospitals: IDC physicians are regular contributors to some of the medical profession’s top journals, such as The Lancet and the Journal of Clinical Oncology, while Oncomédica has been the recipient of multiple research awards in the recent past distinguishing it as one of the top cancer care institutions in Colombia.

We also utilize Auna Ideas as an online platform for continuous medical education throughout our markets. Auna currently offers laparoscopic surgical training in simulation centers in collaboration with Johnson & Johnson and it has been designed as an International Training Center for Cardiopulmonary Resuscitation by the American Heart Association. We are confident that Auna Ideas will continue to provide us with the necessary research and innovation capabilities to ensure that we provide our patients with the most cutting-edge services available with the best possible medical outcomes.

Comprehensive digital platform with robust data and technology architecture that enables us to deliver immediate, digitally enabled end-to-end patient experiences

We take a technology-intensive approach to healthcare to improve access and affordability. We have built an integrated Hospital Information System (“HIS”) and Healthcare Plan Core System (“HCP Core”) upon which the operations of our Healthcare Network and Healthcare Plans businesses respectively are run. The HIS and HCP Core systems are composed of commercially available and proprietary modules integrated via a reliable and scalable middleware, providing us with fundamental capabilities to securely exchange data throughout our system, enhance cost-efficiency, monitor and manage our activities, provide interfaces with our healthcare and administrative professionals and, through web enabled and smartphone apps, provide a portal for our patients and plan members. A central element of our HIS is our EMR system, which has been implemented across Peru and is being implemented in Colombia and Mexico. In addition to our core information platforms, we have developed the Auna App, which provides our members and patients in Peru with secure access to certain information in our system and an immediate, convenient and personalized way to manage all their healthcare needs. The Auna App allows patients and members to purchase healthcare plans, book and pay for medical appointments, check their medical records, receive reminders for upcoming appointments and procedures and obtain medical prevention tips, among other capabilities.

Solid financial growth backed by strong operating fundamentals

We believe that the quality of our services, the scale of our networks and our focus on cost efficiency has allowed us to achieve market-leading financial performance, even as the Peruvian, Colombian and Mexican economies have experienced moderate growth levels as compared to the previous decade. On a consolidated basis giving effect to our acquisitions in Colombia and Mexico, in the six-month period ended June 30, 2023, we generated revenue of S/1,839.8 million (US\$507.1 million), profit of S/22.6 million (US\$6.2 million), profit margin of 1.2%, EBITDA of S/404.3 million (US\$111.4 million) and EBITDA Margin of 22.0% as well as Adjusted EBITDA of S/401.1 million (US\$110.6 million) and Adjusted EBITDA Margin of 21.8%. Revenue and Adjusted EBITDA represented an increase of 75.2% and 152.7%, respectively, compared to the six-month period ended June 30, 2022. We believe our gross margin historically and for the six-month period ended June 30, 2023, solidly places us among the most profitable healthcare network operators in South America, including those in countries with more advanced healthcare systems such as Brazil and Chile, based on gross margins published by other publicly traded healthcare companies in South America.

Management team, board of directors and shareholders with industry know-how and strategic vision

We believe that the combined strengths and proven experience of our management team, board of directors and shareholders have succeeded in making Auna one of the premier companies in the healthcare industry in SSLA. In addition, we believe the track record and depth of knowledge of our management team provide us with a distinct competitive advantage. Together these executives bring a wealth of expertise in our three national markets and provide broad experience to our pan-regional integrated business. Our seasoned board of directors has more than 200 years of cumulative experience, providing us with a set of diverse and complementary capabilities. Our board of directors currently features four independent members with a diverse range of expertise in healthcare, law, investment banking, digital, and sales and marketing. Moreover, Auna has recently announced the implementation of a new organizational structure that will focus on scaling and integrating its established regional capabilities in medical resolution and patient experience.

Our controlling shareholder, Enfoca, is one of Latin America’s foremost investment firms and has a proven track record of more than 16 years as an active investor in private equity, contributing to our and other consumer-facing companies’ growth in the region. Enfoca has introduced strategic initiatives aimed at accelerating growth, enhancing profitability, fostering innovation, developing talent, increasing efficiencies and implementing best-in-class corporate governance practices that we believe positions us well for sustainable long-term growth. In addition, Enfoca actively participates in many of our management-level committees, including our executive, buy & build, and human talent committees and helps drive the execution of our growth strategy. We believe that our controlling shareholder’s continuing support, engagement with management and long-term vision for growth gives us a competitive advantage.

Our Future

To achieve our mission, we rely on the following key strategies, which combine complementary medical, cultural and operational strategies:

Increase, improve and enhance access to our healthcare services, widening the coverage scope and geographic footprint of our health plans and service packages

We believe we have a substantial competitive advantage through the breadth of our healthcare plan offering, as it provides us with unique cost efficiencies and excellent patient outcomes, and we plan to use our extensive expertise managing these populations to enhance our service package effort, tailored to the needs of insurance companies and other payers that are seeking to outsource these capabilities to best serve the populations under their command.

In Healthcare Plans in Peru, we have a long track record of providing oncology plans with a vertically integrated model where we are both insurer/payer and provider of treatment in our own facilities, achieving excellent medical outcomes and also attractively low MLRs. In 2019, we expanded the scope of our Healthcare Plans by launching general healthcare and specialized plans in Peru, which provide our members with more flexibility than traditional insurance programs supported by our high-quality care at accessible prices and have grown our membership base in those plans to over 263,000 as of June 30, 2023. Just in the last six months, our membership base grew 34.2%. We believe there is ample opportunity for additional growth in these plans in Peru.

Through the acquisition of OCA in Mexico, we obtained the leading oncology services provider in the Monterrey area and with the acquisition of Dentegra, we have a platform that will facilitate rolling-out general and specialized healthcare plans in Mexico that can be vertically integrated with our hospitals and other facilities. Dentegra has an ample distribution network and membership base of over 2.6 million, significant regulatory and commercial relationships, and a nationwide health insurance license, which we believe will allow us to accelerate our time-to-market to roll out oncological healthcare plans in the country in 2024. We plan to apply the know-how and experience obtained with Oncosalud to introduce oncology plans to the large and underserved Mexican market, providing the benefits of this specialized and affordable coverage to a broad market and unlocking a substantial growth opportunity to Auna. We have identified a total addressable market of more than 14 million potential memberships and we believe that with plans that are similar to those refined by Oncosalud in Peru over many years, we will be able to capture a significant membership base among the underserved Mexican population and add to Auna Mexico the vertically integrated arm of the business, similar to our operations in Peru. Initially, we will focus on launching in Monterrey, which will allow us to validate patient experience and claims management models for the Mexican market in a region with which we have familiarity, and where we have a significant presence and facilities. We plan to launch through hospital sales, telemarketing, digital calls, e-commerce, and B2B. Once Monterrey has been successfully tested, we will focus on rolling out the plans in other major cities and eventually throughout Mexico within an integrated model to capture what we believe is a significant market opportunity.

Focus on being the premier provider of high-complexity services in our regional markets

Through the breadth of our networks, high-end medical equipment and world-class medical staff, we are able to be a one-stop shop for our patients, providing diagnostic laboratory, imaging and pharmacy services within our own network of facilities in addition to our inpatient, outpatient and telehealth services. With our unified technology platform and the standardized information it provides across facilities, we are also able to provide patient care at any of our facilities and to optimize our facilities for different levels and ranges of service capabilities. For example, if a patient typically receives healthcare at one of our lower complexity facilities, but needs a high-complexity service, we can access their medical records at another facility that is able to provide the high-complexity service and involve our higher-complexity facility and staff in ways that range from remote consultation and interpretation of diagnostics and imaging to having the patient travel to our high-complexity facility for specific treatments. This network approach to managing assets and capabilities allows us to cover nearly every medical situation, increase our high-complexity services through low-complexity services and still provide efficient service across our network. We intend to place a greater focus going forward on establishing regional strategic Centers of Excellence, similar to the Oncological Center of Excellence we currently have, for other high-complexity medical specialties and practices and differentiating the role that each of our facilities has within our Healthcare Network. We also plan to orient our flagship facilities, particularly Doctors Hospital in Mexico, Clínica Delgado in Peru, and Clínica Las Américas in

Colombia, as well as selected facilities in smaller cities, towards higher levels of utilization for the high-complexity procedures and treatments in which we excel, which we believe will drive margin expansion.

Continue our patient-centric and value-based approach to healthcare delivery

We believe we have a unique patient-centric culture that focuses on proactive interactions with our plan members and patients to promote health objectives, including through innovative uses of technology, with the goal of fostering life-long relationships with them. We support our patients' and members' life journeys of health and diseases, from prevention to early detection, to early treatment, to disease management and recovery. Our patient-centric culture rests on three key elements, (i) proactive and early detection of illnesses, (ii) emphasis on healthy living and health awareness through general and individual communications with our Healthcare Plans members and our Healthcare Network patients and (iii) the integrated digital and in-person delivery of services and information using online and face-to-face tools to improve and streamline our members' and patients' healthcare experiences and medical outcomes. We intend to continue enhancing the plan member and patient experience using these tools and promoting further adoption of innovative means of interaction in the future.

In our Healthcare Plans segment in Peru, we perform more than 131,216 preventive check-ups on a yearly basis, targeting members we identify as higher risk using our extensive population history and our data analytics capabilities. Early detection and treatment are critical to achieving optimal medical outcomes, particularly with progressive diseases such as cancer. Early treatment also has a much higher rate of success and typically at a lower cost both in monetary terms and in terms of the physical and mental toll that treatment imposes on the patient. Early detection also strengthens our connection with each patient and enhances the likelihood that we will be the provider of choice for that patient for other services over time and for their friends and family. Incorporating best practices learned in over 30 years of experience in Oncosalud, we are also increasing our emphasis on healthy lifestyle habits, regular medical check-ups and other prevention and early detection services in our Auna Mexico, Auna Peru and Auna Colombia Healthcare Networks. Through this approach, we are well-positioned to detect and treat disease early and improve medical outcomes. Oncosalud's industry-leading 5-year survival rate and MLR levels are a testament to the success of our approach.

We complement our preventive medicine efforts by ensuring that we consistently provide a seamless and integrated experience across different services and facilities, offering our patients timely information about their policy through digital means and providing immediate and convenient telehealth solutions, which in addition to improving our patients' experiences, allow us to stand-out against our competition.

Leverage our technology platform and expand the use of digitally enabled solutions to improve our patients' and members' healthcare experiences and medical outcomes while optimizing efficiency and cost control

Our investments in technology allow us to provide standardized information in a timely and accessible manner to our healthcare practitioners which eases the burden on and promotes the effectiveness of our healthcare, management and administrative staff, and in turn enables us to provide efficient service at lower cost. For example, we were the first medical group in Peru to launch an EMR system that is accessible to doctors and staff throughout our network. The EMR system is a core component of our overall HIS, which is now in place in all of our hospitals in Peru and Colombia, and which we plan to implement in Mexico. We intend to expand our HIS to the Auna Colombia and Auna Mexico networks as well.

In addition to HIS and HCP Core, we also have introduced a telehealth platform that provides virtual diagnostic and treatment services, the Auna App that enables our plan members and patients to easily access their medical information, interact with us, schedule and pay for appointments, access their medical records, view results of their diagnostic tests and contact us in a convenient manner. We have also introduced a digital pharmacy, which is interconnected to our digital capabilities and remote appointments.

In addition to reducing administrative burdens and costs, these investments allow us to offer our patients a comprehensive, end-to-end healthcare solution in an immediate and timely manner, reducing waiting times for beds and consultations and seamlessly integrating digital solutions with top-of-the-line in-person services, thus providing a fluid customer experience throughout our network.

We plan to continue investing in technology and promoting digital adoption among our members and patients to enhance their healthcare experience and to strengthen our connection with patients after they have left our direct care.

Expand our networks through organic and inorganic growth

The scale of our integrated healthcare networks in Mexico, Peru and Colombia is central to our success – it increases our brand awareness, allows us to achieve cost and other efficiencies at the network level and improves our bargaining power with third parties, including third-party payers and suppliers of medicines and medical equipment, as well as top-notch medical personnel. As a result, our scale provides us with the resources to continually improve the quality and breadth of our healthcare services. Due to the relatively low penetration of healthcare services in the countries where we operate, deficits in medical capacity and the generally poor quality of most public and many private healthcare alternatives, we believe there is significant room for growth. We intend to continue growing our current business by filling out current available capacity, investing in our business and adding facilities to each of our networks to address additional market needs and grow our business. Our goal is to have a presence in most or all of the major urban centers in the countries in which we operate and in doing so increase our patient and membership universe. Although we have a well-established presence in Lima and other large cities in Peru, there are several cities in Peru where we do not currently have a presence that have sufficient potential demand to be attractive markets to enter. In Colombia, we currently operate in the Medellín metropolitan area as well as in the northern cities of Barranquilla and Montería and will continue to assess opportunities to establish a presence in several of Colombia's other major cities. In Mexico, we currently operate healthcare network facilities in the Monterrey metropolitan area, the most prosperous city in Mexico. In addition to the significant structural similarities between the Mexican and Peruvian healthcare sectors, Mexico represents a transformative market opportunity for us. Mexico's market is over twice the size of the Peruvian and Colombian markets combined, while being even more underserved. Mexico has attractive demographic and macroeconomic tailwinds that result in significant growth prospects and in particular Monterrey and the north of Mexico, have been strongly benefitting from the ongoing nearshoring, increasing GDP per capita in the region and healthcare demand. We will seek to add facilities to our Mexican network that meet our standards of quality in terms of expertise of available medical staff, modern infrastructure that enables efficient operation and ease of access for patients and plan members in terms of location, both organically and inorganically.

Continue to strengthen our strong clinical and research platform and capabilities and attract and retain top medical professionals

We believe that demand for our services is driven by our ability to offer high quality healthcare services that produce first-class medical outcomes. We are able to achieve this through the combination of top-notch facilities that meet our patients' needs with a strong academic, scientific and clinical research backbone. We plan to continue to expand our intellectual capabilities and practical experiences, and with this, to consistently feed our standardization procedures and protocols, which further improve medical outcomes and increase the demand for our services, closing the loop in a self-learning and scalable cycle of excellence. We will persistently leverage our scale to attract human capital across the whole organization including best-in-class doctors and other medical professionals.

Our intellectual platform is expected to be further strengthened by Auna Ideas, our biomedical and innovation engine that incubates and accelerates disruptive ideas throughout our regional network, which will continue to be a key priority to differentiate from our competitors. Through Auna Ideas we focus on the integration of the newest technologies available to push and widen Auna's reach and expand access to more patient-centric healthcare.

Recent Developments

Concurrent Term Loan

Concurrently with the launch of the Exchange Offer, we are entering into a new term loan maturing in 2028 (the "New Term Loan") under which we expect to borrow up to an estimated US\$550.0 million on the Settlement Date with the net proceeds to be used to repay all of our obligations under our senior secured notes due 2028 (the "2028 Notes"), including \$505.0 million in principal amount, \$14.9 million accounted for as deferred interest and \$13.8 million in prepayment penalties. For additional information, see "Capitalization." The Collateral will also secure

obligations under the New Term Loan on a *pari passu* basis with the liens securing the New Notes, as further described in this Exchange Offer Memorandum. The Exchange Offer is conditioned upon the successful closing of the New Term Loan. For additional information, see “Description of the Exchange Offer and the Solicitation—Conditions to the Exchange Offer and the Solicitation.”

Submission of Draft Registration Statement with the SEC

On October 27, 2023, we submitted with the SEC a draft registration statement on Form F-1 for a proposed initial public offering of our class A shares in the U.S. We are contemplating consummating the proposed initial public offering sometime in 2024, but both the offering itself and the timing thereof are subject to market conditions, other considerations, and the completion of the SEC’s review process. This Exchange Offer Memorandum does not constitute an offer to sell or the solicitation of an offer to buy those securities, nor shall there be any sale of those securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Preliminary Results for the Nine-Month Period Ended September 30, 2023

The following estimated results are based on preliminary information as of the date of this Exchange Offer Memorandum and are subject to change following completion of the quarter-end review process for the nine-month period ended September 30, 2023, and other developments arising between now and the time such financial results are finalized. These estimates should not be relied upon as fact or as an accurate representation of future results. There can be no assurance that these preliminary estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. See “Risk Factors,” “Special Note Regarding Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional information regarding these risks and uncertainties, including other factors that could cause our preliminary estimates to differ from the actual financial results that we will report for the nine-months ended September 30, 2023. As noted on page 57 of this Exchange Offering Memorandum, we expect to issue a Supplement to this Exchange Offering Memorandum to report our final results for the nine-month period ended September 30, 2023 on or about December 1, 2023.

Our business continued to see strong operating results during the third quarter of 2023. For the three months ended September 30, 2023, we expect the total revenue from contracts with clients and operating profit that we will report to remain generally consistent with our total revenue from contracts with clients and operating profit for the three months ended June 30, 2023 of S/945.9 million and S/135.9 million, respectively. However, because of an expected increase in interest expense during the three months ended September 30, 2023, we expect the net income we will report for that three-month period to reflect a loss for the period, as compared to profit for the period for the three months ended June 30, 2023 of S/22.5 million.

Corporate Information

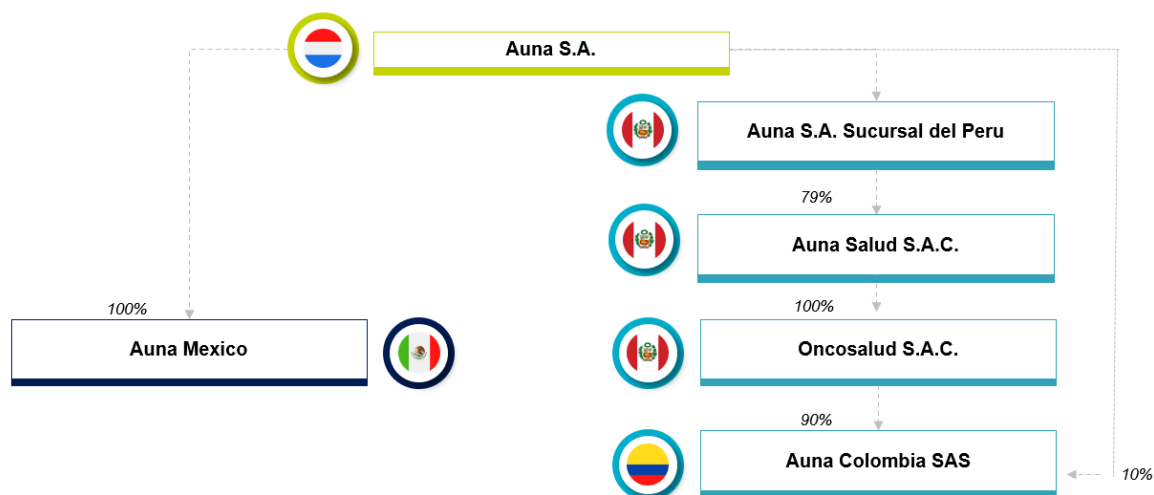
Our principal executive offices are located at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. Our telephone number at this address is +51 1-205-3500. Investors should contact us for any inquiries through the address and telephone number of our principal executive office. Our principal website is <http://aunainvestors.com>. The information contained in, or accessible through, our website is not incorporated by reference in, and should not be considered part of, this Exchange Offer Memorandum.

Redomiciliation

On July 6, 2023, we redomiciled to Luxembourg by way of a merger into Auna S.A., a limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office located at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B267590, with Auna S.A. continuing as the surviving entity. As part of the Merger, we allocated all of our assets and liabilities to, and hold them through, our Peruvian branch (*sucursal*), Auna S.A., Sucursal del Peru, incorporated and existing under the laws of Peru. Following the Merger, all our Mexican operations were transferred and are directly held by us. The Merger further simplified the structuring of the entities through which we conduct our operations as we expand our regional presence throughout SSLA.

Corporate Structure

A simplified organizational chart showing our corporate structure is set forth below.



* Consorcio Trecca and Operador Estratégico S.A.C. will be unrestricted subsidiaries under the New Notes Indenture. As of June 30, 2023, Consorcio Trecca and Operador Estratégico S.A.C. represented 0.6% of our consolidated assets and are non-operating subsidiaries.

SUMMARY OF THE EXCHANGE OFFER AND THE SOLICITATION

The following is a brief summary of the material terms of the Exchange Offer and the Solicitation. For a more complete description of the Exchange Offer and the Solicitation, see “Description of the Exchange Offer and the Solicitation” in this Exchange Offer Memorandum.

The Exchange Offer	The Issuer is offering to all Eligible Holders of Existing Notes the opportunity to exchange, upon the terms and subject to the conditions set forth in this Exchange Offer Memorandum and the related Eligibility Letter, any and all of their Existing Notes for New Notes, all as described below under “Description of the Exchange Offer and the Solicitation—Total Consideration, Exchange Consideration and Early Participation Premium.” The Existing Notes were originally issued on November 20, 2020, in an aggregate principal amount of US\$300,000,000. As of the date of this Exchange Offer Memorandum, US\$300,000,000 aggregate principal amount of the Existing Notes remains outstanding.
The Solicitation	Concurrently with the Exchange Offer, the Issuer is soliciting from Eligible Holders the Consents to the Proposed Amendments to the Existing Indenture. Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Solicitation and Holders may not deliver their Consents pursuant to the Solicitation without tendering their Existing Notes for exchange pursuant to the Exchange Offer. The tender of Existing Notes by a Holder for exchange pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments.
Proposed Amendments.....	The Proposed Amendments would eliminate substantially all of the restrictive covenants and events of default and related provisions under the Existing Indenture, and release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the notes purchase and guarantee agreement entered into by Auna Peru, certain subsidiaries of the Issuer and certain other parties thereto on March 29, 2023, as amended, supplemented or otherwise modified from time to time, and any ancillary or related documents (the “March 2023 Private Placement”). See “Proposed Amendments to the Existing Indenture” and “Risk Factors—Risks Relating to the Non-Exchanging Holders of the Existing Notes—The Proposed Amendments will, if adopted, reduce protections to the Holders of the Existing Notes.”
Purpose of Exchange Offer and Solicitation	The purpose of the Exchange Offer is to exchange the Existing Notes for the New Notes. The purpose of the Solicitation is to obtain the Consents of Eligible Holders

	to effect the Proposed Amendments which would eliminate substantially all of the restrictive covenants and events of default and related provisions under the Existing Indenture, and release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement. The Exchange Offer and the Solicitation are designed to (i) optimize our capital structure and (ii) extend the maturity of our debt.
Eligibility to Participate in the Exchange Offer ...	We have not registered, and will not register, the Exchange Offer or the issuance of the New Notes under the Securities Act or any other laws. Subject to the laws of the jurisdictions in which Eligible Holders reside, only Eligible Holders who have duly completed and returned the Eligibility Letter certifying that they are either (i) QIBs or (ii) non-U.S. persons (as defined in Rule 902 under the Securities Act) located outside of the United States and who are non-U.S. qualified offerees (as defined under “Transfer Restrictions”) are authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer.
Total Consideration, Exchange Consideration and Early Participation Premium	Upon the terms and subject to the conditions set forth in the Exchange Offer Documents, Eligible Holders who validly tender Existing Notes and deliver Consents, and do not validly revoke such tenders and Consents on or prior to the Early Participation Deadline and whose Existing Notes are accepted for exchange by us will receive the Total Consideration, payable on the Settlement Date. Eligible Holders who validly tender Existing Notes and deliver Consents after the Early Participation Deadline and before the Expiration Deadline and whose Existing Notes are accepted for exchange by us will receive the Exchange Consideration, payable on the Settlement Date. The Exchange Consideration for each US\$1,000.00 aggregate principal amount of Existing Notes is equal to US\$1,000.00 principal amount of New Notes. The Early Participation Premium for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline will be equal to US\$40.00 in principal amount of New Notes. The Total Consideration for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early

	Participation Deadline is equal to US\$1,040.00 in principal amount of New Notes. See “Description of the Exchange Offer and the Solicitation—Total Consideration, Exchange Consideration and Early Participation Premium.”
Accrued Interest	Eligible Holders whose Existing Notes are accepted for exchange will be paid Accrued Interest on such Existing Notes, which is from, and including, the most recent date on which interest was paid on such Eligible Holder’s Existing Notes to, but not including, the Settlement Date, payable on the Settlement Date, together with additional amounts thereon, if any. Accrued Interest will be paid in cash on the Settlement Date. Interest will cease to accrue on the Settlement Date for all Existing Notes accepted for exchange in the Exchange Offer.
Additional Amounts	The Issuer will pay additional amounts to Eligible Holders that participate in the Exchange Offer with respect to the exchange of Existing Notes tendered in the Exchange Offer (including the Early Participation Premium) and the Accrued Interest, such that the amount received by Eligible Holders after deduction of any withholding taxes, including any withholding taxes on any income treated as interest with respect to the exchange of Existing Notes tendered in the Exchange Offer (including the Early Participation Premium) and the Accrued Interest will equal the Exchange Consideration, Early Participation Premium and the Accrued Interest, as if no deduction were due, subject to certain exceptions set forth under “Description of the New Notes—Additional Amounts.”
Authorized Denominations	Existing Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Existing Notes must continue to hold Existing Notes in at least the minimum authorized denomination of US\$200,000 principal amount. We will not accept any tender of Existing Notes that would result in the issuance of less than US\$1,000 principal amount of New Notes.
Rounding.....	If, with respect to any tender of Existing Notes, it is determined that an Eligible Holder would be entitled, pursuant to the Exchange Offer, to receive New Notes in an aggregate principal amount that is at least US\$1,000 but not an integral multiple of US\$1 in excess thereof, the Issuer will round downward the principal amount of such New Notes to the nearest multiple of US\$1 and no cash will be paid in lieu of the principal amount not received as a result of such rounding.
Conditions to the Exchange Offer and the Solicitation of Consents	Our obligation to accept Existing Notes tendered in an

	Exchange Offer is subject to the satisfaction of certain conditions applicable to the Exchange Offer described under “Description of the Exchange Offer and the Solicitation—Conditions to the Exchange Offer and the Solicitation,” including (i) the non-occurrence of an event or events or the likely non-occurrence of an event or events that would or might reasonably be expected to prohibit, restrict or delay the consummation of the Exchange Offer or materially impair the contemplated benefits to us of the Exchange Offer, (ii) the satisfaction of the Minimum Exchange Condition, (iii) the satisfaction of the Financing Condition and (iv) certain other customary conditions. The Issuer reserves the right, subject to applicable law, to waive any and all conditions to the Exchange Offer. There can be no assurance that such conditions will be satisfied, or if satisfied, that such satisfaction will not be delayed. Each of the Exchange Offer and the Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing the other, provided that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Financing Condition. See “Description of the Exchange Offer and the Solicitation—Conditions to the Exchange Offer and the Solicitation” and “Risk Factors Relating to the Exchange Offer—The Exchange Offer and the Solicitation may be cancelled, delayed or amended and the conditions for the Exchange Offer may not be satisfied.”
Early Participation Deadline	5:00 p.m., New York City time, on November 28, 2023, unless extended by the Issuer, in its sole discretion, and subject to applicable law, in which case the term “Early Participation Deadline” will mean the latest date and time to which it is extended.
Withdrawal Deadline	5:00 p.m., New York City time, on November 28, 2023, unless extended by the Issuer, in its sole discretion, and subject to applicable law, in which case the term “Withdrawal Deadline” will mean the latest date and time to which it is extended.
Expiration Deadline	5:00 p.m., New York City time, on December 12, 2023, unless extended or terminated earlier by the Issuer, in its sole discretion, in which case the term “Expiration Deadline” will mean the latest date and time to which it is extended.
Settlement Date	Expected to be the third business day after the Expiration Deadline. The expected Settlement Date is December 15, 2023, unless extended.
Withdrawal of Tenders and Consents	Existing Notes tendered for exchange and Consents delivered may be validly withdrawn or revoked at any time at or prior to the Withdrawal Deadline, except in

certain limited circumstances as set forth herein. The Withdrawal Deadline is 5:00 p.m., New York City time, on November 28, 2023 (as the same may be extended).

At any time after the Withdrawal Deadline and before the Expiration Deadline, if the Minimum Exchange Condition has been satisfied or waived by the Issuer and the Issuer has received the Consents from the Majority Holders on such date, each of the Issuer, the guarantors of the Existing Notes and the Trustee (in its capacity as trustee under the Existing Notes) may execute and deliver the Fourth Supplemental Indenture.

The Fourth Supplemental Indenture will give effect to the Proposed Amendments to the Existing Notes, that will be effective upon execution. However, the Fourth Supplemental Indenture, by its terms, will provide that the Proposed Amendments will not become operative unless and until the Total Consideration and the Exchange Consideration, as applicable, is paid to tendering holders of the Existing Notes at the Settlement Date.

A valid withdrawal of tendered Existing Notes will also constitute the revocation of the related Consents to the Proposed Amendments to the Existing Indenture. Consents may only be revoked by validly withdrawing the tendered Existing Notes prior to the Withdrawal Deadline. Existing Notes tendered for exchange and Consents delivered may not be withdrawn or revoked after the Withdrawal Deadline; therefore, any tender of Existing Notes and delivery of Consents after the Withdrawal Deadline are irrevocable. See “Description of the Exchange Offer and the Solicitation—Withdrawal of Tenders and Revocation of Consents.”

Right to Amend or Terminate

Subject to applicable law, each of the Exchange Offer and the Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing the other, provided that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Financing Condition.

Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the Exchange Offer and/or the Solicitation in accordance with applicable law. We will give Eligible Holders notice of any amendments and will extend the Expiration Deadline if required by applicable law.

Procedures for Tendering

The tender of Existing Notes by a Holder pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments. Any beneficial owner desiring to tender Existing Notes pursuant to the Exchange Offer should request such beneficial owner’s nominee to effect the transaction for such beneficial

	owner. Participants in DTC must electronically transmit their acceptance of the Exchange Offer (which will also constitute delivery of Consents) by causing DTC to transfer Existing Notes to the Exchange Agent and Information Agent in accordance with DTC’s Automated Tender Option Program (“ATOP”) procedures for transfers. There is no separate letter of transmittal in connection with this Exchange Offer Memorandum. See “Description of the Exchange Offer and the Solicitation—Procedures for Tendering.” For further information, call the Exchange Agent and Information Agent or the Dealer Managers at the telephone numbers set forth on the back cover of this Exchange Offer Memorandum or consult your nominee for assistance. Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Solicitation and Holders may not deliver their Consents pursuant to the Solicitation without tendering their Existing Notes for exchange pursuant to the Exchange Offer. The tender of Existing Notes by a Holder for exchange pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments.
Certain Tax Considerations.....	For a summary of certain tax considerations of the Exchange Offer to Eligible Holders of Existing Notes, see “Certain Tax Considerations.”
Use of Proceeds.....	We will not receive any cash proceeds from the issuance of the New Notes in the Exchange Offer.
Exchange Agent and Information Agent.....	Global Bondholder Services Corporation is the Exchange Agent and Information Agent for the Exchange Offer and the Solicitation. The address and telephone numbers of Global Bondholder Services Corporation are listed on the back-cover page of this Exchange Offer Memorandum. The website for the Exchange Offer Documents is: https://gbsc-usa.com/eligibility/auna .
Dealer Managers	Citigroup Global Markets Inc., HSBC Securities (USA) Inc., Santander US Capital Markets LLC and Banco BTG Pactual S.A. – Cayman Branch are the Dealer Managers for the Exchange Offer and the Solicitation Agents for the Solicitation. The addresses and telephone numbers of the Dealer Managers and the Solicitation Agents are listed on the back-cover page of this Exchange Offer Memorandum.
Further Information; Questions.....	Questions concerning tender procedures and requests for additional copies of the Exchange Offer Documents should be directed to the Information Agent at its address or telephone numbers listed on the back-cover page of this Exchange Offer Memorandum. Any questions

	concerning the terms of the Exchange Offer should be directed to the Dealer Managers at the telephone numbers listed on the back-cover page of this Exchange Offer Memorandum.
No Recommendation to Tender	The Exchange Offer has been approved by our board of directors. However, our board of directors has not made any determination that the consideration to be received in the Exchange Offer represents a fair valuation of either the Existing Notes or the New Notes, and we have not obtained a fairness opinion from any financial advisor about the fairness to us or to you of the consideration to be received by Holders of Existing Notes. Accordingly, none of us, our board of directors, the Guarantors or any other person is making any recommendation as to whether you should tender your Existing Notes for exchange and accept the New Notes offered in the Exchange Offer. Furthermore, none of the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Interc Creditor Agent, the Exchange Agent or the Information Agent is making any recommendation as to whether you should tender your Existing Notes for exchange and accept the New Notes offered in the Exchange Offer. You must make your own determination as to whether to tender your Existing Notes for exchange.
Risks Relating to the Exchange Offer and the Solicitation	For a description of certain risks relating to the Holders of Existing Notes participating in the Exchange Offer and the Solicitation of Consents, see “Risk Factors—Risks Relating to the Exchange Offer and the Solicitation.”
Risks Relating to the Non-Exchanging Holders of the Existing Notes.....	For a description of certain risks relating to the Holders of Existing Notes not participating in the Exchange Offer and the Solicitation, see “Risk Factors—Risks Relating to the Non-Exchanging Holders of the Existing Notes.”

SUMMARY OF THE NEW NOTES

The summary below describes the principal terms of the New Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of the New Notes” and “Transfer Restrictions” sections of this Exchange Offer Memorandum contain a more detailed description of the terms and conditions of the New Notes. As used in this section, “we,” “our” and “us” refer to Auna S.A. and not to its consolidated subsidiaries.

Issuer	Auna S.A.
Notes Offered	10.000% Senior Secured Notes due 2029.
Maturity	The New Notes will mature on December 15, 2029.
Interest	Interest will accrue at an annual rate of 10.000% and will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2024.
Guarantors	The New Notes will be fully and unconditionally guaranteed on a senior secured basis by Auna Salud S.A.C., Clínica Bellavista S.A.C., Clínica Miraflores S.A., Clínica Vallesur S.A., GSP Inversiones S.A.C., GSP Servicios Comerciales S.A.C., GSP Servicios Generales S.A.C., GSP Trujillo S.A.C., Laboratorio Clínico Inmunológico Cantella S.A.C., Medicser S.A.C., Oncocenter Perú S.A.C., Oncosalud S.A.C., RyR Patólogos Asociados S.A.C., Servimédicos S.A.C., Auna Colombia S.A.S., Instituto de Cancerología S.A.S., Promotora Médica Las Américas S.A., Las Américas Farma Store S.A.S., Grupo Salud Auna México, S.A. de C.V., Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Togleja HG, S.A. de C.V. As of and for the twelve-month period ended June 30, 2023, the Issuer and the Guarantors together represented 89.3% and 81.6% of our consolidated assets and consolidated Adjusted EBITDA, respectively. The Issuer will covenant in the New Notes Indenture to cause certain of its restricted subsidiaries to guarantee the New Notes, including restricted subsidiaries that represent at least 10% of Consolidated Adjusted EBITDA or Total Assets (each as defined in “Description of the New Notes—Certain Definitions”) unless the Issuer and the then Guarantors together represent at least 90% of Consolidated Adjusted EBITDA or Total Assets. See “Description of the New Notes—Note Guarantees” and “Description of the New Notes—Certain Covenants—Future Guarantors.”
Optional Redemption.....	On or after December 15, 2026, we may redeem the New Notes, in whole or in part, at the redemption prices set forth in “Description of the New Notes—Optional Redemption—Optional Redemption,” plus

	accrued and unpaid interest, if any, plus additional amounts payable to the date of redemption. Prior to December 15, 2026, we may redeem the New Notes, in whole or in part, by paying the principal amount of the New Notes, plus the applicable “make-whole” premium and accrued and unpaid interest to but excluding the date of redemption. Prior to December 15, 2026, we may also redeem up to 35% of the New Notes with the proceeds of certain equity offerings, at a redemption price equal to 110.000%. See “Description of the New Notes—Optional Redemption.”
Tax Redemption	We may redeem the New Notes, in whole but not in part, at 100% of their outstanding principal amount plus accrued and unpaid interest to the redemption date and any additional amount payable with respect thereto in the event of certain changes in tax laws. See “Description of the New Notes—Optional Redemption—Optional Redemption Upon Tax Event.”
Additional Amounts and Withholding Tax	All payments in respect of the New Notes (including any payments made pursuant to the Guarantees) will be made without any withholding or deduction for any taxes levied by Luxembourg, unless such withholding or deduction is required by law or by the administration thereof. Under current Luxembourg law and regulations, payment of interest to holders of the New Notes that are not residents of Luxembourg should not be subject to Luxembourg withholding tax. If, as a result of a change in law after the date hereof, withholding taxes are imposed or increased to Luxembourg nonresident noteholders on payments in respect of the New Notes, we will pay such additional amounts as will result in receipt by the holders (or beneficial owners) of the New Notes of such amounts as would have been received by them had no such withholding or deduction for taxes been required, subject to certain exceptions set forth under “Description of the New Notes—Additional Amounts.”
Change of Control Offer.....	Upon the occurrence of a Change of Control Event (as defined in “Description of the New Notes—Certain Definitions”), the Issuer will be required to offer to repurchase all outstanding New Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of purchase. See “Description of the New Notes—Repurchase at the Option of Holders—Change of Control.”

Ranking

The New Notes and the Guarantees will be senior secured obligations of the Issuer and the Guarantors, respectively, and will:

- rank senior in right of payment to any of the Issuer's and the Guarantors' respective existing and future subordinated indebtedness;
- rank equal in right of payment with all of the Issuer's and the Guarantors' respective existing and future senior indebtedness, including obligations under the New Term Loan and the Existing Notes;
- rank senior in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a junior basis with the New Notes;
- rank equal in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a pari passu basis with the New Notes, including the New Term Loan;
- rank effectively senior to any of the Issuer's and the Guarantors' respective existing and future senior indebtedness that is unsecured or that is secured by a lien ranking junior to the liens on the New Notes to the extent of the value of the Collateral;
- be effectively subordinated to all of the Issuer's and the Guarantors' respective existing and future indebtedness secured by assets not constituting Collateral, to the extent of the value of such assets securing such indebtedness;
- be subordinated to any existing and future obligations of the Issuer and the Guarantors preferred by statute; and
- be structurally subordinated to all existing and future liabilities of any subsidiaries that do not provide a Guarantee.

Certain Covenants

The terms and conditions of the New Notes will limit the Issuer's ability and the ability of restricted subsidiaries to, among other things:

- incur additional indebtedness;
- incur liens;
- make dividend payments or other restricted payments;
- make certain investments;

- place limitations on dividends and other payments by our restricted subsidiaries;
- engage in transactions with affiliates;
- make asset sales or dispositions (including sale and leaseback transactions); and
- engage in mergers, consolidations and transfers of substantially all of our assets.

These covenants are subject to a number of important exceptions and qualifications. In addition, if the New Notes obtain investment grade ratings by at least two rating agencies and no default or event of default has occurred and is continuing, the foregoing covenants will cease to be in effect for so long as the New Notes maintain such ratings. See “Description of the New Notes—Certain Covenants.”

Collateral

The New Notes and the Guarantees will be secured by liens on:

- (1) All of the shares of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Topleja HG, S.A. de C.V. (the “OCA Entities”), pursuant to a Mexican law-governed irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) and share pledge agreement in favor of or in which the beneficiary will be, as applicable, the Mexican Collateral Agent;
- (2) The real estate in Mexico owned by such OCA Entities, pursuant to a Mexican law-governed irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*);
- (3) (i) all of the shares of Oncomedica S.A.S. beneficially owned by Auna Colombia (of which the current holder of record is Patrimonio Autónomo Oncomédica (“PA Oncomédica”)); (ii) all of the shares of Auna Colombia (approximately 90% of which is, as of the date hereof, owned of record by Patrimonio Autónomo Auna Colombia 1 (“PA Auna Colombia 1”)), (iii) all of the shares of Las Americas (of which the current holder of record is PA Auna Colombia 1 and Patrimonio Autónomo Auna Colombia 2 (“PA Auna Colombia 2” and, together with PA Oncomédica and PA Auna Colombia 1, the “Existing Colombian Share Trust

Arrangements”)); and (iv) all of the shares of Clínica Portoazul S.A. beneficially owned by Auna Colombia and Las Americas (of which the current holder of record is PA Auna Colombia 1 and PA Auna Colombia 2); in each case, pursuant to a Colombian law-governed share pledge agreement;

- (4) the commercial establishments denominated (i) “Promotora Médica las Américas” with registration number 21-202703-02 of the Chamber of Commerce of Medellín, (ii) “Clínica las Américas” with registration number 21-226323-03 of the Chamber of Commerce of Medellín; and (iii) “Centro Médico las Américas – Sede City Plaza” with registration number 159880 of the Chamber of Commerce of Aburrá Sur, each owned by Las Americas, pursuant to a Colombian law-governed commercial establishment pledge agreement;
- (5) the real estate of Clínica del Sur, owned by Las Americas, located in Medellín Colombia, pursuant to a Colombian law-governed trust agreement;
- (6) all of the shares of Oncocenter Peru S.A.C. and Medic Ser S.A.C., pursuant to two (2) Peruvian law governed pledge agreements; and
- (7) subject to specific conditions, certain real estate assets in Peru, pursuant to a Peruvian law governed mortgage to be entered into by the relevant parties after the Settlement Date and within the time periods set forth in the New Notes Indenture;
- (8) and in each case, the proceeds thereof.

Intercreditor Agreement

In connection with the issuance of the New Notes and the New Term Loan, we expect that on or around the Settlement Date, the Issuer, the Intercreditor Agent, the applicable collateral agents and collateral trustee, the Trustee and the Administrative Agent, *inter alios*, will enter into an intercreditor agreement (the “Intercreditor Agreement”), which agreement will set forth the relative rights of the holders of the New Notes and the lenders under the New Term Loan with respect to the Collateral and covering certain other matters relating to the administration of security interests. See “Description of the New Notes—The Collateral—Intercreditor Agreement.”

Events of Default.....	For a discussion of certain events of default that will permit acceleration of the principal of the New Notes plus accrued interest, see “Description of the New Notes—Events of Default.”
Further Issuances.....	Subject to the limitations contained in the New Notes Indenture, we may from time to time, without notice to or consent of the holders of the New Notes, create and issue an unlimited principal amount of additional notes of the same series as the New Notes offered pursuant to this Exchange Offer Memorandum. Any additional notes issued in this manner shall be issued under a separate CUSIP or ISIN unless the additional notes are issued pursuant to a “qualified reopening” of the original tranche, are otherwise treated as part of the same “issue” of debt instruments as the original tranche or are issued with less than a <i>de minimis</i> amount of original discount, in each case for U.S. federal income tax purposes. See “Description of the New Notes—General.”
Governing Law.....	The New Notes, the Guarantees and the New Notes Indenture will be governed by, and will be construed in accordance with, the laws of the State of New York.
Listing and Trading	We intend to apply to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. We cannot assure you, however, that this application will be accepted, or if accepted, that, once listed, the New Notes will remain so listed. The New Notes will be traded in a minimum board lot size of US\$1,000 and integral multiples of US\$1 in excess thereof as long as the New Notes are listed on the SGX-ST.
Trustee, Registrar, Paying Agent and Transfer Agent	Citibank, N.A. (the “Trustee”).
Intercreditor Agent	Citibank, N.A. (the “Intercreditor Agent”).
Collateral Agents and Collateral Trustee.....	Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria (Citibanamex) (the “Mexican Collateral Agent”), Citibank del Perú S.A. (the “Peruvian Collateral Agent”), TMF Group New York, LLC, acting directly or through its affiliate, TMF Colombia Ltda. (together, the “Colombian Collateral Agent”) (each, a “Collateral Agent,” as applicable, and together, the “Collateral Agents”), and Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver (the “Collateral Trustee”).
Book-Entry; Form and Denominations	The New Notes will be issued in the form of one or more global notes without coupons, registered in the name of a nominee of DTC, as depositary, for the accounts of its direct and indirect participants including Euroclear and Clearstream. The New Notes will be issued in minimum denominations of

	US\$1,000 and integral multiples of US\$1 in excess thereof. See “Description of the New Notes.”
Settlement.....	The New Notes will be delivered in book-entry form through the facilities of DTC for the accounts of its direct and indirect participants, including Euroclear and Clearstream.
Risk Factors	See “Risk Factors” in this Exchange Offer Memorandum for a discussion of certain relevant factors you should carefully consider before deciding to invest in the New Notes.
Transfer Restrictions	We have not registered the New Notes under the Securities Act or the securities laws of any other jurisdiction. The New Notes will be subject to certain restrictions on transfer and may only be offered in transactions exempt from or not subject to the registration requirements of the Securities Act. See “Transfer Restrictions.”

AUNA SUMMARY FINANCIAL AND OTHER INFORMATION

The following information is only a summary and should be read together with “Presentation of Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto, included elsewhere in this Exchange Offer Memorandum.

The summary statement of income and other comprehensive income and statement of financial position as of and for the years ended December 31, 2022 and 2021 of Auna S.A.A. are derived from our audited consolidated financial statements included elsewhere in this Exchange Offer Memorandum. The summary statement of income and other comprehensive income and statement of financial position as of and for the six-month periods ended June 30, 2023 and 2022 of Auna S.A.A. are derived from our unaudited condensed consolidated interim financial statements included elsewhere in this Exchange Offer Memorandum.

We maintain our books and records in *soles* and prepare our audited consolidated financial statements in accordance with IFRS and our interim financial statements in accordance with IAS 34.

The following table sets forth our summary consolidated financial data as of and for the six-month periods ended June 30, 2023 and 2022 and as of and for the years ended December 31, 2022 and 2021.

	Six Months Ended June 30,			Year Ended December 31,		
	2023	2023	2022	2022	2022	2021
	(in millions of US\$)(1)	(in millions of soles)		(in millions of US\$)(1)	(in millions of soles)	
Statement of Income and Other Comprehensive Income Data:						
Revenue						
Insurance revenue.....	US\$ 107.9	S/ 391.6	S/ 347.8	US\$ 197.4	S/ 716.0	S/ 630.5
Healthcare services revenue	363.9	1,320.2	597.1	417.5	1,514.6	1,092.7
Sales of medicines.....	35.3	128.0	105.4	60.9	220.9	200.5
Total revenue from contracts with customers.....	507.1	1,839.8	1,050.3	675.7	2,451.6	1,923.7
Cost of sales and services	(317.6)	(1,152.2)	(666.9)	(433.3)	(1,571.9)	(1,236.8)
Gross profit.....	189.5	687.6	383.4	242.5	879.7	686.9
Selling expenses	(26.7)	(96.8)	(87.1)	(46.8)	(169.8)	(159.1)
Administrative expenses.....	(92.5)	(335.5)	(210.3)	(131.6)	(477.5)	(400.7)
Income (loss) for impairment of trade receivables	(0.8)	(2.8)	2.3	0.4	1.6	(27.1)
Other expenses	0.0	0.0	0.0	(0.3)	(1.0)	0.0
Other income	7.7	28.0	10.9	6.0	21.7	8.1
Operating profit.....	77.3	280.6	99.3	70.2	254.6	108.1
Finance income.....	14.0	50.8	7.9	1.9	6.9	7.6
Finance costs	(73.9)	(268.2)	(105.6)	(86.2)	(312.7)	(122.2)
Net finance cost.....	(59.9)	(217.4)	(97.7)	(84.3)	(305.8)	(114.6)
Share of profit of equity-accounted investees	0.8	2.8	2.2	1.1	3.8	3.4
Profit (loss) before tax	18.2	66.0	3.8	(13.1)	(47.5)	(3.1)
Income tax expense	(11.9)	(43.2)	(8.8)	(8.1)	(29.4)	(19.9)
Profit (loss) for the period.....	US\$ 6.2	S/ 22.6	S/ (5.0)	US\$ (21.2)	S/ (76.8)	S/ (23.0)

(1) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”

	As of June 30,			As of December 31,		
	2023	2023	2022	2022	2022	2021
	(in millions of US\$)(1)	(in millions of soles)		(in millions of US\$)(1)	(in millions of soles)	
Statement of Financial Position Data:						
Cash and cash equivalents	US\$ 71.3	S/ 258.8	S/ 138.5	US\$ 57.5	S/ 208.7	S/ 138.8
Total assets	1,981.0	7,187.0	3,605.0	1,817.5	6,593.7	2,823.7
Total liabilities.....	1,469.8	5,332.5	3,189.2	1,388.0	5,035.6	2,277.7
Total equity	511.2	1,854.5	415.8	429.5	1,558.1	545.9

(1) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”

	Six Months Ended June 30,				Year Ended December 31,				
	2023		2022		2022		2021		
	(in millions of US\$)(1)		(in millions of soles)		(in millions of US\$)(1)		(in millions of soles)		
Segment Financial Data:									
Revenue									
Healthcare Services in Mexico	US\$ 152.2	S/ 552.2	—		US\$ 59.6	S/ 216.1	—		
Oncosalud Peru	US\$ 124.2	S/ 450.7	S/ 395.5		US\$ 224.7	S/ 815.1	S/ 761.6		
Healthcare Services in Peru.....	US\$ 118.2	S/ 428.8	S/ 347.8		US\$ 201.3	S/ 730.3	S/ 667.2		
Healthcare Services in Colombia.....	US\$ 147.1	S/ 533.8	S/ 404.9		US\$ 246.8	S/ 895.4	S/ 675.0		
Operating profit									
Healthcare Services in Mexico	US\$ 40.4	S/ 146.7	—		US\$ 3.9	S/ 14.2	—		
Oncosalud Peru	US\$ 17.0	S/ 61.7	S/ 57.0		US\$ 30.8	S/ 111.8	S/ 93.0		
Healthcare Services in Peru.....	US\$ 3.1	S/ 11.1	S/ (3.2)		US\$ 3.6	S/ 13.0	S/ (38.6)		
Healthcare Services in Colombia.....	US\$ 18.0	S/ 65.4	S/ 53.8		US\$ 33.3	S/ 120.8	S/ 47.0		
Profit (loss) before tax									
Healthcare Services in Mexico	US\$ 7.6	S/ 27.6	—		US\$ (13.9)	S/ (50.4)	—		
Oncosalud Peru	US\$ 14.0	S/ 50.7	S/ 33.0		US\$ 19.0	S/ 68.8	S/ 59.5		
Healthcare Services in Peru.....	US\$ (2.2)	S/ (8.1)	S/ (13.2)		US\$ (3.3)	S/ (11.8)	S/ (56.0)		
Healthcare Services in Colombia.....	US\$ 27.6	S/ 100.0	S/ (8.0)		US\$ (19.4)	S/ (70.2)	S/ 7.2		

(1) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”

Key Performance Indicators

Non-IFRS Measures

	Six Months Ended June 30,			Year Ended December 31,		
	2023	2023	2022	2022	2022	2021
	(in millions of US\$)(1)	(in millions of soles)		(in millions of US\$)(1)	(in millions of soles)	
EBITDA(2).....	US\$ 111.4	S/ 404.3	S/ 148.1	US\$ 109.3	S/ 396.4	S/ 188.9
Segment EBITDA(3)						
Oncosalud Peru	US\$ 21.3	S/ 77.3	S/ 69.5	US\$ 38.2	S/ 138.7	S/ 112.6
Healthcare Services in Peru.....	US\$ 8.7	S/ 31.4	S/ 15.6	US\$ 14.3	S/ 51.9	S/ (8.9)
Healthcare Services in Colombia.....	US\$ 23.7	S/ 86.0	S/ 67.1	US\$ 41.6	S/ 150.8	S/ 70.8
Healthcare Services in Mexico.....	US\$ 57.7	S/ 209.3	—	US\$ 14.3	S/ 51.9	—
Adjusted EBITDA(4)	US\$ 110.6	S/ 401.1	S/ 158.7	US\$ 119.6	S/ 433.8	S/ 200.6

Operational Measures

	Six Months Ended June 30,		Year Ended December 31,	
	2023	2022	2022	2021
Healthcare Plans:				
Number of plan memberships(5)(6).....	1,204,040	1,039,895	1,087,546	920,547
Average monthly revenue per plan membership(7).....	S/ 58.0	S/ 60.2	S/ 60.8	S/ 61.1
Number of preventive check-ups.....	67,577	59,802	123,441	114,328
Number of patients treated(8).....	43,218	30,829	47,117	28,014
Medical loss ratio(9).....	51.2%	47.7%	53.3%	49.0%

	Six Months Ended June 30,		Year Ended December 31,	
	2023	2022	2022	2021
% of cost of services related to preventive check-ups.....	6.3%	6.2%	5.6%	5.4%
% of cost of services related to treatment provided by Oncosalud network facilities(10)	48.2%	51.5%	55.4%	55.9%
% of cost of services related to treatment provided by Auna Peru network facilities(10).....	41.4%	39.7%	36.5%	34.5%
% of cost of services related to treatment provided outside our networks	4.1%	2.6%	2.5%	4.2%
Healthcare Services:				
Number of beds(5)				
In Mexico(11)	708	—	708	—
In Peru.....	375	375	375	355
In Colombia(12).....	1,109	1,077	1,096	480
Number of patients treated(13)				
In Mexico(11)	41,879	—	83,135	—
In Peru.....	204,007	180,631	296,039	243,417
In Colombia(12).....	350,781	337,164	586,692	303,945
Average revenue per patient				
In Mexico(11)	S/ 12,099	—	S/ 9,414	—
In Peru.....	S/ 2,102	S/ 1,926	S/ 2,502	S/ 2,741
In Colombia(12).....	S/ 1,522	S/ 1,463	S/ 2,088	S/ 2,221
Total number of outpatient consultations(14)				
In Peru.....	417,771	305,418	652,650	531,877
In Colombia(12).....	112,492	97,868	207,224	86,385
Total number of emergency treatments				
In Mexico(11)	18,933	—	29,074	—
In Peru.....	89,800	62,786	141,463	80,926
In Colombia(12).....	67,986	68,726	146,319	79,356
Total number of days hospitalized(15)				
In Mexico(11)	54,609	—	101,078	—
In Peru.....	45,275	37,812	79,136	69,518
In Colombia(12).....	151,103	126,693	279,707	144,456
Total number of surgeries				
In Mexico(11)	10,121	—	19,232	—
In Peru.....	10,014	8,258	17,270	14,136
In Colombia(12).....	23,773	20,746	44,016	27,388
% of utilization of beds(16)				
In Mexico(11)	42.3%	—	39.1%	—
In Peru.....	66.2%	55.3%	57.8%	53.6%
In Colombia(12).....	74.7%	64.5%	69.9%	82.5%
(1) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”				
(2) EBITDA and EBITDA Margin are non-GAAP financial measures. See “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following table shows a reconciliation of EBITDA and EBITDA Margin to profit (loss) for the period for each of the periods presented.				

	Six Months Ended June 30,						Year Ended December 31,					
	2023		2023		2022		2022		2022		2021	
	(in millions of US\$)(a)		(in millions of soles)		(in millions of US\$)(a)		(in millions of soles)		(in millions of soles)			
(Loss) profit for the period	US\$	6.2	S/	22.6	S/	(5.0)	US\$	(21.2)	S/	(76.8)	S/	(23.0)
Income tax expense		12.0		43.4		8.8		8.1		29.4		19.9
Net finance cost		59.9		217.4		97.7		84.3		305.8		114.6
Depreciation and amortization		33.3		120.8		46.5		38.1		138.1		77.4
EBITDA	US\$	111.4	S/	404.3	S/	148.1	US\$	109.3	S/	396.4	S/	188.9
EBITDA Margin		—		22.0%		14.1%		—		16.2%		9.8%

(a) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”

(3) Segment EBITDA is a non-GAAP financial measure. See “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following tables show a reconciliation of segment profit (loss) before tax to Segment EBITDA for each of our segments.

Six Months Ended June 30, 2023										
	Oncosalud Peru		Healthcare Services in Peru		Healthcare Services in Colombia		Healthcare Services in Mexico		Total Reportable Segments(a)	
	(in millions of soles)									
Segment profit (loss) before tax	S/	50.7	S/	(8.1)	S/	100.0	S/	27.6	S/	170.2
Net finance cost(b)		12.1		19.2		(32.9)		119.0		117.5
Depreciation and amortization		14.5		20.3		18.9		62.6		116.3
Segment EBITDA	S/	77.3	S/	31.4	S/	86.0	S/	209.3	S/	404.0

Six Months Ended June 30, 2022										
	Oncosalud Peru		Healthcare Services in Peru		Healthcare Services in Colombia		Healthcare Services in Mexico		Total Reportable Segments(a)	
	(in millions of soles)									
Segment profit (loss) before tax	S/	33.0	S/	(13.2)	S/	(8.0)	S/	—	S/	11.8
Net finance cost(b)		25.0		10.0		63.0		—		98.0
Depreciation and amortization		11.5		18.8		12.1		—		42.4
Segment EBITDA	S/	69.5	S/	15.6	S/	67.1	S/	—	S/	152.20

Year Ended December 31, 2022										
	Oncosalud Peru		Healthcare Services in Peru		Healthcare Services in Colombia		Healthcare Services in Mexico		Total Reportable Segments(a)	
	(in millions of soles)									
Segment profit (loss) before tax	S/	68.8	S/	(11.8)	S/	(70.2)	S/	(50.4)	S/	(63.7)
Net finance cost(b)		44.6		24.8		193.1		64.70		327.3
Depreciation and amortization		25.4		38.8		27.8		37.7		129.7
Segment EBITDA	S/	138.7	S/	51.9	S/	150.8	S/	51.9	S/	393.3

Year Ended December 31, 2021										
	Oncosalud Peru		Healthcare Services in Peru		Healthcare Services in Colombia		Healthcare Services in Mexico		Total Reportable Segments(a)	
	(in millions of soles)									
Segment profit (loss) before tax	S/	59.5	S/	(56.0)	S/	7.2	S/	—	S/	10.7
Net finance cost(b)		34.6		17.4		42.1		—		94.1
Depreciation and amortization		18.5		29.7		21.5		—		69.7
Segment EBITDA	S/	112.6	S/	(8.9)	S/	70.8	S/	—	S/	174.5

(a) Does not include the elimination of intra-group balances and transactions.

(b) Represents exchange difference, net, and interest expense, net.

- (4) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following table shows a reconciliation of Adjusted EBITDA to profit (loss) for the period for each of the periods presented.

	Six Months Ended June 30,			Year Ended December 31,		
	2023	2023	2022	2022	2022	2021
	(in millions of US\$)(a)	(in millions of soles)		(in millions of US\$)(a)	(in millions of soles)	
(Loss) profit for the period	US\$ 6.2	S/ 22.6	S/ (5.0)	US\$ (21.2)	S/ (76.8)	S/ (23.0)
Income tax expense	12.0	43.4	8.8	8.1	29.4	19.9
Net finance cost	59.9	217.4	97.7	84.3	305.8	114.6
Depreciation and amortization	33.3	120.8	46.5	38.1	138.1	77.4
Pre-operating expenses(b)	0.2	0.7	2.0	1.0	3.8	7.2
Business development (income) expenses(c)	(1.0)	(3.8)	8.7	9.3	33.6	4.5
Adjusted EBITDA	US\$ 110.6	S/ 401.1	S/ 158.7	US\$ 119.6	S/ 433.8	S/ 200.6
Adjusted EBITDA Margin	—	21.8%	15.1%	—	17.7%	10.4%

(a) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”

(b) Pre-operating expenses consist of legal and administrative expenses incurred in connection with projects under construction, such as Clínica Chiclayo, costs relating to the Torre Trecca PPP and legal and administrative expenses incurred in connection with the acquisition of land banks for future projects.

(c) Business development expenses consist of expenses incurred in connection with projects for the expansion into new markets, including through greenfield projects and M&A activity.

- (5) As of period-end.
- (6) Includes active plan memberships as well as plan memberships that have not paid monthly fees due on their plans for up to three months, during which time their plans remain active. Once such three-month period has passed, the plans are terminated and they are not included in our total number of plan memberships. As of June 30, 2023, we had 1,145,451 active memberships and 58,589 inactive memberships.
- (7) Total revenue for the period corresponding to premiums earned in the Oncosalud Peru segment divided by the average number of plan members during the period, divided by the number of months in the period.
- (8) Number of individual plan members receiving treatment for cancer during the period, which may include multiple instances of treatment per plan member.
- (9) MLR is calculated as (i) claims for medical treatment generated by our prepaid oncology and general healthcare plans plus (ii) technical reserves relating to plan members treated pursuant to such plans, whether at our facilities or third-party facilities, divided by revenue generated by our prepaid oncology and general healthcare plans.
- (10) We introduced general healthcare plans in 2020 which increased the percentage of services rendered under our plans in our Healthcare Services in Peru segment.
- (11) We acquired Grupo OCA on October 5, 2022, which established our Auna Mexico network. The information in this table for the year ended December 31, 2022, as it relates to Grupo OCA, is based on data provided to the Company by Grupo OCA. We believe it is reliable, but it does not form part of our consolidated operating history.
- (12) We acquired IMAT Oncomédica on April 21, 2022, which added 425 beds to our Auna Colombia network. The information in this table for the year ended December 31, 2022, as it relates to IMAT Oncomédica, is based on data provided to the Company by IMAT Oncomédica. We believe it is reliable, but it does not form part of our consolidated operating history.
- (13) Number of individual patients that received healthcare treatment during the period, which may include multiple instances of treatment per plan member.
- (14) We do not perform outpatient consultation in our Auna Mexico network. We lease medical office space at our facilities in our Auna Mexico network to third-party physicians, which perform outpatient consultations.
- (15) Total number of days in which any of our beds had a hospitalized patient during the period.
- (16) Utilization is calculated as (i) (x) total number of days in which any of our beds had a hospitalized patient during the period divided by (y) total number of beds, times (ii) total number of days during the period.

GRUPO OCA SUMMARY FINANCIAL AND OTHER INFORMATION

The following information is only a summary and should be read together with “Presentation of Financial and Other Information” and the combined financial statements of Grupo OCA, including the notes thereto, included elsewhere in this Exchange Offer Memorandum.

The summary combined statement of income and other comprehensive income and combined statement of financial position data as of and for the period from January 1, 2022 to October 4, 2022 of Grupo OCA are derived from its audited combined financial statements included elsewhere in this Exchange Offer Memorandum.

The following tables set forth the combined financial data of Grupo OCA as of October 4, 2022 and for the period from January 1, 2022 to October 4, 2022.

	Period from January 1, 2022 to October 4, 2022	
	(in millions of Mexican pesos)	
Combined Statement of Income and Other Comprehensive Income Data:		
Revenue from services and others	MXN	3,021.8
Medications and hospital supplies		811.9
Salary, wages, and benefits.....		652.1
Medical fees.....		147.8
Short-term real estate leases		7.4
Depreciation and amortization.....		119.2
Service and repair		79.9
Hospital equipment rental.....		66.3
Laboratory supplies		36.6
Electricity		55.4
Other expenses		236.7
Operating expenses.....		2,213.3
Operating income		808.5
Interest expense, net		(23.2)
Foreign exchange gain (loss).....		1.0
Financial (loss), net.....		(22.2)
Income before income taxes		786.3
Income taxes.....		(225.9)
Combined net income	MXN	560.4
	As of October 4, 2022	
	(in millions of Mexican pesos)	
Combined Statement of Financial Position Data:		
Cash and cash equivalents	MXN	90.1
Total assets		2,497.5
Total liabilities.....		824.8
Total stockholders' equity		1,672.7

RISK FACTORS

An investment in the New Notes involves significant risks. Prior to making a decision about investing in the New Notes, and in consultation with your own financial and legal advisors, you should carefully consider, among other matters, the following risk factors. This Exchange Offer Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Exchange Offer Memorandum. See “Cautionary Statement Regarding Forward-Looking Statements.”

Risks Relating to Our Business

We depend substantially on our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate, and any negative impact on those brands could have a material adverse effect on us.

We operate our business through several brands. Our principal brands are Auna, our primary brand, as well as Oncosalud, Clínica Delgado, Clínica Las Américas, IMAT Oncomedica and OCA. Our brands’ reputation is fundamental to driving demand for our healthcare services and prepaid plans and to our ability to attract and retain qualified medical personnel to work at our facilities. In addition, our brands’ reputation is key to our ability to negotiate favorable contracts with third parties, such as insurance providers and medical suppliers. Our ability to maintain our reputation is contingent on offering high-quality and efficient healthcare services. Accordingly, if we are unable to offer high-quality healthcare services and/or maintain our brands’ reputation among our plan members, patients and medical professionals, our business, financial condition and results of operations may be adversely affected.

In addition, there has been a marked increase in the use of social media platforms and other forms of internet-based communications that provide individuals and businesses with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms, including reviews, is virtually immediate, as is its impact. Many social media platforms allow the publishing of the content posted by their subscribers and participants, often without filters or checks on the accuracy of such content. If we receive negative reviews on social media or other negative publicity, even if such reviews are inaccurate, our brands’ reputation could suffer, affecting demand for our healthcare services, or we may have more difficulty attracting and retaining qualified medical personnel to work at our facilities, any of which could affect our ability to offer high-quality healthcare services and could have a material adverse effect on our business, results of operations and financial condition.

Our operating results may be adversely affected if we are not able to estimate and control healthcare costs, or if we cannot increase our prices to offset cost or expenditure increases, at our hospitals and clinics and with respect to our healthcare plans.

Our operating results depend in large part on our ability to estimate and control the future costs involved in providing healthcare services at our hospitals and clinics. According to data published by the INEGI in Mexico, the *Instituto Nacional de Estadística e Informática* (“INEI”) in Peru and the *Departamento Administrativo Nacional de Estadística* in Colombia, healthcare costs increased in Mexico, Peru and Colombia by 10.9%, 9.2% and 1.1%, respectively, during 2022.

The main factors affecting healthcare costs and expenditures, and our ability to offset increases include:

- increased cost of medical supplies, including pharmaceuticals, whether due to demand, inflation or otherwise;
- the cost of acquiring new equipment and technologies, or upgrading existing equipment and technologies, needed to provide our services;

- the terms of our agreements with insurance providers and annual renegotiations of related contracts;
- the ability of insurance providers to pay for our healthcare services; and
- periodic renegotiations of contracts with doctors and medical support personnel as well as other medical services providers and suppliers.

In addition, with respect to our healthcare plans, differences between predicted and actual healthcare costs as a percentage of revenues attributable to our healthcare plans can result in significant changes in our results of operations. Costs at our oncology business vary by the number of patients that are diagnosed in any given period as well as the stage of diagnosis (i.e., Stage I versus Stage IV) and type of cancer diagnosed. Later-stage diagnoses typically involve more costly treatment regimens, and certain types of cancer may be more likely to require newer, more expensive treatment options, which may also impact our costs. In addition, costs under our general healthcare plans vary by the frequency of patient visits to our facilities and the level of complexity of any required treatments, which is difficult to predict. We adjust our plan pricing on an annual basis to reflect current cost projections and this adjusted pricing is automatically applied to any plans that are automatically renewed for another year. However, because our healthcare plans are prepaid for one-year terms, any increase in costs in excess of our cost projections within a given period cannot be recovered in that plan period by increasing pricing. Moreover, any such increase in pricing could increase the number of plan cancellations and adversely affect our ability to add new plan members.

Many of these factors are outside of our control. In addition, certain aspects of our growth strategy may also result in increased operating expenditures, such as opening new facilities or hiring additional personnel, which may not be offset by an increase in our revenue, resulting in diminished operating margins. We may also be unable to appropriately predict costs associated with the implementation of new healthcare plans, which may result in lower margins in connection with such products.

If any of the above events occur and we are unable to rapidly adapt in proportion to the increase in costs for the provision of healthcare services, our business, financial condition and results of operations may be adversely affected.

Our revenues and results of operations are affected by our relationships with third-party payers, and any change to, or deterioration in, these relationships could have a material adverse effect on us, such as, for example, due to limitations on reimbursement and, in some cases, reduced levels of reimbursement for healthcare services as a result of changes in the social security regimes in recent years.

During the six-month period ended June 30, 2023, 92.6% of payments in our healthcare services business in Mexico came from third-party payers, including the Mexican government, and 7.4% were paid out-of-pocket by our patients. In Peru, 79.4% of payments in our healthcare services business came from third-party insurance providers, including the Peruvian government, and 20.6% were paid out-of-pocket by our patients. In Colombia, 95.8% of payments came from third-party insurance providers, including insurance providers under the Colombian's government's social security system, and 4.2% were paid out-of-pocket by our patients. Our accounts receivable are typically collected in an average of 42 days in Mexico, 72 days in Peru and 144 days in Colombia. An increase in this timing can significantly impact our ability to convert recognized revenue into payments, lengthening our cash conversion cycle. In addition, certain of our principal third-party payers in Peru also run their own hospital networks and therefore compete with us. See “—We face competition in fragmented markets like Peru and Colombia, from our current competitors and from future competitors that might enter the sector.”

In Mexico and Peru, a facility must be included on an insurance provider's approved list of healthcare facilities for an individual to be reimbursed for the services they receive at that facility. We negotiate with private insurance providers to ensure that we are on their list of approved facilities and to agree on the prices at which we are reimbursed for services provided to their plan members. We expect continued third-party efforts to aggressively manage reimbursement levels and control costs. Moreover, our negotiating position could decline in the future if our brands' reputation suffers. EPSs' users in Colombia have the right to choose their health service provider from a pre-approved list of IPS. Under certain circumstances, a plan member can challenge that decision and request to go elsewhere in the EPS' network. If we do not maintain our reputation among EPSs and patients as one of the leading healthcare providers in Medellín, Montería and Barranquilla, EPSs may choose to send their plan members to, or patients may choose to go to, other facilities, which could have a material adverse effect on our business, financial

condition and results of operations. See “—We depend substantially on our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate.”

In Colombia, in 2022, approximately 99.6% of the population received mandatory healthcare insurance through the government’s social security system (the “SGSSS”).

Changes in the SGSSS in recent years have resulted in limitations on reimbursement and payment for health services from EPSs and, in some cases, reduced levels of reimbursement for healthcare services. Moreover, payments from SGSSS funds are subject to statutory and regulatory changes, administrative rulings, interpretations and determinations, requirements for utilization review, funding restrictions and solvency risks of EPSs, all of which could materially increase or decrease program payments, as well as negatively affect the cost of providing service to patients and the timing of payments to facilities. We are unable to predict the effect of recent and future policy changes on our operations, and any such changes could have a material adverse effect on us.

A failure of our IT systems could adversely impact our business.

We rely extensively on our IT systems to manage clinical and financial data, communicate with our patients, payers, suppliers and other third parties and summarize and analyze operating results. In addition, we are subject to various laws and regulations protecting the privacy and security of health information and personal data, including personal data protection laws. A failure of our IT systems may be caused by, among other things, defects in design or manufacture of hardware, software or applications we develop or procure from third parties, human error, cyber security incidents, damage from natural disasters, power loss, telecommunications failure, unauthorized entry or other events beyond our control. In certain circumstances we may rely on third-party vendors to process, store and transmit large amounts of data for our business whose operations are subject to similar risks. Our IT systems also depend on the timely maintenance, upgrade and replacement of networks, equipment and software, as well as preemptive expenses to mitigate the risks of failures.

Any failure of our IT systems could materially disrupt our business activities. For example, because we are reliant on our IT systems to manage clinical information and patient data, a material disruption of our IT systems could negatively impact our ability to treat our patients for the duration of the disruption and result in injury and loss of lives, which could subject us to significant litigation or other losses and have a material adverse impact on our reputation, business, financial condition and result of operations.

A failure of our IT systems could also expose us to various security threats and vulnerabilities that may result in the theft, destruction, loss or misappropriation of protected health information or other data subject to privacy laws in Mexico, Peru or Colombia or loss of proprietary business information. Breaches of our security measures and the unauthorized dissemination of sensitive personal information, proprietary information or confidential information could expose us, our customers or other third parties to a risk of loss or misuse of this information, including exposing our customers to the risk of financial or medical identity theft, result in litigation and potential liability, such as regulatory penalties, for us, damage our brand and reputation or otherwise harm our business. The failure of our IT systems, including the costs to eliminate or address security threats and vulnerabilities before or after a system failure, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to provide high-quality, advanced care for a broad array of medical needs, demand for our healthcare services may decrease.

Demand for our healthcare services is driven in large part by our ability to offer high-quality, advanced care for a broad array of medical needs, which is in turn contingent on our having state-of-the-art medical equipment and infrastructure at our facilities, as well as our ability to access high-quality medicines. The technology used in medical equipment and related devices is constantly evolving and, as a result, manufacturers and distributors continue to offer new and upgraded products to healthcare providers. Moreover, new and improved medicines are constantly being introduced to the market. To compete effectively, and to attract doctors and recruit and retain medical staff, we must continually assess our equipment and infrastructure needs and invest in upgrades when significant technological advances occur in order to continue providing access to advanced treatment, and we must ensure that we have access to high-quality, cutting-edge medicines for any given treatment. Such technological equipment and infrastructure costs represent significant capital expenditures. If our facilities do not stay current with technological advances in the healthcare industry and/or we do not offer access to high-quality, cutting-edge

medicines, patients may seek treatment from other providers or insurance providers may send their patients to alternate facilities, which could result in decreased demand for our services and have an adverse effect on our business, financial condition and results of operations.

We may not have sufficient funds to settle current liabilities and as a result we may continue to have negative working capital from time to time.

Our board of directors has the ultimate responsibility for liquidity risk management. It has established an appropriate framework allowing our management to handle financing requirements for the short-, medium- and long-term. As of June 30, 2023, we had negative working capital, which is calculated as current assets minus current liabilities, of S/86.7 million (US\$23.9 million). Our management believes that our available cash and cash equivalents and cash flows expected to be generated from operations and borrowings available to us under our revolving credit lines, will be adequate to satisfy our capital expenditure and liquidity needs for the foreseeable future. However, we may require additional capital in the form of additional debt or equity to meet our long-term objectives relating to the expansion of our business. As a result, we may have negative working capital from time to time. It may be difficult for us to obtain additional financing in the future, on acceptable terms or at all, given that a significant portion of our assets are currently pledged for our financings. If we are unable to access the capital markets to finance our operations in the future, this could adversely affect our ability to obtain additional capital to grow our business and have an adverse effect on our business, financial condition and results of operations.

We face competition in fragmented markets like Mexico, Peru and Colombia, from our current competitors and other competitors that might enter the sector.

The healthcare industry in Mexico, Peru and Colombia is competitive. In Peru and Mexico, we face competition from other privately operated hospitals, clinics and healthcare networks for the provision of healthcare services. In Peru, many of these competitors are operated by our principal third-party payers. While our Auna Peru network is currently one of the few private healthcare networks in the country with broad geographic reach, and the market is generally fragmented, it is possible that healthcare services providers operating other private hospitals and clinics will consolidate and further integrate their operations across facilities, which could cause us to lose market share. For example, Rímac Seguros y Reaseguros S.A. (“Rímac”) and El Pacífico Compañía de Seguros y Reaseguros S.A. (“Pacífico”), two of the main insurance providers in Peru that are also significant third-party payers for Auna services, own and operate their own hospital networks that compete with us. Moreover, our flagship hospital, Clínica Delgado, faces competition from other high-complexity hospitals and clinics in Lima, such as Clínica Ricardo Palma, Clínica Anglo Americana and Clínica San Felipe. Our Auna Mexico network faces competition from other high-complexity hospitals in Monterrey, such as Christus Muguerza, Hospital Ángeles, TecSalud and Swiss Hospital. If demand for Clínica Delgado’s services and/or services in our hospitals in Monterrey decline, demand for services at our networks overall may decline and/or our negotiating position with insurance providers and other third parties could suffer, any of which could have a material adverse effect on our business, financial condition and results of operations.

Currently, the quality of public sector medical services in Peru and Mexico, principally provided by EsSalud and *Seguro Integral de Salud* (“SIS”) in Peru and Mexican Institute of Social Security (“IMSS”) in Mexico, is widely considered deficient and over capacity, with long scheduling times, short appointments with doctors and a shortage of facilities, and we do not currently face substantial competition from government providers in Peru and Mexico. We may face competition from government providers in the future if the Peruvian government and/or the Mexican government allocates additional financial resources to its public sector healthcare system and/or they are able to improve their infrastructure and increase their capacity and the quality of care they provide.

At Oncosalud, our vertically integrated healthcare plan provider, we also face competition from companies that offer healthcare plans covering the same services that our healthcare plans cover, including traditional insurance providers and other companies offering prepaid plans. Our competitors may enhance the quality of their offerings in the future. Our competitors Rímac and Pacífico are the two main insurance providers in Peru, both of which have substantial financial resources. If any of our competitors, including Rímac and Pacífico, is able to offer more comprehensive or less expensive services, including oncology services, we may lose market share in Peru, which could have a material adverse effect on our business, financial condition and results of operations.

Unlike in Peru and Mexico where the market is more fragmented, there are several existing large hospital systems in Colombia and the gap between the quality of services provided by state-owned facilities and privately owned facilities is much smaller. As a result, our Auna Colombia network faces competition in Colombia from both public and private healthcare services providers. Moreover, although healthcare coverage providers in Colombia typically dictate which facility a patient can go to for services, patients can, and frequently do, challenge these decisions, which fosters competition among healthcare providers in the market.

In Colombia, we face competition from other hospital networks with premium facilities, including San Vicente de Paul, Pablo Tobón Uribe, El Rosario, San Jerónimo, Clínica Montería, Clínica Iberoamerica (Grupo Keralty/Sanitas), Clínica del Caribe, Organización Clínica General del Norte and Bonnadona. We also face a heightened competitive risk in Montería as a result of the concentration of control of the market in a few individuals. Certain of our competitors may have greater financial resources, be better equipped and offer a broader range of healthcare services than we do. If we are unable to maintain or grow our competitive position in Colombia, our business, financial condition and results of operations may be adversely affected.

Our performance depends on our ability to recruit and retain quality medical professionals, and we face a great deal of competition for these professionals, which may increase our labor costs and negatively impact our results of operations.

The majority of our physicians in Peru and Colombia are hired on a fee-for-service basis. As a result, and because these arrangements are non-exclusive, there is significant competition between us and our competitors to ensure that the best qualified and most renowned physicians are treating patients at our hospitals. If we are unable to provide high-quality treatment for our patients, ethical and professional standards, adequate support personnel, technologically advanced equipment and facilities and research opportunities that meet their professional needs and goals, our physicians may choose to practice at other facilities. We may not be able to compete with other healthcare providers on some or all of these factors.

Physicians may also refuse to enter into new contracts with us, demand higher payments or perform treatments or procedures that result in higher medical expenses without generating corresponding revenue. In addition, a small number of physicians within each of our facilities generate a disproportionate share of our inpatient revenues and admissions, in particular physicians specializing in oncology, cardiology, trauma, neurology and general surgery. The loss of one or more of these physicians, even if temporary, could reduce patient demand for our services and cause a material reduction in our revenues. In addition, it could take significant time to find a replacement for any of our top physicians given the difficulty and cost associated with recruiting and retaining physicians, which may in turn adversely affect our ability to recruit and retain other doctors.

Our medical support staff, in particular our nurses, are also critical to our success and competitive advantage. Our medical support staff is on the front lines of a patient's experience at our hospitals and clinics, and we depend on their efforts, abilities, and experience to maintain our reputation as a high-quality provider of healthcare services. In recruiting and retaining qualified hospital management, nurses and other medical personnel, such as pharmacists and lab technicians, we compete with other healthcare providers, including government hospitals.

Historically, there has been a shortage of qualified nurses and other medical support personnel in Mexico, Peru and Colombia, which has been a significant operating issue for us and other healthcare providers. This shortage may require us to enhance wages and benefits to recruit, train and retain nurses and other medical support personnel or require us to hire expensive temporary personnel. Moreover, our failure to recruit and retain enough qualified nurses and other medical support personnel could result in loss of customer goodwill and a negative impact on our reputation.

We cannot predict the degree to which we will be affected by the future availability or cost of attracting and retaining talented physicians and medical support staff. If our general labor and related expenses increase, we may not be able to raise the rates we charge for our services correspondingly. Our failure to either recruit and retain qualified physicians, hospital management, nurses and other medical support personnel or control our labor costs could harm our business, financial condition and results of operations.

Our revenues and results of operations are affected by our relationships with unaffiliated physicians in Mexico, and any change to, or deterioration in, these relationships could have a material adverse effect on us.

A portion of our revenue in our Healthcare Services in Mexico segment is derived from fees charged for healthcare services provided at our facilities by unaffiliated physicians. These unaffiliated physicians have no contractual obligations to treat patients at our facilities and any change to, or deterioration in, these relationships could have a material adverse effect on us. A significant reduction in the number of physicians treating patients, or in the number of patients unaffiliated physicians treat, at our facilities would have a negative impact on our business. In addition, insurance providers and other third parties have implemented rules and programs that could limit the ability of physicians to treat patients at our facilities. For example, certain insurance providers require their policyholders to obtain healthcare services exclusively from pre-approved providers. See “—Our revenues and results of operations are affected by our relationships with third-party payers, and any change to, or deterioration in, these relationships could have a material adverse effect on us, such as, for example, due to limitations on reimbursement and, in some cases, reduced levels of reimbursement for healthcare services as a result of changes in the SGSSS in recent years.” If we are unable to compete successfully for these arrangements, our results and prospects for growth could be adversely affected.

Any acquisitions, partnerships or joint ventures that we make or enter into could disrupt our business and harm our financial condition.

Acquisitions, partnerships and joint ventures are an integral part of our inorganic growth strategy. We evaluate, and expect in the future to evaluate, potential strategic acquisitions of, and partnerships or joint ventures with, other hospital networks and complementary businesses. However, we may not be successful in identifying acquisition, partnership and joint venture targets or we may use estimates and judgments to evaluate the operations and future revenues of a target that turn out to be inaccurate.

In addition, we may not be able to successfully finance or integrate any hospitals or other businesses that we acquire or with which we form a partnership or joint venture, and we may not achieve the anticipated benefits of such project. Furthermore, the integration of any acquisition, partnership or joint venture may divert management’s time and resources from our core business and disrupt our operations. As a result of any of the foregoing, we may spend valuable management time and money on projects that do not increase our number of patients or revenue. Acquisitions also involve special risks, including the potential assumption of unanticipated liabilities and contingencies. Even if such liabilities are assumed by the sellers, we may have difficulties enforcing our rights, contractual or otherwise. Moreover, our competitors may be willing or able to pay more than us for acquisitions, which may cause us to lose certain acquisitions that we would otherwise desire to complete. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

In addition, the acquisition of a healthcare provider may require approval of the relevant antitrust regulator, such as *Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* (“INDECOPI”) in Peru, the *Superintendencia de Industria y Comercio* (the “SIC”) in Colombia, or the *Comisión Federal de Competencia Económica* in Mexico. Moreover, the acquisition of regulated entities, such as insurance companies in Mexico, would require the prior approval of additional regulators, such as the *Comisión Nacional de Seguros y Finanzas*. Such regulatory approvals may be significantly delayed or rejected. In addition, insurance providers in Mexico are rated by rating agencies and acquisitions of additional insurance providers could result in the downgrade of our ratings. If the relevant regulator delays or withholds its approval for acquisitions in Mexico, Peru, Colombia or elsewhere or our ratings in Mexico are downgraded as a result of our acquisition of other insurance providers or otherwise, we may not be able to implement our business strategy on a timely basis or grow our operations in the timeframe that we expect, which may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to successfully integrate our acquired operations or obtain the expected benefits from such acquisitions.

Our strategic growth plan, particularly in Mexico and Colombia, depends on the acquisition and integration of existing operations into our network. We may not be able to successfully and efficiently integrate the operations of the facilities and healthcare plans we acquire, including their personnel, financial systems, distribution or operating

procedures. We may also be unable to retain physicians and other medical support staff, in particular if the acquired facilities are in other countries with different cultures, and our relationship with current and new professionals, including physicians, insurance providers and other interested parties may be impaired.

In 2022, we acquired IMAT Oncomedica in Montería, Colombia and Grupo OCA in Monterrey, Mexico and in 2023, we completed the acquisition of Dentegra, a dental and visual insurer with nationwide coverage across Mexico. The integration process for these acquisitions is ongoing and we may not be able to successfully integrate these businesses. See “—Any acquisitions, partnerships or joint ventures that we make or enter into could disrupt our business and harm our financial condition.” The benefits that we expect to achieve as a result of these acquisitions will depend, in part, on our ability to realize anticipated cost savings and to integrate their business into ours, including with respect to the integration of our processes and information systems. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include the creation of a new organizational structure, changes and/or upgrades in processes and information systems, potential customer attrition and changes to our operating model. Even if we are able to execute this integration successfully, this may not result in the full realization of the cost savings that we currently expect, either within the expected time frame, or at all. In addition, we cannot assure you that the costs to achieve these benefits will not be higher than we anticipated. Therefore, we cannot assure you that any anticipated cost savings will be achieved or that our estimates and assumptions will prove to be accurate. Adjusted EBITDA does not reflect the significant costs we expect to incur in order to achieve such cost savings, and there can be no assurance that such costs will not be materially higher than presently contemplated, as such costs are difficult to estimate accurately. If our cost savings are less than our estimates or our cost savings initiatives adversely affect our business or cost more or take longer to implement than we project, or if our assumptions prove to be inaccurate, our results could be lower than we anticipate.

If we are not able to manage our expanded operations and the corresponding integrations effectively, our business, financial condition and results of operations could be materially adversely affected.

We are dependent on our tenants for a portion of our income in Mexico and our business would be materially and adversely affected if a significant number of our tenants were to default on their obligations under their leases.

A portion of our income in our Healthcare Services in Mexico segment consists of rental income received from tenants we lease medical office space to at our properties. Accordingly, our performance depends on our ability to collect rent payments from our tenants and on our tenants’ ability to make those payments. Our business could be materially and adversely affected if a significant number of our tenants were to postpone the commencement of their new leases, decline to extend or renew their existing leases upon expiration or default on their rent and maintenance-related payment obligations. Any of these events could result in the suspension of the effects of each lease, the termination of the relevant lease and the loss of or a decrease in the rental income attributable to the suspended or terminated lease. If upon expiration of a lease for any of the office spaces at our properties, a tenant does not renew their lease, we may not be able to rent the space to a new tenant or the terms of the renewal or new lease may be less favorable to us than current lease terms. A significant number of our tenants defaulting on their obligations under their leases could adversely affect our business, financial condition and results of operations.

Our organic growth plan includes the construction of additional hospitals and clinics as well as expansion of our existing facilities.

Our organic growth plan includes building additional hospitals and clinics, in particular in Peru. We are identifying suitable locations in Peru for future facilities by considering a number of factors, including regional market size, existing competition and potential strategic partners. There are uncertainties regarding how successfully we can identify the suitable market and obtain required government approvals in a timely manner. We currently have approvals for our design plans for a hospital in Piura and the expansion of Clínica Delgado.

Our current and future construction projects are and will be subject to a number of risks, including:

- engineering problems, including defective plans and specifications;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;

- disputes with, defaults by, or delays caused by contractors and subcontractors and other counterparties;
- environmental, health and safety issues, including site accidents and the spread of viruses;
- fires, earthquakes, adverse weather events and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these developments or construction risks could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of any existing or future construction projects that we might undertake.

Furthermore, planning, designing and constructing new facilities is time-consuming and complex. In addition to diverting management's time and resources from our core business, there are typically several years of significant capital expenditures before a facility becomes operational and generates income. If we cannot successfully implement our organic growth strategy and convert new and expanded facilities to profitability on a timely basis, our business, financial condition and results of operations may be adversely affected.

We have previously identified, and in the future may identify, material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to prevent or detect a material misstatement of our financial statements, and may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.

We have previously identified, and may in the future identify, material weaknesses in our internal control over financial reporting. A company's internal control over financial reporting is a process designed by, or under the supervision of, a company's principal executive and principal financial officers, or persons performing similar functions, and effected by a company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified in our internal controls related to (i) the adequacy of our IT security management, including segregation of duties and access and privileged users, (ii) the comprehensiveness of our accounting policies and procedures manuals and (iii) the formalization of controls in key areas of the accounting process, including relating to the documentation and implementation of IFRS reporting requirements. We have remediated these weaknesses, including by: (i) implementing a segregation of duties and privileged users' activities monitoring in our SAP RP systems, including having an information security officer and currently implementing a cybersecurity roadmap based on industry best practices; (ii) updating all of our accounting policies and procedures manuals according to current IFRS reporting requirements with the support of a Big Four accounting firm; and (iii) updating our internal control over financial reporting based on Sarbanes-Oxley 404 standards. These remediation steps are monitored by the audit and risk committee and senior management.

Although the weaknesses we identified have been remediated, we cannot assure you that the measures we took will prevent future material weaknesses and we may in the future identify other material weaknesses in our internal control over financial reporting, which could result in material misstatements in our annual or interim financial statements.

We may not be able to continue growing our business at historical rates.

Our revenue has experienced substantial growth since 2008 and our strategy is to continue to grow our operations, through organic and inorganic growth. However, we may not be able to continue to grow at a rate consistent with our recent performance or to continue growing at all in the future due to factors beyond our control. For example, we expect GDP growth to continue to slow in Mexico, Peru and Colombia in 2023 as compared to

prior years, which could affect healthcare spending in these countries. Our growth could also be impacted by changes in laws or regulations or delays in construction or acquisition of new facilities, any of which could make the execution of our strategic growth plan more difficult. In addition, as we grow our business, we will need to expand our internal controls and administrative and IT systems, among other functions, and hire additional personnel to continue effectively operating our business. The market for qualified personnel that are able to fill management and key operational roles is highly competitive in Mexico, Peru and Colombia due to the limited number of professionals that have the requisite training and experience, and we may be unable to hire sufficient qualified personnel to support our growth. Any inability to adequately scale our operations to meet the increased size of our business may have a material adverse effect on our ability to continue growing our business and/or on our financial condition or results of operations.

We rely on a limited number of suppliers of medical equipment, medicines and other supplies needed to provide our medical services.

A substantial portion of the medical equipment, medicines and other supplies used in our hospitals and clinics is highly complex and produced by a limited number of suppliers. For example, we purchased 88%, 63% and 73% of our medicines and 33%, 49% and 34% of other medical supplies in Mexico, Peru and Colombia, respectively, from our 10 largest suppliers during the six-month period ended June 30, 2023 via purchase orders, and whose commercial terms are renegotiated annually. In addition, in many instances, there are only a small number of suppliers that provide a particular type of medicine or other supplies, which increases their bargaining power. Any interruption in the supply of medical equipment, medicines or other supplies from these suppliers, including as a result of the failure by any of these suppliers to obtain required third-party consents and licenses for production or import/clearance, may compromise our ability to provide effective and adequate services in our hospitals and clinics, which could have a material adverse effect on our business.

We are subject to extensive legislation and regulations in Mexico, Peru and Colombia.

We are subject to extensive legislation and regulations in Mexico, Peru and Colombia, including in relation to the provision of healthcare services and prepaid healthcare plans, environmental protection, health surveillance and workplace safety and management of waste by a variety of national, regional and local governmental authorities, and we are supervised by a number of governmental bodies and agencies. The regular functioning of hospitals and clinics depends, among other things, on obtaining and maintaining valid registrations, licenses, authorizations, grants and permits for installation and operations, including for the sale of medicines and the operation of medical equipment, as well as for the collection, deposit or storage of products; utilization of equipment; import of merchandise and biological materials; handling, treatment, transport and disposal of contaminant wastes, radioactive materials and controlled chemical products; and use of water resources (including installing wells to supply water and disposing of wastewater in accordance with applicable laws and regulations). Moreover, as a provider of prepaid healthcare plans in Peru, we are subject to various economic and financial related regulations, including minimum capital requirements, investment requirements and limitations on asset allocations and indebtedness, among others. We are subject to government inquiries, inspections and audits from time to time. If we fail to comply with applicable laws and regulations, if such laws or regulations change in a manner adverse to us or if we cannot maintain, renew or secure required registrations, permits, licenses or other necessary regulatory approvals, we may be unable to operate our business, suffer administrative penalties, civil liability and criminal charges and fines, have our registration or operating license suspended or revoked, or incur additional liabilities from third-party claims, any of which may also have a negative impact on our brand and reputation. No assurance can be given that any investigations, proceedings or penalties will not occur and will not materially and adversely affect our businesses and results of operations and financial conditions with respect to our recently acquired businesses or any of our other businesses.

Furthermore, we contract with third parties to assist in the collection, treatment, transport and disposal of biohazardous materials. Any failure by these third parties to comply with applicable laws and regulations in the regions in which we operate could also subject us to significant administrative fines, civil liability or criminal charges.

We cannot ensure that the Mexican, Peruvian and Colombian legislation and regulations applicable to our industry will not become more severe or subject us to greater costs in the future, or that the Mexican, Peruvian and Colombian authorities or regulatory agencies will not adopt more restrictive or more rigorous interpretations of

existing laws and regulations, including with respect to obtaining and renewing the licenses, permits and registrations, or the environmental, solvency, minimum capital, health surveillance and workplace safety laws and regulations to which we are subject. For instance, in December 2019, the Peruvian government began requiring that all pharmacies carry generic versions of medicines appearing on a list published by MINSA, which currently includes 34 medicines, with the goal of giving patients the option to purchase lower cost alternatives of common medicines at every pharmacy. In addition, around the same time, an emergency decree established that uninsured Peruvians will be able to access the SIS regardless of their socioeconomic classification. In Colombia, there is currently a healthcare reform bill advancing in the house of representatives, aiming to change the control of public resources in the health sector by shifting these from the private sector to the public sector. The bill has three main objectives: (i) establishing a primary healthcare model with a focus on preventive health strategies; (ii) improving the working conditions of healthcare workers by, for example, providing them with continuing education; and (iii) providing that EPSs may no longer oversee the administration of payments made to medical institutions and that *Administradora de los Recursos del Sistema* (“ADRES”) will directly make all payments to clinics and hospitals. We currently receive payments from EPSs directly and ADRES makes payments to EPSs. EPSs absorb some of the delay in payments on the part of ADRES but if the bill is approved, such delay would no longer be mitigated by EPSs as ADRES would make payments directly to us. As a result, if the bill is approved, this could result in a further delay in the payment for our services in Colombia. In addition, removing EPSs, who compete against each other and negotiate with ADRES on pricing, from the current structure may decrease or eliminate our negotiating power for pricing with respect to patients covered by the public healthcare system. Requiring additional benefits for healthcare workers would also increase costs. These and other recent and future policy changes could have a material adverse effect on our business and operational results.

Moreover, we cannot ensure that the fees, charges and contributions owed to the competent authorities and to professional trade associations, such as *El Colegio Médico del Perú* and *El Colegio Médico Colombiano*, will not be increased as a result of new legislative or regulatory measures. Any one of these factors may involve the incurrence of unforeseen additional costs by us and/or capital expenditures, thereby adversely affecting our business and operating results.

We may be unable to obtain the registrations, authorizations, licenses and permits for the establishment and operation of our hospitals and clinics.

The establishment and operation of our hospitals and clinics depend on a number of registrations, authorizations, licenses and permits that we have to obtain and maintain in force from national, regional and local government agencies in Mexico, Peru and Colombia. Moreover, our hospitals are subject to the inspection of health surveillance agencies in the regions in which we operate, which may conduct periodic audits of our facilities to ensure compliance with applicable standards.

Furthermore, we may also need to obtain authorizations, licenses and permits to offer new types of healthcare services at our facilities, which may cause a delay in offering new services to our patients.

Any failure to obtain or renew required registrations, authorizations, licenses or permits may prevent us from opening and operating new hospitals and clinics or force us to close our hospitals and clinics currently in operation. We may also be subject to fines and other penalties and suffer damage to our reputation. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

If we fail to successfully develop and commercialize new products and services under Oncosalud, our operating results may be materially and adversely affected.

The future growth of our Oncosalud business depends on our ability to develop and introduce new products and services, including plans that are financially accessible to a larger segment of the population and plans that cover additional medical specialties. Our ability to successfully roll out new and innovative products and services depends on a number of factors, including significant investments in research and development, efficient management of resources and an effective sales effort. Our research and development efforts may not yield the benefits we expect to achieve in a timely manner, or at all. To the extent that we are unable to execute our strategy for Oncosalud of introducing new and innovative products, diversifying our product portfolio and satisfying consumers’ changing preferences, we may not be able to grow our plan member base and our results of operations may be adversely

affected. Even if we are able to add new products and services under Oncosalud, these may not lead to our anticipated results, potentially reducing our return on investment.

We may be subject to liabilities from claims brought against our healthcare professionals or our facilities, including medical malpractice lawsuits.

We and our healthcare professionals are subject to medical malpractice lawsuits, product liability lawsuits and other legal actions in the ordinary course of business. Some of these actions may involve large claims, as well as significant defense costs and potential reputational damage. We cannot predict the outcome of these lawsuits or the effect that findings in such lawsuits may have on us. In an effort to resolve one or more of these matters, we may choose to negotiate a settlement, which may have negative implications. Amounts we pay to settle any of these matters may be material. All professional and general liability insurance we purchase is subject to policy limitations. We believe that, based on our past experience, our insurance coverage is adequate considering the claims arising from the operations of our hospitals, clinics and oncology plans. While we continuously monitor our coverage, our ultimate liability for professional and general liability claims could change materially from our current estimates. If such policy limitations are partially or fully exhausted in the future, or payments of claims exceed our estimates or are not covered by our insurance, it could have a material adverse effect on our business, financial condition and results of operations. See “—Our insurance policies may be insufficient to cover potential losses.”

We are subject to litigation and other legal, labor, administrative and regulatory proceedings.

We are regularly party to litigation and other legal proceedings relating to claims resulting from our operations in the normal course of business. These matters have included or could in the future include matters related to Oncosalud’s healthcare benefits coverage and other payment claims (including disputes with plan members, physicians, other healthcare professionals and members of its salesforce), tort claims (including claims related to the delivery of healthcare services, such as claims of medical malpractice by medical professionals employed by us or physicians with whom we have a contractual relationship), labor claims (including disputes with employees, former employees and independent contractors) and administrative and regulatory claims (including retroactive tax claims or challenges arising out of our failure or alleged failure to comply with applicable laws and regulations). In addition, the interpretation and enforcement of certain provisions of our existing or any future agreements (including those related to force majeure clauses in the context of pandemics) may result in disputes among us and our patients or third parties. Litigation and other legal proceedings are subject to inherent uncertainties, and unfavorable rulings may occur. We cannot assure you that the legal, labor, administrative and regulatory proceedings in which we are or may become involved will not materially and adversely affect our ability to conduct our business in the manner that we expect, or otherwise adversely affect our business, financial condition and results of operations. See “Business—Legal Proceedings.”

Our insurance policies may be insufficient to cover potential losses.

We maintain insurance coverage in accordance with normal market practice in order to cover losses arising in connection with our hospital networks and healthcare plans. Certain risks are not covered by insurers in the market (such as war, acts of God and force majeure, the interruption of certain activities and human error, including in relation to medical errors). Furthermore, natural disasters, adverse meteorological conditions and other events may cause physical damage and loss of life, business interruption, equipment damage, pollution and environmental damage, among others. We cannot ensure that our insurance policies will be suitable and/or sufficient in all circumstances or against all risks. The occurrence of a significant loss for which we are not insured, in full or in part, may require us to expend significant amounts. Furthermore, we cannot assure you that we will be able to maintain insurance coverage at reasonable commercial rates or on acceptable terms, or to contract insurance policies with the same or similar insurance companies. Any of the aforementioned developments may adversely impact us, our business, financial condition and results of operations.

We are subject to certain privacy laws and any failure to adhere to these requirements could expose us to civil and criminal penalties, and damage our reputation.

Our business operations and current and future arrangements with medical professionals, third-party payers, plan members and patients expose us to various laws and regulations protecting the privacy and security of health information and personal data, including personal data protection laws in Mexico, Peru and Colombia. We have

made significant investments in technology to adopt and utilize electronic health records and to become meaningful users of health IT, and as a result, we are in possession of a significant amount of protected health information and other data subject to these privacy laws. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable privacy and data security laws. If our operations are found to be in violation of any of these privacy laws or if we are found to have used private information incorrectly, we may be subject to administrative fines and penalties, civil liability and criminal charges and could result in harm to our reputation. See “Industry—Regulation of the Peruvian Healthcare Sector,” “Industry—Regulation of the Colombian Healthcare Sector” and “Industry—Regulation of the Mexican Healthcare Sector.”

Any loss of members of our senior management team could have an adverse effect on us.

Our success depends in large part on performance of our senior management. If any members of our senior management leave the Company, we may not be able to replace them with equally qualified professionals. Competition for qualified personnel in the Mexican, Peruvian and Colombian healthcare industries is strong given the limited number of professionals with appropriate training and/or proven experience in this area. Furthermore, we may be delayed or unsuccessful in hiring, training and integrating new members of our senior management. The loss of any member of our senior management and/or any difficulties encountered in replacing them may adversely affect our business and prospects. See also “—We may not be able to continue growing our business at historical rates.”

Our performance depends on favorable labor relations with our employees. Any deterioration in these relations or increased labor costs may adversely affect our business.

Our employees are not unionized and have not entered into collective bargaining agreements. However, nothing prevents them from doing so in the future. Conflicts with our employees and organized labor actions could result in increased legal and other associated costs and divert management attention. In addition, requirements to increase employee salaries and/or benefits as a result of future collective bargaining agreements, governmental regulations or policies or otherwise could cause us to suffer a material adverse effect on our financial condition and results of operations.

Any significant increase in labor costs, deterioration in relations with employees, or work stoppages at any of our hospital units, whether due to union activities, employee turnover, labor inspections or other factors, may adversely affect our operating results and financial condition.

We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to service our debt and other obligations will depend on the ability of our subsidiaries to pay dividends and make other payments to us.

As a holding company, all of our operations are conducted through our subsidiaries. Accordingly, our ability to service our debt and other obligations will depend upon our receipt of dividends and other distributions from our subsidiaries (such as the payment of intercompany debt). There are various restrictions in Mexico, Peru and Colombia that may limit our subsidiaries’ ability to pay dividends or make other payments to us, such as their obligations to maintain minimum regulatory capital, reserves and minimum liquidity. For example, our Mexican, Peruvian and Colombian subsidiaries must maintain mandatory legal reserves, and certain of our Peruvian and Mexican subsidiaries must maintain minimum capital requirements in their capacity as providers of healthcare coverage plans and dental and vision insurance and our Colombian subsidiaries must maintain certain capital allocations, in each case reducing their net income and the cash available to pay dividends to us. Moreover, our subsidiaries may be subject to exchange controls in the future that prevent them from making distributions to us.

Furthermore, we have certain existing indebtedness, and may incur additional indebtedness or enter into other arrangements in the future, that contain terms that restrict or prohibit our subsidiaries from paying dividends, making other distributions and making loans to us. We cannot assure you that we will not need to take out additional indebtedness in the future, or that the agreements governing our existing or future indebtedness will permit them to provide us with sufficient dividends or distributions or permit us to loan money or enter into other similar arrangements to make required principal and interest payments on our indebtedness or honor our other obligations.

To the extent our subsidiaries do not have funds available or are otherwise restricted from paying dividends or intercompany debt to us, our ability to make required principal and interest payments on our indebtedness or honor our other obligations will be adversely affected.

Our financial results may be impacted by changes to IFRS accounting standards.

We report our financial condition and results of operations in accordance with IFRS. Changes to IFRS may cause our future reported financial condition and results of operations to differ from current expectations, or historical results to differ from those previously reported due to the adoption of new accounting standards on a retrospective basis. We monitor potential accounting changes and, when possible, we determine their potential impact and disclose significant future changes in our financial statements that we expect as a result of those changes. For further information, see note 3 to our audited consolidated financial statements included elsewhere in this Exchange Offer Memorandum.

Our operation of any public-private partnerships we may enter in the future may subject us to additional risks and uncertainties.

In 2010, we entered into an agreement for our first PPP with EsSalud to rebuild Torre Trecca, an outpatient facility (which is currently not in use) providing healthcare services to patients covered through EsSalud, as a high-rise treatment center, and begin operating it on behalf of EsSalud. There are substantial risks and uncertainties associated with this agreement, and any additional PPPs that we may enter into in the future. For example, we signed our initial agreement with EsSalud in 2010, but have not been able to make the project viable because there have been delays in the approvals for the applicable project milestones and amendments to the concession agreement required to start operation of the Torre Trecca PPP by the relevant Peruvian governmental authorities. We do not expect to be able to make the project viable and as a result, the concession agreement is likely to be terminated by EsSalud, which has notified us of its intention to terminate the concession agreement. We have not previously operated a PPP and we may underestimate the level of resources or expertise necessary to make any future PPPs successful or to otherwise realize expected benefits. Moreover, given the nature of PPPs, we expect any future PPPs to generate lower margins than our current business segments have historically generated. In addition, the quality of medical services provided by governmental agencies may be considered deficient and over capacity, and our association with such agencies and any complaints of the quality of government health services may adversely affect our reputation. Our failure to successfully manage these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to Mexico, Peru and Colombia

Political, economic and social conditions in Mexico, could materially and adversely affect Mexican economic policy and, in turn, our business, financial condition, results of operations and prospects.

During the six-month period ended June 30, 2023, we derived 30% of our revenues from contracts with customers in Mexico, including 2% of our revenues from the sale of dental and vision insurance policies. As such, our results of operations are substantially dependent on the ability of patients and other payers in Mexico to pay for services at our hospitals and clinics and our dental and vision plans. Our business, financial condition and results of operations could be affected by changes in economic and other policies of the Mexican government (which has exercised and continues to exercise substantial influence over many aspects of the private sector) and by other economic and political developments in Mexico, including devaluation, currency exchange controls, inflation, economic downturns, corruption scandals, social unrest and terrorism.

As of the date of this Exchange Offer Memorandum, the Morena Political Party, in conjunction with its allied political parties, holds a simple majority in the Senate and in the Chamber of Deputies and a strong influence in various local legislatures. Mexico's next presidential and congressional election will be held in June 2024 and the outcome of it cannot be predicted. The Mexican president influences new policies and governmental actions regarding the Mexican economy, and the new administration could implement substantial changes in law, policy and regulations in Mexico, which could negatively affect our business, financial condition, results of operations and prospects.

The Mexican federal government occasionally makes significant changes in policies and regulations and may do so again in the future. The Mexican federal government drastically decreased the 2019 expenditure budget and could continue decreasing it in the future. On July 2, 2019, the new Federal Republican Austerity Law (*Ley Federal de Austeridad Republicana*) was approved by the Mexican Senate and it was published in the Official Gazette of the Federation on November 19, 2019. Actions to control inflation and other regulations and policies have involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations and capital controls and limits on imports. Our business, financial situation and results of operations could be affected by changes in government policies and regulations involving its administration, operations and tax regime. We cannot assure you that the Mexican government will maintain existing political, social, economic or other policies or that such changes would not have a material adverse effect on our business, financial condition, results of operations and prospects. In particular, tax legislation in Mexico is subject to constant change, and we cannot assure you that the government will maintain the social, economic or other existing policies, nor that those changes will not adversely affect the business, financial position, results of operation or prospects of our company.

The administration of Mr. López Obrador has taken actions that have significantly undermined investors' confidence in private ventures following the results of public referendums, such as the cancellation of public and private projects authorized by the previous administration, including the construction of the new Mexican airport, which immediately prompted the revision of Mexico's sovereign rating. We cannot assure you that similar measures will not be taken in the future, which could have a negative effect on Mexico's economy.

Mexico has recently experienced a significant increase in violence relating to illegal drug trafficking and organized crime, particularly in Mexico's northern states near the United States border. This increase in violence has had an adverse impact on the economic activity in Mexico and may continue to do so. In addition, social instability in Mexico and adverse social or political developments in or affecting Mexico could adversely affect us and our financial performance. Also, violent crime may increase our insurance and security costs. We cannot assure you that the levels of violent crime in Mexico or its expansion to a larger portion of Mexico, over which we have no control, will not increase. Corruption and links between criminal organizations and government authorities also create conditions that affect our business operations, as well as extortion and other acts of intimidation, which may have the effect of limiting the level of action taken by federal and local governments in response to such criminal activity. An increase in violent crime or social unrest could adversely affect our business, financial condition, results of operations and prospects.

We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. Furthermore, we cannot provide any assurances that political, economic or social developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition, results of operations and prospects.

Economic, social and political developments in Peru, including political instability, inflation and unemployment, could have a material adverse effect on our businesses and our results of operations may be negatively affected by recent political instability in Peru.

We derived 41% and 61% of our revenues from contracts with customers in Peru for the six-month period ended June 30, 2023 and in 2022, respectively. As such, our results of operations are substantially dependent on the ability of patients in Peru to pay for services at our hospitals and clinics and our oncology plans. Our business, financial condition and results of operations could be affected by changes in economic and other policies of the Peruvian government (which has exercised and continues to exercise substantial influence over many aspects of the private sector) and by other economic and political developments in Peru, including devaluation, currency exchange controls, inflation, economic downturns, corruption scandals, social unrest and terrorism.

Peru has experienced political instability from time to time, spanning a succession of regimes with differing economic policies and programs. Although Peru has been widely considered a stable democracy in recent years, on September 30, 2019, President Martín Vizcarra took executive action to dissolve the Peruvian Congress and called for a new election of congressional members, giving rise to a protracted period of political crisis. On January 14, 2020, the Peruvian Constitutional Court ruled on a constitutional action challenging President Vizcarra's closing of Congress, declaring the executive action to be constitutionally and legally valid. Congressional elections were held to form a new Congress. In the aftermath of these elections, the Peruvian executive and legislative branches were at odds over several important economic and social measures, including initiatives to address the economic and social

impacts of the COVID-19 pandemic on Peru. In October 2020, a group of congressmen introduced a motion to hold impeachment proceedings against President Vizcarra which Congress approved. Because Peru did not have any designated Vice President at such time, the then-President of Congress, Manuel Merino, assumed the role of acting President. Following multiple protests across the country, Merino resigned from his role as acting President, and Congress selected congressman Francisco Rafael Sagasti Hochhausler as president of Congress, and therefore as acting President.

Peru's general elections to elect a new president and all 130 members of Congress for the 2021-2026 period were subsequently held on April 11, 2021 and resulted in increased economic uncertainty and a climate of intense political polarization. Since no presidential candidate achieved an outright majority, a run-off election was held on June 6, 2021, leading to the election of Pedro Castillo Terrones, a member of the left-wing Peru Libre party. The new government took office on July 28, 2021, and faced challenges in aligning initiatives with and obtaining support from Congress, in which no political party has achieved clear majority and which, with at least ten political parties holding minority representations, is highly fragmented.

On December 7, 2022, Mr. Castillo took an illegal executive action to dissolve the Peruvian Congress. On that same day, with the support of all major political institutions, including the Peruvian army, Castillo was arrested (and remains detained) under the alleged charges of rebellion and conspiracy. Less than 24 hours later the then Vice President, Dina Boluarte, assumed the position of President of Peru, which resulted in multiple protests and social unrest across the country. In contrast to Mr. Castillo, Ms. Boluarte has pursued more business-friendly and open-market economic policies, to stimulate economic growth and stability, a key feature of the Peruvian economy over the past 30 years. Since then, Peru has entered into a new period of relative political and economic stability, although we cannot guarantee that the country will remain in this position nor that the Boluarte administration will continue to pursue such business-friendly and open-market economic policies.

In addition, an economic contraction or weak economic growth in Peru's trading partners may have an adverse effect on Peru's economy. Furthermore, economic conditions in the region may affect the Peruvian economy. For example, Venezuela, under the rule of President Nicolás Maduro, has suffered economic collapse and mass emigration since 2015, including to Peru. The influx of migrants to Peru has put a strain on the country and threatens to increase political and economic instability and social conflict in the region. Despite Peru's ongoing economic growth and stabilization, the social and political tensions and high levels of poverty and unemployment continue. Future government policies to preempt or respond to social unrest could include, among other things, expropriation, nationalization, suspension of the enforcement of creditors' rights and new taxation policies. There can be no assurance that Peru will not face political, economic or social problems in the future or that these problems will not adversely affect our business, financial condition and results of operations.

A deterioration of political stability and any resulting effects on the Peruvian economy could affect our patients' ability to afford our healthcare services, our ability to expand and grow consistently with our strategic plans or otherwise negatively affect our business, financial condition and results of operations.

Economic, social and political developments in Colombia, including political and economic instability, violence, inflation and unemployment, could have a material adverse effect on our businesses, financial condition and results of operations.

We derived 29% and 39% of our revenues from contracts with customers in Colombia for the six-month period ended June 30, 2023 and in 2022, respectively. As such, our results of operations are substantially dependent on the ability of patients in Colombia to pay for services at our hospitals and clinics. Decreases in the economic growth rate, periods of negative growth, increases in inflation, changes in law, regulation, policy, or future judicial rulings and interpretations of policies involving exchange controls and other matters such as (but not limited to) currency depreciation, inflation, interest rates, taxation, banking laws and regulations and other political or economic developments in or affecting Colombia may affect the overall business environment and may, in turn, impact our financial condition and results of operations.

Colombia's central government fiscal deficit and growing public debt could adversely affect the Colombian economy. The Colombian fiscal deficit was 7.1% of GDP in 2021, 7.8% of GDP in 2020, 2.5% of GDP in 2019 and 3.1% of GDP in 2018. According to projections published in December 2022 by the Ministry of Finance and Public Credit, the Colombian government expects a fiscal deficit of 5.5% of GDP for the year 2022. In 2020, the

Colombian economy deteriorated as a result of the COVID-19 pandemic and the collapse in oil prices in April 2020. In addition, economic conditions in the region may affect the Colombian economy. For example, Venezuela, under the rule of President Nicolás Maduro, has suffered economic collapse and mass emigration since 2015, including to Colombia. The influx of migrants to Colombia has put a strain on the country and threatens to increase political and economic instability and social conflict in the region. If the Colombian economy continues to deteriorate as a result of these or other factors, our business, results of operations and financial condition could be adversely affected. The Colombian government frequently intervenes in Colombia's economy and from time to time makes significant changes in monetary, fiscal and regulatory policy. In addition, Colombia held presidential elections in May 2022, and several of the major reforms proposed by the current president could cause volatility of the Colombian economy as well as the monetary, fiscal and regulatory policy.

For example, a labor bill submitted to the Colombian Congress in August 2023 by President Petro's government could result in significant changes that would have a material impact on labor relationships. Proposed changes would require that an indefinite term employment agreement is in place in almost all cases and that fixed-term contracts have a term of not less than 1 month or more than 3 years, including any extensions thereof. In addition, other proposed changes include an increase of severance for termination without cause, restrictions with respect to contractors used and changes regarding working hours. It is expected that the proposed changes would also impact other aspects of labor such as collective relationships, disciplinary processes, labor protections, apprenticeship relations and remote work, among others. If approved, this reform would increase labor costs to employers, including us.

We cannot predict whether this or other policies will be adopted by the Colombian government and whether those policies would have a negative impact on the Colombian economy or our business and financial performance. Our business and results of operations or financial condition may be adversely affected by changes in government or fiscal policies, and other political, diplomatic, social and economic developments that may affect Colombia.

Furthermore, Colombia has suffered from periods of widespread criminal violence over the past four decades, primarily due to the activities of guerrilla groups such as the *Fuerzas Armadas Revolucionarias de Colombia* (the "FARC"), paramilitary groups and drug cartels. In regions of the country with limited governmental presence, these groups have exerted influence over the local population and funded their activities by protecting and rendering services to drug traffickers. Despite efforts by the Colombian government, drug-related crime, guerrilla paramilitary activity and criminal bands subsist in Colombia, and allegations have surfaced regarding members of the Colombian Congress and other government officials having ties to guerrilla and paramilitary groups. In November 2016, former President Juan Manuel Santos signed a peace deal with the FARC, and FARC guerrillas began a process of disarming, which was completed in June 2017. Although the Colombian Congress has approved certain regulations to implement the peace deal, certain FARC members announced their return to arms. On February 16, 2023, at a public hearing convened by the Peace Commission of the House of Representatives (*Comisión de Paz de la Cámara de Representantes*). The Director of the Peace Accord Implementation Unit (*Unidad de Implementación del Acuerdo de Paz*) reiterated the national government's willingness to comply with the agreements, highlighting, among other issues, the coordinated work with all entities to recover the spirit of the peace deal, the allocation of 50.4 billion Colombian pesos in the National Development Plan (*Plan Nacional de Desarrollo*), as well as the actions that are being carried out to strengthen security guarantees. However, it is unclear if this will result in the full implementation of the peace deal. If the peace deal is only partially implemented, violence associated with the FARC may escalate. In addition, although the Colombian government and the National Liberation Army ("ELN") were in talks since February 2017 to end a five-decade war, the Colombian government suspended the negotiations in January 2019 after a series of rebel attacks, including a car bombing at a police academy in Bogotá resulting in 21 people dead and many injured. Furthermore, in February 2022, the ELN held a three-day armed strike against the social and economic policies implemented by the government. Nonetheless, the government of President Petro is once again attempting a negotiation with ELN which, after years of suspending talks with the government of Iván Duque, appears to be interested in trying to reach an agreement with the government to halt violence. The continuation or escalation in the violence associated with the FARC or the ELN may have a negative impact on the Colombian economy or on us, which may affect our patients, employees, assets and projects in the region, as well as our ability to acquire new assets, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations could be adversely affected by adverse climate conditions and other natural disasters.

Mexico, Peru and Colombia are affected by El Niño, an oceanic and atmospheric phenomenon that causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Mexico, Peru and Colombia and various other effects in other parts of the world. The effects of El Niño, which typically occurs every two to seven years, include flooding and the destruction of fish populations and agriculture, and it accordingly can have a negative impact on the Mexican, Peruvian and Colombian economies. For example, in early 2017, El Niño adversely affected agricultural production, transportation services, tourism and commercial activity in Peru, caused widespread damage to infrastructure and displaced people and resulted in a 1.5% drop in GDP growth in 2017 relative to 2016 figures. The Peruvian government estimated that El Niño caused US\$3.1 billion in damages in affected regions. Although El Niño did not have a material adverse effect on our business, we were forced to temporarily close certain facilities in the northern part of Peru.

Mexico, Peru and Colombia are also located in areas that experiences seismic activity and occasionally is affected by earthquakes. For example, on May 26, 2019, an earthquake of 8.0 magnitude struck a remote part of the Amazon in Peru, resulting in collapsed buildings, certain power failures and two reported deaths. In addition, in 2017, an earthquake of 7.4 magnitude struck Mexico, resulting in a significant number of deaths and material losses across the country. Although none of our hospitals and clinics in Mexico, Peru and Colombia have been materially affected by natural disaster to date, a major earthquake, volcanic eruption, hurricane, flood or other natural disaster caused by El Niño or otherwise could damage the infrastructure necessary to their operations.

Our insurance may not be adequate to cover the damages our infrastructure experiences and the occurrence of an earthquake in particular and any other natural disasters could adversely affect our business, results of operations and financial condition. See “—Our insurance policies may be insufficient to cover potential losses.”

In addition, natural disasters, accidents and other similar events, including power loss, may discontinue the normal operations of our hospitals. Any such event could adversely affect our ability to provide services to patients and result in loss of lives and injury. Any of these events and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, our reputation and materially and adversely impact our business, financial conditions and results of operations.

Any future pandemic, epidemic or outbreak of a contagious disease in the markets in which we operate or that otherwise impacts our facilities could adversely impact our business.

The operation of a hospital involves the treatment of patients with a variety of infectious diseases. Previously healthy or uninfected people may contract serious communicable diseases in connection with their stay or visit at hospitals. In addition, these germs or infections could also infect employees and thus significantly reduce the treatment and care capacity at the medical facilities involved in the short-, medium- and long-term.

Any future pandemic, epidemic, outbreak of a contagious disease or other public health crisis could similarly disrupt our operations, diminish the public trust in our healthcare services, especially if we fail to accurately or timely diagnose any future contagious diseases and adversely affect our business, financial condition and results of operations. For example, although our hospitals are essential businesses, we were ordered to cancel all elective, non-emergency procedures and outpatient consultations in Peru and Colombia as a result of the COVID-19 pandemic, restricting our services to emergency care only for the duration of the lockdowns. As a result, revenue from our Healthcare Services in Peru and Healthcare Services in Colombia segments presented a low level of growth in 2020. We also saw a significant increase in the cost of sales and services throughout 2020 due to an increase in the prices of personal protective equipment and experienced staffing shortages at our hospitals and clinics. In addition, the introduction of new laws and regulations, or changes to existing ones, as a response to a future pandemic, epidemic or public health crisis is difficult to predict and could materially affect our business. For example, we may be required to enter into unprofitable arrangements to treat victims of a pandemic or epidemic due to a widespread health emergency, which could negatively impact our results. Our facilities could also be affected by the withdrawal of licenses, permits or authorizations as a result of a pandemic, epidemic or outbreak. Although we have disaster plans in place and operate pursuant to infectious disease protocols, the potential impact of a pandemic, epidemic or outbreak of a contagious disease with respect to our markets or our facilities is difficult to predict and could adversely impact our business.

Our operations are highly concentrated in Peru, Monterrey and Medellín.

For the six-month period ended June 30, 2023, 35.4%, 27.5% and 15.2% of our revenues from contracts with customers were derived from operations in Peru, Monterrey and Medellín, respectively. As such, our results of operations are particularly dependent on economic, social and political developments in these cities and the ability of customers in these cities to afford our healthcare services or purchase our healthcare plans, as applicable. In addition, any earthquakes or other natural disasters, or any other disruptive occurrences such as political or social unrest, sustained power failures, or outbreaks of epidemics or pandemics, such as the novel coronavirus outbreak, that have a negative impact on our infrastructure in these cities could have a disproportionate impact on our ability to provide healthcare services to our patients. As a result, if Peru, Monterrey or Medellín experience a decline in economic, social or political conditions or a serious natural disaster, it could have a material adverse effect on our business, financial condition and results of operations.

Developments and the perception of risk in other countries, especially emerging market countries, may adversely affect the market price of many Latin American securities.

The market value of securities issued by companies with operations in the Latin American region, such as ours, may be affected to varying degrees by economic, political and market conditions in other countries, including other Latin American and emerging market countries. Although macroeconomic conditions in such Latin American and other emerging market countries may differ significantly from macroeconomic conditions in Mexico, Peru and Colombia, investors' reactions to developments in these other countries may have an adverse effect on the market values of our securities. For example, political and social unrest in Latin American countries, including Ecuador, Chile, Bolivia and Colombia; has sparked political demonstrations and, in some instances, violence. Similarly, economic problems in emerging market countries outside of Latin America have also caused investors to view investments in emerging markets more generally with heightened caution. Unforeseen production shortages, interruptions to business operations and supply chain disruptions as a result of the military conflict between Russia and Ukraine could adversely impact our business. Crises in world financial markets could also affect investors' views of securities issued by companies that operate in emerging markets. Crises in other emerging market countries may hamper investor enthusiasm for securities of issuers with operations in Latin America, including the New Notes, which could adversely affect the market price of the New Notes. This could also make it more difficult for us and our subsidiaries to access the capital markets and finance our operations in the future on acceptable terms, or at all.

Increased inflation in Mexico, Peru or Colombia could have an adverse effect on the Mexican, Peruvian and Colombian economies generally and, therefore, on our business, financial condition and results of operations.

In the past, Mexico, Peru and Colombia all have suffered through periods of high inflation and hyperinflation, which has materially undermined their economies and their respective governments' ability to create conditions that support economic growth. High inflation and hyperinflation have the effect of making our services more expensive for our patients and decreasing their ability to afford our services. Any such impact on the Mexican, Peruvian or Colombian economy from inflation may have a material adverse effect on our business, financial condition and results of operations.

Variations in foreign exchange rates may adversely affect our financial condition and results of operations.

The Mexican, Peruvian and Colombian currencies have fluctuated against the U.S. dollar, each other and other foreign currencies over the last four decades. For the six-month period ended June 30, 2023, we generated 41% of our revenues in Peruvian *soles*, 29% of our revenues in Colombian *pesos* and 30% of our revenues in Mexican *pesos*. Our consolidated statement of income and other comprehensive income is presented in Peruvian *soles*, and is impacted by the translation of income and expenses of transactions in Colombian *pesos* and Mexican *pesos* to Peruvian *soles*. The Mexican *peso*, Peruvian *sol* and Colombian *peso* have been volatile in recent years, which in turn creates volatility in our results of operations. Fluctuations in the exchange rates of the Colombian *peso* and Mexican *peso* to the Peruvian *sol* could impair the comparability of our results from period to period and depreciation in such exchange rate could have a material adverse effect on our results of operations and financial condition.

In addition, fluctuations in the exchange rates of the currencies in the markets in which we operate to the U.S. dollar impacts our cash flows. We purchase our pharmaceuticals from local distributors in local currency; however, prices are impacted by the price of such pharmaceuticals globally in U.S. dollars and fluctuations in the exchange rates of the Mexican *peso*, Peruvian *sol* and Colombian *peso* to the U.S. dollar could increase our costs. Furthermore, some of our capital expenditures, such as the purchase of medical equipment, are paid for in U.S. dollars and depreciation of the Mexican *peso*, Peruvian *sol* and Colombian *peso* against the U.S. dollar could reduce or delay the availability of our cash flow to fund such capital expenditures.

We are also exposed to the foreign exchange rate risk associated with our U.S. dollar-denominated debt. As of June 30, 2023, 60.9% of our liabilities were denominated in U.S. dollars. Although we have entered into hedging arrangements with respect to all of our material U.S. dollar-denominated debt, we recognize gains and losses from this debt and the related hedging instruments resulting from exchange rate differences between Mexican *pesos*, Peruvian *soles*, Colombian *pesos* and U.S. dollars in profit or loss. For more information see Note 30 to our audited consolidated financial statements.

Depreciation of the Colombian *peso* or Mexican *peso* against the Peruvian *sol* or the Mexican *peso*, Peruvian *sol* or Colombian *peso* against the U.S. dollar and/or other currencies may therefore adversely affect our business, financial condition and results of operations.

Changes in tax laws in Mexico, Peru, Colombia, Luxembourg or any other relevant jurisdiction may increase our tax liabilities and, as a result, have a material and adverse effect on us.

The tax regimes we are subject to or operate under may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, in Luxembourg and in other countries where we have significant operations could materially affect our results of operations and financial condition.

The Peruvian government regularly implements changes to its tax regulations and interpretations. Potential changes may include modifications in the taxable events, the taxable bases or the tax rates, or the enactment of temporary taxes that, in some cases, could become permanent taxes. These changes could, if enacted, indirectly affect us. For instance, in recent years the Peruvian government introduced several changes related, among others, to interest expense deduction limits, mandatory use of the banking system, indirect transfer of shares and the concept of permanent establishment.

On May 7, 2019, the Peruvian government approved regulations establishing substantive and procedural provisions for the application of the General Anti-Avoidance Rule (“GAAR”). GAAR gives the *Superintendencia Nacional de Aduanas y de Administración Tributaria* (“SUNAT”) the power to reclassify certain transactions that are exclusively performed in a manner solely driven by tax reasons, resulting in tax savings or advantages that otherwise would not have been available. As a result, GAAR may have an impact on our taxable base.

We are currently unable to estimate the impact that such reforms may have on our business. The effects of any tax reform that could be proposed in the future and any other changes that could result from the enactment of additional reform or changes in interpretation have not been, and cannot be, quantified. Any changes to the Peruvian tax regime may increase our and our subsidiaries’ tax liabilities or overall compliance costs, which could have a material adverse impact on our business, financial condition and results of operations.

The Colombian government also regularly implements changes to its tax regulations and interpretations. Colombia has gone through five tax reforms in the last six years, but the Colombian government continues to face serious budgetary constraints and pressure from rating agencies that could lead to future tax reforms, with potential adverse consequences on our financial results.

For example, on September 14, 2021, the Colombian government approved a tax reform under Law No. 2155 as a tax and fiscal policy response to the COVID-19 crisis. As a result, the corporate income tax rate rose to 35%. Furthermore, payments made to foreign entities are subject to an income tax withholding rate of 20%. However, this general rate does not apply to foreign indebtedness exceeding one year, in which case the applicable income tax withholding is 15%. Dividends paid by our subsidiaries to us out of profits that were previously subject to corporate income tax are subject to a withholding tax of 20% and dividends paid out of profits that were not previously subject

to corporate income tax are now subject to a withholding tax of 35% for 2023 and onwards, plus the foregoing 20%, which applies to any amount remaining after the 35%, giving rise to a bundled rate of the 48%.

In December 2019, the Mexican government published several amendments to the Income Tax Law (*Ley del Impuesto sobre la Renta*), the Value Added Tax Law (*Ley del Impuesto al Valor Agregado*), the Excise Tax Law (*Ley del Impuesto Especial sobre Producción y Servicios*) and the Mexican Federal Tax Code (*Código Fiscal de la Federación*), most of which became effective on January 1, 2020. This set of tax reforms is one of the most important in recent years and its main objective is to address tax evasion by strengthening the control mechanisms available to the tax authorities. Among the principal modifications that could affect our results of operations are strict restrictions on the deductibility of certain expenses, such as a new limitation on the deduction of net interest that exceeds 30% of taxpayers' adjusted income, the non-deductibility of certain payments to related parties or through structured agreements with respect to income that is considered subject to preferential tax regimes, or that is subject to hybrid mechanisms. Likewise, important amendments were introduced with respect to the tax regime applicable to foreign entities or legal entities that are transparent for tax purposes, as well as to foreign entities or legal entities whose income is considered subject to preferential tax regimes.

The 2020 tax reform also introduced a new mandatory disclosure regime for transactions that are considered reportable transactions in terms of the provisions of Title VI, Sole Chapter of the Mexican Federal Tax Code (*Código Fiscal de la Federación*), mainly directed to tax advisors of taxpayers.

Due to a tax reform that came into force on January 1, 2022, various modifications were introduced that may affect our operating results; among them are changes in the parameters for determining foreign exchange gains or losses, limitations on the application of preferential withholding rates in the context of financing entered into with related parties, additional obligations regarding transfer prices and the establishment of additional requirements for crediting the value added tax.

In Luxembourg, changes in statutory, tax and regulatory regimes may have an adverse effect on our business, financial condition and result of operations. The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments.

In particular, the Organization for Economic Co-operation and Development (the "OECD") together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as base erosion and profit shifting ("BEPS") through 15 actions detailed in reports released on October 5, 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan agreed in 2021 (BEPS 2.0).

As part of the BEPS project, new rules have been introduced in Luxembourg to address abusive global tax avoidance. In particular:

- The Council of the European Union adopted two Anti-Tax Avoidance Directives (Council Directive (EU) 2016/1164 of July 12, 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("ATAD I") and Council Directive (EU) 2017/952 of May 29, 2017 amending ATAD I as regards hybrid mismatches with third countries ("ATAD II")) that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented into Luxembourg domestic law by the law of December 21, 2018 and the law of December 20, 2019. Most of the measures have been applicable since January 1, 2019 and January 1, 2020, respectively, while the reverse hybrid rules have been applicable as from tax year 2022.
- The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "MLI") was published by the OECD on November 24, 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The MLI entered into force for Luxembourg on August 1, 2019.

The abovementioned rules may adversely affect the tax exposure of Auna S.A. in Luxembourg.

Further, following the adoption of the Luxembourg law of March 25, 2020, as amended from time to time (the “DAC 6 Law”) implementing Council Directive (EU) 2018/822 of May 25, 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“DAC 6”), certain intermediaries and, in certain cases, taxpayers have to report to the Luxembourg tax authorities within a specific timeframe certain information on reportable cross-border arrangements. The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. As the case may be, the Issuer may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement at stake. Under the DAC 6 Law, late reporting, incomplete or inaccurate reporting, or non-reporting may be subject to a fine of up to EUR 250,000.

In addition, on December 22, 2021, the European Commission made available a proposal Directive which sets out minimum substance requirements for shell companies within the EU, with the goal of preventing such undertakings for being used for tax evasion and avoidance. If this proposal is adopted by EU Member States (including Luxembourg) and if Auna S.A. fails to meet the minimum substance requirements, Auna S.A. may be exposed to higher taxation.

We cannot assure you that Mexican, Peruvian, Colombian and Luxembourg tax laws or/and the laws of any other relevant jurisdiction will not change or may be interpreted differently by authorities, and any change could result in the imposition of significant additional taxes or increase our current tax liabilities. Differing interpretations could result in future tax litigation and associated costs. Moreover, the Mexican, Peruvian and Colombian governments have significant fiscal deficits that may result in future tax increases. Additional tax regulations could be implemented requiring additional tax payments, negatively affecting our business, financial condition and results of operations.

We are exposed to the risk of potential expropriation or nationalization of our assets in some of the countries where we operate.

We are exposed to the risk of potential expropriation and nationalization of our assets that are located in the various countries in which we operate; therefore, we cannot assure you that the local governments will not impose retroactive changes that could affect our business, or that would force us to renegotiate our current agreements with such governments. The occurrence of such events could materially affect our financial condition, results of operations and prospects.

Risks Relating to the Exchange Offer and the Solicitation

If we are unable to consummate the Exchange Offer and the Solicitation, we may consider alternative refinancing transactions available to us at that time. Any alternative restructuring could be on terms less favorable to the Holders of Existing Notes than the terms of the Exchange Offer and Solicitation.

If we are unable to consummate the Exchange Offer and the Solicitation, or less than all of the Existing Notes are tendered in the Exchange Offer, we may consider alternative refinancing transactions available to us at that time. There can be no assurance that any alternative refinancing transactions will be pursued or accomplished. Any alternative refinancing transactions could be on terms less favorable to the holders of Existing Notes than the terms of the Exchange Offer and the Solicitation. If the Exchange Offer is not completed or is delayed, the market price of the Existing Notes may decline to the extent that the current market price reflects an assumption that the Exchange Offer (or a similar refinancing transactions) will be completed.

The consideration for the Exchange Offer does not reflect any independent valuation of the Existing Notes or the New Notes or the Collateral.

Our board of directors has made no determination that the consideration to be received in the Exchange Offer represents a fair valuation of either the Existing Notes or the New Notes. We have not obtained or requested a fairness opinion from any financial advisor as to the fairness of the Exchange Consideration offered to Eligible Holders in the Exchange Offer or the relative value of the Existing Notes or the New Notes or the Collateral. The

consideration offered to Eligible Holders in exchange for validly tendered and accepted Existing Notes does not reflect any independent valuation of the Existing Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Exchange Offer. If you tender your Existing Notes, you may or may not receive more or as much value as you would if you choose to keep them.

You may not receive New Notes in the Exchange Offer if the procedures for the Exchange Offer are not followed.

Eligible Holders of Existing Notes are responsible for complying with all of the procedures for tendering Existing Notes for their exchange for New Notes. The exchange of the Existing Notes for New Notes will only occur upon proper completion of the procedures described in this Exchange Offer Memorandum under “Description of the Exchange Offer and the Solicitation.” Therefore, Eligible Holders who voluntarily wish for the Issuer to exchange their Existing Notes for New Notes should allow sufficient time for timely completion of the exchange procedures. None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent assumes any responsibility for informing any Eligible Holders of Existing Notes of irregularities with respect to such Eligible Holder’s participation in the Exchange Offer and the Solicitation.

If an Eligible Holder tenders its Existing Notes after the Early Participation Deadline, and its Existing Notes are accepted for exchange, such Eligible Holder will not receive the Early Participation Premium.

Holders of Existing Notes are responsible for complying with all the procedures of the Exchange Offer and the Solicitation. Additionally, Eligible Holders who validly tender their Existing Notes after the Early Participation Deadline and whose Existing Notes are accepted for exchange will only receive the Exchange Consideration (and not the Early Participation Premium). The Issuer is not obligated to extend the Exchange Offer and the Solicitation or notify an Eligible Holder of any failure to follow the proper procedures.

Eligible Holders may not withdraw their tendered Existing Notes on or after the Withdrawal Date, except in limited circumstances and as required by applicable law.

The Withdrawal Deadline is 5:00 p.m., New York City time, on November 28, 2023. Existing Notes tendered in the Exchange Offer may be validly withdrawn at any time before the Withdrawal Deadline (but not thereafter). Existing Notes tendered in the Exchange Offer after the Withdrawal Deadline will be irrevocable, unless the Issuer decides, in its sole discretion, to extend the Withdrawal Deadline and except where additional withdrawal rights are required by law. Accordingly, you should not tender any Existing Notes that you do not wish to have accepted for exchange by us.

We expect to issue our unaudited interim condensed consolidated financial statements as of September 30, 2023 after the Withdrawal Deadline, on or about December 1, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of supplement hereto. Unless required by applicable law, you will not be able to withdraw tenders of Existing Notes after the Withdrawal Deadline.

There may be a long period during which participating holders may be unable to effect transfers or sales of their Existing Notes.

The Exchange Offer and Solicitation expire on the Expiration Date, and at or following the Withdrawal Deadline, withdrawal rights will only be provided as may be required by applicable law. As a result, there may be a long period of time during which participating holders may be unable to effect transfers or sales of their Existing Notes.

We may repay, repurchase or exchange any Existing Notes that are not tendered in the Exchange Offer on terms that are more or less favorable to the Holders of the Existing Notes than the terms of the Exchange Offer.

We or our affiliates may, to the extent permitted by applicable law, after the Expiration Deadline, acquire or exchange Existing Notes that are not tendered and accepted in the Exchange Offer and the Solicitation through open market purchases, privately negotiated transactions, tender offers, Exchange Offer, redemptions or otherwise or

repay the Existing Notes at or prior to maturity, upon such terms and at such prices as we may determine, which with respect to the Existing Notes may be more or less favorable to Holders than the terms of the Exchange Offer. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future.

The Exchange Offer and the Solicitation may be cancelled, delayed or amended pursuant to their terms and the conditions for the Exchange Offer may not be satisfied.

The Exchange Offer and the Solicitation are subject to the satisfaction of certain conditions, including, among other things, the satisfaction of the Minimum Exchange Condition and the Financing Condition. Each of the Exchange Offer and the Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing the other, provided that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Financing Condition. See “Description of the Exchange Offer and the Solicitation—Conditions to the Exchange Offer and the Solicitation.”

Even if the Exchange Offer and the Solicitation are consummated, they may not be consummated on the schedule described in this Exchange Offer Memorandum. Accordingly, Eligible Holders participating in the Exchange Offer and the Solicitation may have to wait longer than expected to receive their New Notes (or to have their Existing Notes returned to them in the event that we terminate or cancel the Exchange Offer), during which time such Eligible Holders will not be able to effect transfers or sales of their Existing Notes tendered in the Exchange Offer and the Solicitation. In addition, subject to certain limits, we have the right to amend the terms of the Exchange Offer prior to the Expiration Deadline.

Risks Relating to the Non-Exchanging Holders of the Existing Notes

We cannot assure Holders of Existing Notes that existing rating agency ratings for the Existing Notes will be maintained.

We cannot assure Holders of Existing Notes that as a result of the Exchange Offer or otherwise, one or more rating agencies would not take action to downgrade, negatively comment upon or indicate a selective/restricted default with respect to their respective ratings on the Existing Notes. As a result of the secured status of the New Notes and the ranking of such notes relative to the Existing Notes, we expect one or more rating agencies to lower their credit ratings on the Existing Notes below the rating currently assigned to the Existing Notes. Any downgrade, negative comment or selective/restricted default indication would likely adversely affect the market price of the Existing Notes. If we were to experience any of these actions, this would likely make it difficult for us to refinance our debt and may increase our interest expenses, which could damage our financial condition and results of operations.

Upon consummation of the Exchange Offer, liquidity of the market for outstanding Existing Notes may be substantially reduced, and market prices for outstanding Existing Notes may decline as a result.

To the extent the Exchange Offer is consummated, the aggregate principal amount of outstanding Existing Notes will be reduced, and such reduction is expected to be substantial. If the Exchange Offer is consummated, at least more than 80% of the aggregate principal amount of the Existing Notes will be cancelled and cease to remain outstanding. A reduction in the amount of outstanding Existing Notes would likely adversely affect the liquidity of the non-tendered or non-accepted Existing Notes. An issue of securities with a small outstanding principal amount available for trading, or float, generally commands a lower price than does a comparable issue of securities with a greater float. Therefore, the market price of Existing Notes that are not tendered or not accepted may be adversely affected. A reduced float may also make the trading prices of Existing Notes that are not tendered or exchanged more volatile. None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee, the Exchange Agent or the Information Agent has any duty to make a market in any remaining Existing Notes.

The Proposed Amendments will, if adopted, significantly reduce protections to the Holders of the Existing Notes.

If the Proposed Amendments are adopted, the covenants, events of default and some other terms of the Existing Notes will be less restrictive and will afford reduced protection to holders of those securities and any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement will be released. The Proposed Amendments would eliminate substantially all of the restrictive covenants and events of default and related provisions contained in the Existing Indenture with respect to the Existing Notes. If such Proposed Amendments become operative, the Existing Notes that are not tendered and exchanged or purchased pursuant to the Exchange Offer will remain outstanding and will be subject to the terms of the Existing Indenture, as amended by such Proposed Amendments. As a result, Holders of such Existing Notes not tendered or not exchanged or purchased pursuant to the Exchange Offer will no longer be entitled to the benefits of substantially all of the restrictive covenants and events of default currently contained in the Existing Indenture and any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement will be released.

The elimination or modification of these restrictive covenants, events of default and other provisions would permit us to take certain actions previously prohibited or limited by certain restrictions in such Existing Indenture, in each case, without violating the provisions of the Existing Indenture. Similarly, the release of the collateral relating to the March 2023 Private Placement would also enable us to use this collateral, dispose of it or otherwise deal with it differently than we do now. The Proposed Amendments would allow us to take actions that would likely increase the credit risks faced by Holders of Existing Notes not exchanged or purchased pursuant to the Exchange Offer. As a result, the market price, credit ratings and liquidity of any remaining outstanding Existing Notes may be affected negatively. If the Proposed Amendments are adopted, we expect one or more rating agencies to lower their credit ratings on the Existing Notes below the rating currently assigned to the Existing Notes. The release of such guarantees, a negative change in the ratings of the Existing Notes or the announcement by any rating agency of its intention to put the Existing Notes on credit watch could have an adverse effect on the trading price of the Existing Notes.

Any Existing Notes not tendered in the Exchange Offer will be effectively junior to the New Notes and any other secured debt.

All obligations in respect of the New Notes, the New Term Loan and certain other secured debt are or will be secured by liens on the Collateral, and, subject to certain limitations, we may incur debt secured by assets other than the Collateral. As a result, the Existing Notes are effectively junior to all such secured debt to the extent of the security interests securing such indebtedness. In addition, if we consummate the Solicitation and the Proposed Amendments become effective, the Existing Notes will not limit our ability to incur additional debt, some of which may be secured. Although there are restrictions in our other debt on our ability to incur additional secured debt (including the New Notes), those restrictions are subject to significant exceptions. As a result, we may also incur substantial additional indebtedness in the future. Upon a default in payment on, or the acceleration of, any obligations in respect of our existing and future indebtedness that is secured, including the New Notes and any other secured debt, or in the event of our, or the Guarantors' bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding, the proceeds or other value in respect of the collateral that secures our existing and future secured indebtedness will be available first to satisfy obligations on such indebtedness. In such event, there can be no assurance that there will be sufficient proceeds or other value in respect of the collateral to make payments to holders of the Existing Notes.

The Existing Notes will be structurally subordinated to the indebtedness of any non-guarantor subsidiary to the extent of the value of their assets. If you choose not to tender your Existing Notes, you will continue to hold such Existing Notes. As a result, your Existing Notes will be subject to the subordination described above.

Holders who do not exchange their Existing Notes may recognize gain or loss for U.S. federal income tax purposes.

Whether the adoption of the Proposed Amendments will constitute a realization event for U.S. federal income tax purposes depends on whether such adoption is considered to result in a "significant modification" of the Existing

Notes. If the adoption of the Proposed Amendments results in a “significant modification” of the Existing Notes, there would be a deemed exchange of the Existing Notes that would result in holders who do not exchange their Existing Notes pursuant to the Exchange Offer recognizing gain or loss and the Existing Notes being treated as issued with original issue discount for U.S. federal income tax purposes. Although the matter is not free from doubt, the Issuer intends to take the position that the adoption of the Proposed Amendments will cause a “significant modification” of the Existing Notes for U.S. federal income tax purposes. Accordingly, unless the deemed exchange is treated as a tax-free recapitalization, a U.S. Holder will recognize any gain or loss, for U.S. federal income tax purposes, upon the adoption of the Proposed Amendments, regardless of whether the U.S. Holder consents to the Proposed Amendments, and will have the same adjusted tax basis and holding period in the Notes after the adoption of the Proposed Amendments that the U.S. Holder had in the Notes immediately before the adoption. There can be no assurance, however, that the IRS will not challenge the treatment of the adoption of the Proposed Amendments as a significant modification, or that a court will not agree with such contrary position. U.S. Holders that elect not to exchange their Existing Notes pursuant to the Exchange Offer are urged to consult their tax advisors regarding the U.S. federal income tax considerations applicable to their particular circumstances. See “Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations—Tax Consequences to Non-Exchanging Holders.”

Risks Relating to the New Notes, the Guarantees and the Collateral

The market price of the New Notes may fluctuate significantly, and you could lose all or part of your investment.

Volatility in the market price of the New Notes may prevent you from being able to sell the New Notes at or above the price you paid for them. The market price and liquidity of the market for the New Notes may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, among others:

- actual or anticipated changes in our results of operations, or failure to meet expectations of financial market analysts and investors;
- investor perceptions of our prospects or our industry;
- operating performance of companies comparable to us and increased competition in our industry;
- new laws or regulations or new interpretations of laws and regulations applicable to our business;
- general economic trends in Mexico, Peru, Colombia and Latin America in general;
- catastrophic events, such as earthquakes and other natural disasters; and
- developments and perceptions of risks in Mexico, Peru, Colombia and other emerging markets.

The New Notes may be treated as issued with original issue discount for U.S. federal income tax purposes.

If the issue price of the New Notes is less than their stated principal amount by more than a specified de minimis amount, the New Notes will be treated as issued with original issue discount (“OID”) in an amount equal to such difference. For these purposes, the discount will be considered to exceed the de minimis threshold if it is at least equal to 0.25% of the stated principal amount of the New Notes multiplied by the complete years to maturity from the issue date of the New Notes. U.S. Holders (as defined below) will generally be required to include such OID in their gross income, as ordinary income, as it accrues (on a constant yield to maturity basis) over the term of a New Note, without regard to their regular methods of accounting for U.S. federal income tax purposes, in advance of the receipt of cash payments attributable to that income. The determination of the issue price of the New Notes will depend on whether the New Notes and/or the Existing Notes exchanged therefor are “publicly traded” for U.S. federal income tax purposes. Assuming the New Notes are publicly traded, the New Notes generally will have an issue price equal to their fair market value on the date of issuance. If the New Notes are not publicly traded, but the Existing Notes are publicly traded, the issue price of the New Notes will be determined based on the fair market value of the Existing Notes on the issue date of the New Notes. The Issuer will make the determination of the issue

price of the New Notes available to holders in a commercially reasonable fashion, including by electronic publication, within 90 days of the date that the New Notes are issued. See “Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership of the New Notes—Original Issue Discount.” and “Certain Tax Considerations—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Exchange—Issue Price of the New Notes.”

Our significant indebtedness could adversely affect our financial health, prevent us from fulfilling our obligations under the New Notes and raise additional capital to fund our operations and limit our ability to react to changes in the economy or the healthcare industry.

We have a significant amount of debt and debt service obligations. As of June 30, 2023, after giving effect to the Exchange Offer as described under “Capitalization,” our total debt and other financing, including all of our consolidated subsidiaries, would have been US\$1,037.1 million (S/3,762.5 million). Of this amount, US\$597.8 million (S/2,168.7 million) represented our indebtedness and US\$439.3 million (S/1,593.8 million) represented the indebtedness of our subsidiaries. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations and Commitments.”

Our level of indebtedness could have important negative consequences for us and to you as a holder of the New Notes, including the following:

- it could require us to dedicate a large portion of our cash flow from operations to fund payments on our debt, thereby reducing our ability to expand our data center capabilities and grow our operations;
- reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- limit our and the Guarantors’ ability to raise additional debt or equity capital in the future or increase the cost of such funding;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- make it more difficult for us to satisfy our obligations with respect to the New Notes and our other debt; and
- place us at a competitive disadvantage with competitors that have less debt.

Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

Subject to the limitations contained therein, the agreements governing our existing debt allow, and the New Notes Indenture will allow, us to incur additional debt, which could be substantial and which could be secured. If we incur any additional debt that ranks equal in right of payment and/or equal in lien priority as to the Collateral with the New Notes, the holders of that debt will be entitled to share ratably with the holders of the New Notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of us subject to satisfaction of certain debt limitations. We may also incur additional debt that could mature prior to the New Notes. This may have the effect of reducing the amount of funds available to be paid to holders of the New Notes when they become due or in the event of an insolvency, liquidation, reorganization, dissolution or other winding-up. In addition, the agreements governing our existing debt do not, and the New Notes Indenture will not, prevent us from incurring other liabilities that do not constitute indebtedness. Any such additional debt or other liabilities could further exacerbate the risks associated with our substantial leverage. See “Description of the New Notes—Certain Covenants.”

The New Notes will be structurally subordinated to the indebtedness and other liabilities of any of our subsidiaries that do not become Guarantors.

The New Notes will not be guaranteed by all of our subsidiaries, including:

- unrestricted subsidiaries;
- restricted subsidiaries that individually represent less than 10% of our and our restricted subsidiaries' Consolidated Adjusted EBITDA and Total Assets; and
- any restricted subsidiaries if we and the then-existing Guarantors represent at least 85% of our and our restricted subsidiaries' Consolidated Adjusted EBITDA and Total Assets.

As a result, the New Notes will be structurally subordinated to the obligations (including indebtedness) of any of our subsidiaries that do not become Guarantors. If one of our subsidiaries that is not a Guarantor were to be liquidated, the creditors of that subsidiary would be paid in full from the assets of the liquidated subsidiary before holders of New Notes would be paid from those assets.

The Collateral may not be sufficient to cover amounts due on the New Notes and it may be difficult to realize the value of the Collateral.

The New Notes will be secured on a first-priority basis by the Collateral and will be our senior secured obligations, ranking senior in right of payment to all of our existing and future subordinated indebtedness and indebtedness that is unsecured or secured by liens that are junior to the liens securing the New Notes. The New Notes will be effectively junior to all of our existing and future senior secured indebtedness (other than with respect to the Collateral) to the extent of the assets securing that indebtedness.

The Collateral will also secure obligations under the New Term Loan, on a *pari passu* basis with the liens securing the New Notes subject to the Intercreditor Agreement. See "Description of the New Notes—The Collateral." Pursuant to the Intercreditor Agreement, the holders of the New Notes and the lenders under the New Term Loan will rank equally in priority over the rights to the pledge of the Collateral under the relevant security agreements. For as long as either the New Notes or New Term Loan remain outstanding, each of the holders of the New Notes and the lenders under the New Term Loan will have the right to independently enforce on the Collateral and determine the time, place and manner of such enforcement.

In addition, the New Notes will be secured only to the extent of the value of the assets that have been pledged or otherwise provided as Collateral for the New Notes. The Collateral consists of only certain, specified assets of the Issuer and the Guarantors. To the extent that the claims of the holders of the New Notes exceed the value of the Collateral securing the New Notes and other obligations, those residual claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness of the Issuer ranking *pari passu* with the New Notes. As a result, if the value of the assets pledged as security for the New Notes is less than the value of the claims of the holders of the New Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid. There can be no assurance that the amounts derived from the Collateral will be sufficient to make payments on the New Notes.

The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. No appraisals of any of the Collateral have been prepared by us or on behalf of us in connection with the Exchange Offer. By their nature, some or all of the pledged assets may be illiquid and have no readily ascertainable market value. We cannot assure you that the fair market value of the Collateral as of the date of this Exchange Offer Memorandum equals or exceeds the principal amount of the debt secured thereby. The value of the Collateral may also be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy or other unforeseen liabilities and future events.

The security interest of the Collateral Agents and the Collateral Trustee will also be subject to practical problems generally associated with the realization of security interests in collateral. For example, the relevant Collateral Agent or Collateral Trustee may need to obtain the consent of a third party to obtain or enforce a security interest in the Collateral. We cannot assure you that the Collateral Agents or Collateral Trustee will be able to obtain

any such consents. Accordingly, the Collateral Agents and the Collateral Trustee may not have the ability to foreclose upon certain assets and the value of such Collateral may significantly decline.

In addition, any enforcement of the Collateral remains subject to relevant insolvency laws and regulations, and recovery of the value of any assets on insolvency may be limited or constrained by application of these laws and regulations. See “—The Issuer’s and the Guarantors’ respective obligations under the New Notes and the Guarantees will be subordinated to certain statutory liabilities.”

There are circumstances other than repayment or discharge of the New Notes under which the Collateral and the Guarantees will be released automatically, without your consent or the consent of the Trustee, the applicable Collateral Agent(s), the Collateral Trustee or the Intercreditor Agent.

Under various circumstances, the Collateral will, immediately and automatically, without the need for any further action by any person, be immediately and automatically released, terminated and discharged, including:

- in part, as to any Collateral that is sold, assigned, transferred, conveyed or otherwise disposed of by the Issuer, the Colombian pledgors, the Mexican pledgors or the Peruvian pledgors, or any of their respective direct or indirect parent entities, to a Person other than the Issuer in a transaction permitted under the covenant described under “Description of the New Notes—Repurchase at the Option of Holders—Asset Sales” in accordance with the Intercreditor Agreement. Notwithstanding the foregoing, pursuant to Mexican law, the pledge created by the share pledge agreement governed by such law will remain effective, valid and retain its first-priority lien in favor of the pledgee, irrespective of any assignment, transfer or disposal of the relevant shares by the Mexican pledgors;
- in whole or in part, as applicable, if required by the terms of the relevant security agreement or the Intercreditor Agreement;
- in whole, upon legal defeasance or covenant defeasance of the New Notes Indenture as described under “Description of the New Notes—Legal Defeasance and Covenant Defeasance;”
- to enable the Issuer and/or any Guarantor to consummate the disposition of property or assets to the extent not prohibited by the New Notes Indenture and the relevant security agreement;
- with respect to the Peruvian real estate assets, upon the Issuer achieving a BB rating by at least one credit rating agency; and
- in whole, upon payment in full of the principal of, accrued and unpaid interest and premium, if any, on the New Notes.

If any such liens on the Collateral are released, holders of the New Notes will not have any secured claim against such assets. For further information, see “Description of the New Notes—The Collateral—Release of Liens.”

Under various circumstances, the Guarantees will be automatically and unconditionally released and discharged, including:

- the designation of any Guarantor as a Non-Guarantor Restricted Subsidiary in accordance with “Description of the New Notes —Certain Covenants—Future Guarantors;”
- any sale, assignment, transfer, conveyance, exchange or other disposition (by merger, consolidation or otherwise) of the Capital Stock of a Guarantor after which the applicable Guarantor is no longer a Restricted Subsidiary, which sale, assignment, transfer, conveyance, exchange or other disposition is made in compliance with the applicable provisions of the New Notes Indenture, including “Description of the New Notes —Repurchase at the Option of Holders—Asset Sales” and “Description of the New Notes — Certain Covenants—Merger and Consolidation;”
- the designation of any Guarantor as an Unrestricted Subsidiary;

- upon repayment in full of the New Notes; or
- the Issuer's exercise of its legal defeasance option or covenant defeasance option as described under "Description of the New Notes—Defeasance," or the satisfaction and discharge of the Issuer's obligations under the New Notes Indenture in accordance with the terms of the New Notes Indenture.

For further information, see "Description of the New Notes—Note Guarantees."

Our and the Guarantors' respective obligations under the New Notes and the Guarantees will be subordinated to certain statutory liabilities.

Under Peruvian bankruptcy laws, Colombian laws and Mexican laws, as applicable, our and the Guarantors' respective obligations under the New Notes and the Guarantees are unsecured and subordinated to certain statutory preferences. In the event of our or the Guarantors' insolvency, reorganization or liquidation, such statutory preferences, including claims for salaries, wages, social security, retirement and housing funds, and taxes, will have preference over any other claims, including claims by any investor in respect of the New Notes. In addition, our creditors may hold negotiable instruments or other instruments governed by local law that grant rights to attach our assets at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefitting those creditors over the rights of holders of the New Notes.

If any Guarantors are released from their Guarantees, no holder of the New Notes will have a claim as a creditor against such former Guarantors and the indebtedness and other liabilities, including trade payables and preferred stock, if any, of such former Guarantor will be effectively senior to the claim of any holders of the New Notes.

We may not be able to generate sufficient cash to service all of our indebtedness, including the New Notes, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.

As a holding company, our ability to make scheduled payments on or refinance our debt obligations, including the New Notes, depends on the financial condition and operating performance of our subsidiaries, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from our subsidiaries' operating activities sufficient to pay the principal, premium, if any, and interest on our indebtedness, including the New Notes. See "—We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to service our debt and other obligations will depend on the ability of our subsidiaries to pay dividends and make other distributions to us."

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the New Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternatives may not allow us to meet our scheduled debt service obligations. The New Notes Indenture will restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the New Notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the New Notes could declare all outstanding principal and interest to be due and payable, causing a cross-acceleration or cross-default under certain of our other debt agreements, and we could be forced into bankruptcy, liquidation or restructuring proceedings. All of these events could result in your losing your investment in the New Notes or your investment being impaired.

Fraudulent conveyance laws may void the New Notes and/or the Guarantees and any related security interests or subordinate the New Notes and/or the Guarantees and any related security interests.

The issuance of the New Notes, the Guarantees and the related security interests may be subject to review under applicable bankruptcy law or relevant fraudulent conveyance laws if a bankruptcy lawsuit is commenced by or on behalf of our or the Guarantors' creditors. Under these laws, if in such a lawsuit a court were to find that, at the time the New Notes and the Guarantees are issued, we or a Guarantor:

- incurred this debt with the intent of hindering, delaying or defrauding current or future creditors;
- received less than reasonably equivalent value or fair consideration for incurring this debt;

and we or a Guarantor:

- was insolvent or was rendered insolvent by reason of the related financing transactions;
- was engaged, or about to engage, in a business or transaction for which our remaining assets constituted unreasonably small capital to carry on our business; or
- intended to incur, or believed that we would incur, debts beyond our ability to pay these debts as they mature, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the New Notes, a Guarantee or the related security interest, if any, or subordinate them to our and the Guarantors presently existing or future debt or take other actions detrimental to you.

We cannot assure you as to what standard a court would apply in order to determine whether we and/or a Guarantor were "insolvent" as of the date the New Notes and Guarantees were issued, and we cannot assure you that, regardless of the method of valuation, a court would not determine that we were insolvent on that date. Nor can we assure you that a court would not determine, regardless of whether we or the Guarantors were insolvent on the date the New Notes and Guarantees were issued, that the payments constituted fraudulent transfers on another ground.

Guarantees could also be subject to the claim that, since the Guarantees were incurred for our benefit, and only indirectly for the benefit of the Guarantors, the obligations of the Guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration. For example, article 830 of the Colombian Code of Commerce requires that any enforcement of rights under the New Notes, including the Guarantees, occur in good faith, in accordance with a legitimate purpose and in a non-excessive way, considering the purpose for which the right being exercised was granted. A court could void a Guarantor's obligation under its Guarantee or the related security interests, if any, subordinate the Guarantee or the related security interest, if any, to the other indebtedness of a Guarantor, direct that holders of the New Notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of its creditors, or take other action detrimental to the holders of the New Notes. Furthermore, pursuant to Mexican law, should a Mexican Guarantor become subject to a judicial insolvency proceeding (*concurso mercantil*) or to bankruptcy (*quiebra*), its Guarantee may be deemed to have been a fraudulent transfer and declared void based upon the Mexican Guarantor being deemed not to have received fair consideration in exchange for such guarantee. In addition, the liability of each Guarantor under the New Notes Indenture will be limited to the amount that will result in its Guarantee not constituting a fraudulent conveyance, and there can be no assurance as to what standard a court would apply in making a determination as to what would be the maximum liability of each Guarantor.

The value of the Collateral may not be sufficient to secure post-petition interest in the United States.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us in the United States, holders of the New Notes will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the Collateral is greater than their pre-bankruptcy claim. Holders of the New Notes that have a security interest in Collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No

appraisal of the fair market value of the Collateral has been prepared in connection with the Exchange Offer and therefore the value of the noteholders' interest in the Collateral may not equal or exceed the principal amount of the New Notes and the other debt secured thereby.

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, although a security interest over certain tangible and intangible assets may validly be created, its perfection and priority *vis-à-vis* third parties may require certain actions to be undertaken by the secured party or the grantor of the security before third parties and/or governmental authorities. The liens in the Collateral may not be perfected with respect to the claims of the New Notes if we or a Collateral Agent, Collateral Trustee or third party fails or is unable to take the actions we are or it is required, as the case may be, to take to perfect any of these liens. Such failure may affect the security interest in the Collateral or adversely affect the priority of the security interest in favor of the New Notes against third parties.

The Collateral currently is pledged to secure a portion of our existing indebtedness, including the Existing Notes. However, if there is any delay in cancellation of the Existing Notes in connection with the Exchange Offer, or in the Fourth Supplemental Indenture becoming operative, we may not be able to release such liens on the issue date of the New Notes being offered hereby. Further, the steps that must be taken to perfect the liens on the Collateral in Mexico, Peru and in Colombia may not be taken on the Settlement Date. Accordingly, the liens on all of the Collateral will not be perfected on the date the New Notes are issued. See "Description of the New Notes—The Collateral."

The security interests in the Collateral will be granted to the applicable Collateral Agent or the Collateral Trustee for the New Notes, rather than directly to the holders of the New Notes.

The security interests in the Collateral that will secure our obligations under the New Notes will not be granted directly to the holders of the New Notes but will be granted only in favor of the applicable Collateral Agent(s) or Collateral Trustee for the benefit of the holders of the New Notes and the lenders under the New Term Loan. As a consequence, holders of the New Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the New Notes, except through the applicable Collateral Agent(s) or Collateral Trustee, which will (subject to the provisions of the New Notes Indenture, the relevant security agreement, the New Term Loan and the Intercreditor Agreement, as applicable) be required to follow instructions given to the Intercreditor Agent, as directed by either the Administrative Agent or the Trustee, as applicable, acting at the direction of the requisite secured parties (as applicable).

In addition, the ability of the Collateral Agents or Collateral Trustee to enforce the security interests in the Collateral is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are held.

In the event of a U.S. bankruptcy, the ability of secured parties to realize upon the Collateral will be subject to certain U.S. bankruptcy law limitations.

The ability of the Collateral Agents, the Collateral Trustee or any other secured party to realize upon the Collateral will be subject to certain bankruptcy law limitations in the event of the Issuer's or the Guarantors' bankruptcy. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from repossessing their security from a debtor in a bankruptcy case, or from disposing of such security, without bankruptcy court approval. Any resulting delay in the enforcement of a security interest could be for a substantial period of time. Moreover, applicable U.S. federal bankruptcy laws generally permit the debtor to continue to retain and use Collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection" with respect to the secured portion of its claim against the debtor. The meaning of the term "adequate protection" may vary according to the circumstances but is intended in general to protect the secured creditor against any decrease in the value of the secured creditor's interest in the Collateral as a result of the stay of repossession or disposition of the Collateral, or any use of the Collateral by the debtor, during the pendency of the bankruptcy case. Adequate protection may take the form of cash payments or the granting of additional security, if and at such times as the presiding court in its discretion determines. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, even if the New Notes

were fully secured by a perfected security interest in the Collateral, we cannot predict whether payments under the New Notes would be made following commencement of and during a bankruptcy case, whether or when the Collateral Agents or Collateral Trustee could foreclose upon or sell the applicable Collateral or whether or to what extent holders of New Notes would be compensated for any delay in payment or loss of value of the Collateral through the provision of “adequate protection.”

Furthermore, in the event a U.S. bankruptcy court determines that the value of the Collateral in which the Collateral Agents have a perfected security interest is not sufficient to repay all amounts due on the New Notes (and any other indebtedness or obligations equally and ratably secured by the same Collateral, including our obligations under the New Term Loan) on the date of the U.S. bankruptcy filing, noteholders would have unsecured claims for any deficiency. The Bankruptcy Code does not require the debtor to pay or accrue interest, costs, fees or charges for holders of undersecured claims during the bankruptcy proceeding.

Foreclosing on the Collateral located outside the United States may be difficult due to the laws of certain jurisdictions.

All of the Collateral is located outside of the United States. If the Issuer defaults under the New Notes Indenture or if a Guarantor defaults under its Guarantee, and a Collateral Agent or Collateral Trustee brings a foreclosure action against the defaulting party, we cannot assure you that the Collateral will be located in a jurisdiction having effective or favorable foreclosure procedures and lien priorities. Any foreclosure proceedings could be subject to lengthy delays resulting in increased custodial costs, deterioration in the condition of the Collateral and substantial reduction of the value of such Collateral. In addition, some jurisdictions may not provide a legal remedy for the enforcement of security interests on the Collateral. Furthermore, the laws and procedures of the jurisdictions in which the Collateral is located may be less favorable than those applicable in the United States. The costs of enforcement in foreign jurisdictions can be high and can include fees based on the face amount of the security interests being enforced.

Impediments exist to any foreclosure on the Collateral in Mexico, which may adversely affect the proceeds of any foreclosure.

The documents that create liens on the Collateral in Mexico for the benefit of the New Notes will be governed by the laws of Mexico. Such laws require that certain legal and procedural requirements be met, in connection with creation, perfection or foreclosure, which may be different from those that would apply under the laws of the United States, Peru or Colombia. Enforcement proceedings before Mexican courts are time consuming and may be subject to significant delays, that may affect not only the value of the Collateral, but also the ability of the holders of the New Notes to enforce their rights on the Collateral and be repaid. In addition, the sale of the Collateral may be subject to additional approvals, such as approvals from the competition authorities that may further impact the timing of foreclosure and the value of the Collateral.

Enforcement of security interests created under the laws of Mexico will need to be conducted in Mexican courts based on the procedures and subject to the rules set forth in such laws. Insolvency statutes in Mexico may stay any foreclosure procedures for the length or a portion of the duration of such proceedings. It is also possible that any such courts will require a judgment regarding the existence of an event of default under the New Notes Indenture from a U.S. court prior to any foreclosure. We may also have defenses available to us under Mexican law to foreclosure proceedings that are not available under U.S. law. Procedural delays could result in a decrease in the value of the Collateral that would otherwise be realizable upon foreclosure or an inability to enforce on the Collateral. In addition to legal and procedural concerns, the applicable Collateral Agent or Collateral Trustee may encounter practical considerations that could delay the foreclosure on assets that are part of the Collateral.

Failure to comply with any legal or procedural requirements or any delay in the foreclosure of the Collateral in Mexico could affect the value of the Collateral in Mexico or the possibility of the holders of the New Notes to receive proceeds from the sale of such Collateral.

Enforcement of a foreign judgment in Peru will likely be required for the holders of the New Notes to enforce rights in the Collateral.

If a default occurs under the New Notes and the Guarantees, the applicable Collateral Agent or Collateral Trustee, for the benefit of the holders of the New Notes, if and as instructed by the Intercreditor Agent (acting at the written instructions of the controlling secured parties through their authorized representative in accordance with the New Notes Indenture, the New Term Loan and the Intercreditor Agreement), may initiate a legal proceeding in a Peruvian court against us authorizing the seizure of the Peruvian assets and rights given as Collateral based on the Peruvian collateral agreements. If there is a dispute as to whether a default has occurred under the New Notes Indenture according to the laws of the State of New York, it is likely that the Peruvian court will require evidence that, from a New York law perspective, the default has occurred or a New York court ruling confirming that a default under the New Notes or the Guarantees has occurred under the New Notes Indenture and given rise to the Peruvian Collateral Agent's or Collateral Trustee's right to enforce the rights of the holders of the New Notes and the Guarantees in the assets and rights given as Collateral under the Peruvian collateral agreements. The New York court ruling may need to be recognized in Peru. In this case, it will be necessary to file a formal recognition proceeding before the Superior Court of Justice (*Corte Superior de Justicia*), to demonstrate that the legal requirements for the recognition (*exequatur*) of such foreign decision are met under Peruvian law.

We cannot assure you that the recognition process would be conducted in a timely manner or that a Peruvian court would enforce the New York law judgment related to the default under the New Notes. See "Enforcement of Judgments and Certain Limitations on Validity and Enforceability of the New Notes, the Guarantees and the Security Interests—Peru" for more information.

Enforcement of a foreign judgment in Colombia will likely be required for the holders of the New Notes to enforce rights in the Collateral.

If a default occurs under the New Notes and the Guarantees, the applicable Collateral Agent or Collateral Trustee, for the benefit of the holders of the New Notes, if and as instructed by the Intercreditor Agent (acting at the written instructions of the controlling secured parties through their authorized representative in accordance with the New Notes Indenture, the New Term Loan and the Intercreditor Agreement), may initiate a legal proceeding in a Colombian court against us authorizing the seizure of the Colombian assets and rights given as Collateral based on the Colombian collateral agreements. If there is a dispute as to whether a default has occurred under the applicable indenture according to the laws of the State of New York, it is likely that the Colombian court will require a New York court ruling confirming that a default under the New Notes or the Guarantees has occurred under the applicable indenture and given rise to the Colombian Collateral Agent's right to enforce the rights of the holders of the New Notes and the Guarantees in the assets and rights given as Collateral under the Colombian collateral agreements. The New York court ruling will need to be recognized in Colombia.

The Colombian Supreme Court (or the competent court pursuant to an international treaty at the time of the filing of the request) has jurisdiction over proceedings involving the enforcement of foreign judgments, including a U.S. judgment predicated on U.S. securities laws, through a procedure known under Colombian law as "*exequatur*." The Colombian Supreme Court will recognize and enforce a foreign judgment without reconsideration of the merits, only if the judgment satisfies the requirements set out in Articles 605 through 607 of Law 1564 of 2012 (*Código General del Proceso*).

Assuming that a foreign judgment satisfies such requirements and has been granted *exequatur*, such foreign judgment would be enforceable in Colombia through a collection proceeding under the laws of Colombia. Notwithstanding the foregoing, we cannot assure that Colombian courts would enforce a foreign judgment with respect to the New Notes based on U.S. securities laws.

Proceedings before Colombian courts are conducted in Spanish. Collection proceedings for the enforcement of a money judgment by attachment or foreclosure of assets or property located in Colombia are of the exclusive jurisdiction of Colombian courts.

We cannot assure you that the recognition process would be conducted in a timely manner or that a Colombian court would enforce the New York law judgment related to the default under the New Notes and Collateral governed

by Colombian law. See “Enforcement of Judgments and Certain Limitations on Validity and Enforceability of the New Notes, the Guarantees and the Security Interests—Colombia” for more information.

Enforcement of a foreign judgment in Mexico will likely be required for the holders of the New Notes to enforce rights in the Collateral.

If a default occurs under the New Notes and the Guarantees, the applicable Collateral Agent or Collateral Trustee, for the benefit of the holders of the New Notes, if and as instructed by the Intercreditor Agent (acting at the written instructions of the controlling secured parties through their authorized representative in accordance with the New Notes Indenture, the New Term Loan and the Intercreditor Agreement), may initiate a legal proceeding in a Mexican court against us authorizing the seizure of the Mexican assets and rights given as Collateral based on the Mexican collateral agreements. If there is a dispute as to whether a default has occurred under the New Notes Indenture according to the laws of the State of New York, it is likely that the Mexican court will require evidence that, from a New York law perspective, the default has occurred or a New York court ruling confirming that a default under the New Notes or the Guarantees has occurred under the New Notes Indenture and given rise to the Mexican Collateral Agent’s right to enforce the rights of the holders of the New Notes and the Guarantees in the assets and rights given as Collateral under the Mexican collateral agreements. The New York court ruling may be enforced by Mexican courts against any of the Mexican Guarantors, provided that (i) such judgment is obtained in compliance with legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the relevant agreement; (ii) such judgment has been rendered in an *in personam* action as opposed to an *in rem* action; (iii) service of process was made personally on the applicable Mexican guarantor or on the appropriate process agent (a court of Mexico would consider the service of process upon the duly appointed agent to be personal service of process meeting procedural requirements of Mexico); (iv) the court was competent to resolve the relevant matter in accordance with the rules of international law compatible with those adopted by the Mexican applicable law; (v) such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law; (vi) the applicable procedural requirements under the law of Mexico with respect to the enforcement of foreign judgments (including the issuance of rogatory letters by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) are complied with; (viii) such judgment is final in the jurisdiction where obtained; (ix) the action upon which such judgment is rendered is not the subject matter of a lawsuit or legal proceeding among the same parties, pending before a Mexican court; and (x) any such foreign courts would enforce final judgments issued by the federal or state courts of Mexico as a matter of reciprocity.

We cannot assure you that the recognition process would be conducted in a timely manner or that a Mexican court would enforce the New York law judgment related to the default under the New Notes. See “Enforcement of Judgments and Certain Limitations on Validity and Enforceability of the New Notes, the Guarantees and the Security Interests—Mexico” for more information.

We have not conducted lien searches in any jurisdiction.

We have not conducted real property lien searches in any jurisdiction or any lien searches of any other kind in any jurisdiction. We cannot guarantee that any such searches conducted in respect of the Collateral would reveal any or all existing liens on such Collateral. Any such existing lien, including undiscovered liens, could be significant, could be prior in ranking to the liens securing the New Notes and could have an adverse effect on the ability of the Collateral Agents, Collateral Trustee or any other secured party to foreclose upon or exercise other remedies with respect to the Collateral or realize the value of such assets.

If the Mexican Guarantors were to be declared insolvent or bankrupt, holders of New Notes may find it difficult to collect payment on the New Notes.

Under the Mexican Commercial Insolvency Law (*Ley de Concursos Mercantiles*), if any of the Guarantors located in Mexico (the “Mexican Guarantors”) are declared bankrupt (*en quiebra*) or become subject to insolvency proceedings (*concurso mercantil*), the obligations of such Mexican Guarantor under the New Notes, respectively, (i) would be converted into Mexican pesos and then from pesos into Mexican inflation-adjusted units (*unidades de inversión*, known as UDIs), (ii) would be satisfied at the time claims of all our creditors are satisfied, (iii) would be subject to the outcome of, and priorities recognized in, the relevant proceedings, which differ from those in other

jurisdictions such as the United States, including with respect to the treatment of intercompany debt, (iv) would cease to accrue interest from the date the *concurso mercantil* is declared, (v) would not be adjusted to take into account any depreciation of the Mexican peso against the U.S. dollar occurring after such declaration, and (vi) would be subject to certain statutory preferences, including, but not limited to, tax, social security and labor claims, and claims of secured creditors (up to the value of the collateral provided to such creditors). As a result, upon the occurrence of any such events, payments under the New Notes by any Mexican Guarantor may be materially adversely affected, and the ability of the holders of the New Notes to effectively collect payments due under the New Notes may be compromised or subject to delay.

Execution of the Collateral under Mexican law may not be made without judicial intervention after the Issuer and the Guarantors are given the right to be heard and defeated in court.

Under Mexican law, actions such as taking possession, entry, removal, sale, transfer or other dispositions of property, or any similar measures related to the execution of the Collateral in Mexico, shall not be undertaken without judicial intervention. The Issuer and the Guarantors shall first be afforded the opportunity to be heard and defeated in court.

Under Mexican law, discretionary authorities may not be deemed binding or enforceable.

Under Mexican law, provisions granting discretionary authority to any party shall be exercised consistently with the relevant documents and facts and cannot contravene requirements from a competent authority to produce satisfactory evidence as to the basis of any determination.

If the Peruvian Guarantors were to be declared insolvent or bankrupt, holders of New Notes may find it difficult to collect payment on the New Notes.

Under Law 27809 (Ley General del Sistema Concursal), as amended from time to time (“Peruvian Insolvency Law”), if any of the Guarantors located in Peru (the “Peruvian Guarantors”) are declared bankrupt (*en quiebra*) or become subject to insolvency proceedings (*procedimiento concursal*), the obligations of such Peruvian Guarantor under the New Notes (i) would be subject to the outcome of, and priorities recognized in, the relevant proceedings, which differ from those in other jurisdictions such as the United States, (ii) would cease to accrue default interest (*intereses moratorios*) from the date the insolvency of the company is declared, and will depend on the Creditors Meeting (*Junta de Acreedores*), and (iii) be subject to certain statutory preferences, including, but not limited to, tax, social security and labor claims, and claims of secured creditors (up to the value of the collateral provided to such creditors). As a result, upon the occurrence of any such events, payments under the New Notes by any Peruvian Guarantor may be materially adversely affected, and the ability of the holders of the New Notes to effectively collect payments due under the New Notes may be compromised or subject to delay.

If the Colombian Guarantors were to be declared insolvent or bankrupt, holders of New Notes may find it difficult to collect payment on the New Notes.

Under Colombian bankruptcy law, if any of the Guarantors located in Colombia (the “Colombian Guarantors”) becomes subject to an insolvency proceeding as set forth under Law 1116 of 2006, the obligations of such Colombian Guarantor under the New Notes (i) would be subordinated to certain statutory preferences, including, but not limited to, claims for salaries, wages, social security, administrative expenses arising after the commencement of the insolvency proceeding (*gastos de administración*), taxes and court fees and expenses, (ii) would be subject to the outcome of, and priorities recognized in, the relevant proceedings, which differ from those in other jurisdictions such as the United States and (iii) would be at risk given that contractual provisions related to contractual subordination might not be enforced by a Colombian court in an insolvency proceeding; consequently, a senior creditor might not be able to obtain an order from the bankruptcy court in Colombia to enforce its contractual rights against a subordinated creditor. As a result, upon the occurrence of any of such events, payments under the New Notes by any Colombian Guarantor may be materially adversely affected, and the ability of the holders of the New Notes to effectively collect payments due under the New Notes may be compromised or subject to delay.

The collection of interest on interest may not be enforceable in Mexico.

Mexican law does not permit the collection of interest on interest and, as a result, the accrual of default interest on past due ordinary interest accrued in respect of the New Notes that may be required to be paid by a Guarantor may be unenforceable in Mexico.

There exist certain court-ordered precautionary measures which, in certain scenarios, could potentially affect some of the Collateral in Colombia.

Certain Colombian commercial establishments (*establecimientos de comercio*) owned by Las Americas are currently subject to a court-ordered lien consisting in the annotation of a lawsuit (*inscripción de demanda*). If the plaintiff(s) in such lawsuit(s) is successful, the annotation of a lawsuit could turn into a seizure of the applicable commercial establishment in favor of the plaintiff, which could negatively affect the security interest over such commercial establishments securing the New Notes Pursuant to article 590 of the Código General del Proceso of Colombia, the plaintiff in certain civil suits may ask the court to issue a precautionary measure (*medida cautelar*) consisting of filing for annotation of the lawsuit (*inscripción de demanda*) in respect of the defendant's assets which are subject to a special registry requirement (e.g., real estate, commercial establishments, vehicles, among others). In accordance with article 591 the Código General del Proceso of Colombia, annotation of a lawsuit (*inscripción de demanda*) with respect to such commercial establishments does not impede the creation of additional or second degree liens (such as the lien to be created to secure the New Notes) thereupon, but the applicable lien would be subject to the annotation of the lawsuit as a first degree lien. If the trial court (*juez de primera instancia*) rules in favor of the plaintiff, then the plaintiff can move for the annotation to be converted into a stronger precautionary measure (seizure), which impedes disposition of or creation of liens upon the seized asset. Further, under article 591 of the *Código General del Proceso* of Colombia, if the final, non-appealable court decision is for the plaintiff and the defendant does not timely pay the court-ordered amount, then the court will order that all dispositions of and liens created upon the asset subject to the annotation be cancelled.

A change of control may trigger certain requirements under agreements, including agreements governing indebtedness, of certain entities whose shares will be pledged as part of the Collateral.

Some of the entities whose shares will be pledged as part of the Collateral are party to various agreements, including agreements governing indebtedness, which may require certain actions upon a change in control of such party. A change of control, including resulting from the enforcement of pledges over the shares of such entities, could trigger such requirement and could result in an event of default, acceleration of payment obligations and other adverse consequences under the applicable agreements, which could negatively impact the ability of these entities to perform their obligations under the Guarantees of the New Notes. In addition, the New Term Loan provides that a change of control would be an event of default thereunder, which would lead to an acceleration of the indebtedness thereunder.

We may be unable to purchase the New Notes upon a specified change of control event, which would result in defaults under the New Notes Indenture.

The terms of the New Notes will require us to make an offer to repurchase the New Notes upon the occurrence of a Change of Control Event (as defined in "Description of the New Notes—Certain Definitions"), at a price equal to 101% of the principal amount of the New Notes, plus any accrued and unpaid interest to the date of purchase. The New Term Loan contains, and other existing and future Indebtedness of the Issuer may contain, prohibitions on the occurrence of events that would constitute a Change of Control Event, which would lead to an event of default under such facilities, or require that Indebtedness be repurchased upon a Change of Control Event. Any financing arrangements we may enter into may require repayment of amounts outstanding upon the occurrence of a change of control event and limit our ability to fund the repurchase of the New Notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the Change of Control Event to make the required repurchases of New Notes or that restrictions in our other financing arrangements will not allow such repurchases. If we fail to repurchase the New Notes in such circumstances, we would be in default under the New Notes Indenture which may, in turn, trigger cross-default provisions in any of our other debt instruments. See "Description of the New Notes—Repurchase at the Option of Holders—Change of Control."

Holders of the New Notes may not be able to determine when a change of control giving rise to their right to have the New Notes repurchased has occurred following a sale of “substantially all” of our assets. One of the circumstances under which a change of control may occur is upon the sale or disposition of “all or substantially all” of our assets. There is no established definition of the phrase “substantially all” under applicable law, and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of the New Notes to require us to repurchase its New Notes as a result of a sale of less than all our assets to another person may be uncertain.

An active trading market for the New Notes may not develop.

The New Notes are new securities for which there is currently no existing market. Although we intend to apply to list the New Notes on the SGX-ST, the New Notes may not become listed or may not remain listed. A liquid market may not develop for the New Notes, and the holders of the New Notes may not be able to sell them at a profitable price. The liquidity for any market for the New Notes will depend on the number of holders of the New Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition and results, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the New Notes, has been subject to disruptions that have caused substantial price volatility. If a market for the New Notes develops, such a market may be subject to similar disruptions.

The New Notes Indenture, the New Term Loan and the instruments governing our existing indebtedness contain various covenants that limit our ability to take certain actions.

The New Notes Indenture, the New Term Loan and the instruments governing our existing indebtedness contain various covenants that limit our flexibility in operating our business. For example, the New Notes Indenture and the instruments governing our existing indebtedness restrict our ability to, among other things:

- incur additional indebtedness or issue guarantees;
- incur liens;
- make dividend payments or other restricted payments;
- make certain investments;
- place limitations on dividends and other payments by our restricted subsidiaries;
- engage in transactions with affiliates;
- make asset sales or dispositions (including sale and leaseback transactions); and
- engage in mergers, consolidations and transfers of substantially all of our assets.

The financial restrictions and covenants in the New Notes Indenture, the New Term Loan and the instruments governing our existing indebtedness may adversely affect our ability to finance our future operations or capital needs, engage in other business activities that may be in our interest or react to adverse market developments.

The interests of our controlling shareholders may differ from, and could conflict with, those of the holders of the New Notes.

The interests of our controlling shareholders may differ from, and could conflict with, those of the holders of the New Notes. Actions taken by the controlling shareholders may limit our flexibility to respond to market developments, to engage in certain transactions or to otherwise make changes to our business and operations, all of which may have a material adverse effect on our business, financial condition, results of operations and the Issuer’s ability to repay the New Notes.

In addition, in connection with the Sponsor Financing for a capital contribution to us in October 2022 to fund, in part, our purchase of Grupo OCA, certain of our controlling shareholders pledged substantially all of the shares they hold for the benefit of the lenders under the Sponsor Financing. The indebtedness under the Sponsor Financing has a final maturity of October 5, 2025. The documents governing the Sponsor Financing contain various covenants, other obligations and events of default, and require that such shareholders make certain payments ahead of maturity in connection therewith. If our shareholders default on their obligations under the terms of the Sponsor Financing, the lenders under the Sponsor Financing will be entitled to remedies, including declaring all outstanding principal and interest to be due and payable and ultimately foreclosing on the pledged shares. The exercise of these remedies could conflict with the interests of the holders of the New Notes, and may impact our business, financial condition, results of operations and the Issuer's ability to repay the New Notes and may subject us to additional risks and uncertainties.

Certain restrictive covenants in the instruments governing our indebtedness will not apply during any time that the securities issued thereunder achieve investment grade ratings.

Most of the restrictive covenants in the New Notes Indenture will not apply during any time that the New Notes achieve investment grade ratings from two or more rating agencies and no default or event of default has occurred. If these restrictive covenants cease to apply, we may take actions, such as incurring additional debt or making certain dividends or distributions, which would otherwise be prohibited under the New Notes Indenture. Ratings are given by these rating agencies based upon analyses that include many subjective factors. The investment grade ratings, if granted, may not reflect all of the factors that would be important to holders of the New Notes.

The New Notes are subject to transfer restrictions.

The New Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction. As a result, holders of New Notes may reoffer or resell New Notes only if there is an applicable exemption from the registration requirements of the Securities Act and applicable state laws that apply to the circumstances of the offer and sale. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions" and "Notice to Certain Non-U.S. Holders" for a full explanation of such restrictions on resale and transfer. Consequently, a holder of New Notes and an owner of beneficial interests in those New Notes must be able to bear the economic risk of their investments in the New Notes for the term of the New Notes.

You may have difficulty enforcing your rights against us and our directors and executive officers and the Guarantors.

We are organized under the laws of Luxembourg. The majority of our directors and substantially all of our officers and controlling persons named herein reside outside the United States, and all or a substantial portion of our and their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce judgments against them or the Issuer, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof.

In addition, any insolvency proceedings applicable to us are in principle governed by Luxembourg law. The insolvency laws of Luxembourg may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. In addition, in the event of our bankruptcy, all of our debt obligations which are denominated in foreign currency, will be converted into Euros at the prevailing exchange rate on the date of decree of bankruptcy by the court. We cannot assure investors that such rate of exchange will afford full compensation of the amount invested in the New Notes plus accrued interest.

Furthermore, the New Notes will be guaranteed by certain of our subsidiaries in Peru, Colombia and Mexico. In the event of a bankruptcy, insolvency or a similar event, proceedings could be initiated in either of these jurisdictions or in the jurisdiction of organization of a future guarantor. The bankruptcy, liquidation, insolvency, laws governing trusts, administrative and other laws of each jurisdiction may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and other third-party and related party creditors, treatment of intercompany debt, ability to obtain post-bankruptcy filing loans or to

pay interest and the duration of proceedings. The laws of Peru, Colombia and Mexico may not be as favorable to your interests as the laws of jurisdictions with which you are familiar. The application of these laws, or any conflict among them, could call into question what and how the laws of each jurisdiction should apply. Your rights under the New Notes and the guarantees are likely to be subject to the laws of both jurisdictions and you may not be able to enforce effectively your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. See "Enforcement of Judgments and Certain Limitations on Validity and Enforceability of the New Notes, the Guarantees and the Security Interests."

Colombian courts may not give effect to contractual subordination provisions.

Contractual provisions related to contractual subordination might not be enforced by a Colombian court in an insolvency proceeding, consequently a senior creditor might not be able to obtain an order by the bankruptcy court in Colombia to enforce its contractual rights against another creditor; and a subordinated creditor might be a party to an insolvency proceeding of its debtor even when the subordinated creditor does not file a proof of claim.

The obligations of our Mexican Guarantors will be subordinated to certain statutory liabilities in Mexico.

Under Mexican law, the obligations of our Mexican Guarantors will be subordinated to certain statutory priorities. In the event of liquidation, such statutory priorities, will have preference over any other claims, including claims by any investor in respect of the applicable guarantees.

Payment of our Colombian and Mexican Guarantors' obligations may be made in Colombian pesos or Mexican pesos, as applicable, which may expose you to exchange rate risks.

While the Colombian government does not currently restrict the ability of Colombian or foreign persons or entities to convert Colombian *pesos* to foreign currencies, including U.S. dollars, or to transfer those amounts abroad, we cannot assure you that the Colombian government will not implement a restrictive exchange control and foreign currency transfer policy in the future. Any such restrictive policy could prevent or restrict our access to U.S. dollars and our ability to transfer funds abroad to meet our U.S. dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations.

Applicable laws in Colombia require the registration of foreign indebtedness with the Colombian Central Bank upon the enforcement of the guarantees, and may impose restrictive exchange control or foreign currency transfer policies that restrict the ability of the relevant Guarantor to meet its obligations in U.S. dollars. Failure to make such registrations could subject us to applicable penalties, which could impair our ability to make payments under the New Notes in U.S. dollars.

In Colombia, in the event that proceedings are brought seeking performance of payment obligations denominated in a currency other than Colombian *pesos*, we would not be required to discharge those obligations in such currency. Under applicable law, an obligation payable in Colombia, resulting by agreement, if denominated in a currency other than Colombian *pesos*, must be satisfied in Colombian *pesos* at the applicable rate of exchange in effect on the date on which payments are made (or another conversion method, if agreed) unless such an obligation is deemed a foreign exchange operation (*operación de cambio*) under the Colombian foreign exchange regime, in which case the obligation must be paid in the agreed foreign currency. Furthermore, any obligation resulting from a judgment issued by a Colombian court must be discharged in Colombian *pesos*, regardless of whether the payment obligation was denominated in a foreign currency and/or such obligation is deemed a foreign exchange operation.

In the event that proceedings are brought against the Mexican Guarantors in Mexico, either to enforce a judgment issued by a non-Mexican court or as a result of an original action brought in Mexico, the Mexican Guarantors would not be required to discharge those obligations in a currency other than Mexican *pesos*. Under Mexican law, an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican *pesos*, which is payable in Mexico, may be satisfied in Mexican *pesos* at the rate of exchange in effect at the time and place of payment or judgment. Such rate is currently determined by the Mexican Central Bank (*Banco de México*) and published every banking-business day in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*).

As a result, you may suffer a U.S. dollar shortfall if you obtain a judgment or a payment in Colombia in Colombian *pesos* or in Mexico in Mexican *pesos*. You should also be aware that no separate action exists or is enforceable in Colombia or in Mexico for compensation for any shortfall, unless it was agreed that such shortfall must be paid by us.

If our Colombian or Mexican Guarantors' obligations must be made in Colombian *pesos* or Mexican *pesos*, as applicable, you may be exposed to exchange rate risks.

The credit ratings for the New Notes may not reflect all risks and may be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the New Notes may change after we issue the New Notes. Such ratings are limited in scope and do not address all material risks relating to an investment in the New Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. These credit ratings may change or be lowered, suspended or withdrawn entirely by the rating agencies based on certain circumstances. Any lowering, suspension or withdrawal of the credit ratings of the New Notes may have a material adverse effect on the market price and of the New Notes.

We may choose to redeem the New Notes and you may be unable to reinvest the proceeds at the same or a higher rate of return.

We may redeem the New Notes, in whole or in part, prior to their stated maturity pursuant to the optional redemption provisions of the New Notes. In addition, we may also redeem the New Notes, in whole but not in part, at any time upon the occurrence of certain changes in tax law. See "Description of the New Notes—Optional Redemption." We may choose to redeem the New Notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security with an effective interest rate as high as that of the New Notes.

If certain changes to tax law were to occur, we would have the option to redeem the New Notes.

The New Notes are redeemable at the option of Auna S.A. in whole (but not in part), at any time at the principal amount thereof plus accrued and unpaid interest due thereon if, as a result of changes in, or amendment to, the laws or regulations affecting Luxembourg taxation, and if other conditions are met, Auna S.A., its successor or the paying agent become obligated to pay any additional amounts in excess of those attributed to Luxembourg withholding tax (if any). Auna S.A. is unable to determine whether such an increase in the Luxembourg withholding tax rate or any Luxembourg tax obligations imposed on its successor or paying agent will ultimately be presented to or enacted by the Luxembourg authorities; however, if such an increase were enacted, the New Notes would be redeemable at the option of Auna S.A. See "Description of the New Notes—Optional Redemption—Optional Redemption Upon Tax Event" and "Certain Tax Considerations—Luxembourg Tax Considerations."

DESCRIPTION OF THE EXCHANGE OFFER AND THE SOLICITATION

Purpose of the Exchange Offer and the Solicitation

The purpose of the Exchange Offer is to exchange the Existing Notes for the New Notes. The purpose of the Solicitation is to obtain the Consents of Eligible Holders to effect the Proposed Amendments which would eliminate substantially all of the restrictive covenants and events of default and related provisions under the Existing Indenture and to release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement.

The Exchange Offer and the Solicitation are designed to (i) optimize our capital structure in light of the future growth of our business, and (ii) extend the maturity of our debt profile.

General

The Issuer hereby invites all Eligible Holders of Existing Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Existing Notes for New Notes, all as described below under “—Total Consideration, Exchange Consideration and Early Participation Premium.”

The Existing Notes were originally issued on November 20, 2020, in an aggregate principal amount of US\$300,000,000. As of the date of this Exchange Offer Memorandum, US\$300,000,000 aggregate principal amount of the Existing Notes remains outstanding.

The Solicitation

Concurrently with the Exchange Offer, the Issuer is soliciting from Eligible Holders the Consents to the Proposed Amendments to the Existing Indenture.

The tender of Existing Notes by a Holder for exchange pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments. To effect a tender of Existing Notes and a delivery of Consents to the Proposed Amendments, Holders must electronically transmit their acceptance in accordance with DTC’s ATOP. See “—Procedures for Tendering.”

Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Solicitation and Holders may not deliver their Consents pursuant to the Solicitation without tendering their Existing Notes for exchange pursuant to the Exchange Offer. The tender of Existing Notes by a Holder for exchange pursuant to the Exchange Offer will constitute the Consent of such Holder to the Proposed Amendments.

The Proposed Amendments require Consents from at least the Majority Holders of the outstanding Existing Notes. After the Withdrawal Deadline, following the satisfaction or waiver by the Issuer of the Minimum Exchange Condition and the receipt of the Consents from the Majority Holders, each of the Issuer, the guarantors of the Existing Notes and the Trustee (in its capacity as trustee under the Existing Notes) may execute and deliver the Fourth Supplemental Indenture giving effect to the corresponding Proposed Amendments. The Proposed Amendments, if they become effective, may have adverse consequences for Eligible Holders of the Existing Notes that do not tender their Existing Notes in the Exchange Offer.

The Proposed Amendments

The Proposed Amendments would eliminate substantially all of the restrictive covenants and events of default and related provisions under the Existing Indenture, and release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement. See “Proposed Amendments to the Existing Indenture.”

Eligibility to Participate in the Exchange Offer

If and when issued, the New Notes will not be registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, the New Notes may not be offered or sold in the United States absent registration or an

applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

You may not copy or distribute this Exchange Offer Memorandum in whole or in part to anyone without our prior consent. This Exchange Offer Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Exchange Offer and an investment in the New Notes (i) to Holders of Existing Notes that are reasonably believed to be QIBs in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to Holders of Existing Notes who are not “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are non-U.S. qualified offerees (as defined under “Transfer Restrictions”).

Only holders who have returned a duly completed Eligibility Letter certifying that they are within one of the categories described in the immediately preceding sentence, are authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer. If you are not an Eligible Holder, you should dispose of this Exchange Offer Memorandum. Each Eligible Holder that tenders its outstanding Existing Notes will be bound by the Agent’s Message (as defined below) and will be agreeing with and making the representations, warranties and agreements as set forth under “Description of the Exchange Offer and the Solicitation—Other Matters” and “Transfer Restrictions.”

Total Consideration, Exchange Consideration and Early Participation Premium

Eligible Holders who validly tender Existing Notes and deliver Consents, and do not validly revoke such tenders and Consents, on or prior to the Early Participation Deadline and whose Existing Notes are accepted for exchange by us will receive the Total Consideration (which includes the Early Participation Premium). Eligible Holders who validly tender Existing Notes and deliver Consents after the Early Participation Deadline and before the Expiration Deadline and whose Existing Notes are accepted for exchange by us will receive the Exchange Consideration.

The Existing Notes Exchange Consideration for each US\$1,000.00 aggregate principal amount of Existing Notes is equal to US\$1,000.00, payable in principal amount of New Notes on the Settlement Date. The Early Participation Premium for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline is equal to US\$40.00, payable on the Settlement Date. The Existing Notes Total Consideration (which includes the Early Participation Premium) for each US\$1,000.00 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline is equal to US\$1,040.00, payable in principal amount of New Notes on the Settlement Date.

Authorized Denominations

The New Notes will be issued only in minimum principal amounts of US\$1,000 and integral multiples of US\$1 in excess thereof. We will not accept any tender of Existing Notes that would result in the issuance of less than US\$1,000 principal amount of New Notes. Existing Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof (each, an “Authorized Denomination”). No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all their Existing Notes must continue to hold Existing Notes in the Authorized Denominations.

Rounding

If, with respect to any tender of Existing Notes, it is determined that an Eligible Holder would be entitled, pursuant to the Exchange Offer, to receive New Notes in an aggregate principal amount that is at least US\$1,000 but not an integral multiple of US\$1 in excess thereof, the Issuer will round downward the principal amount of such New Notes to the nearest multiple of US\$1 and no cash will be paid in lieu of the principal amount not received as a result of such rounding.

Accrued Interest

Eligible Holders whose Existing Notes are accepted for exchange will be paid Accrued Interest on such Existing Notes, which is from, and including, the most recent date on which interest was paid on such Eligible Holder's Existing Notes to, but not including, the Settlement Date, payable on the Settlement Date, together with additional amounts thereon, if any. Accrued Interest will be paid solely in cash on the Settlement Date. Interest will cease to accrue on the Settlement Date for all Existing Notes accepted for exchange in the Exchange Offer.

Additional Amounts

The Issuer will pay additional amounts to Eligible Holders that participate in the Exchange Offer with respect to the exchange of Existing Notes tendered in the Exchange Offer (including the Early Participation Premium) and the Accrued Interest, such that the amount received by Eligible Holders after deduction of any withholding taxes, including any withholding taxes on any income treated as interest with respect to the exchange of Existing Notes tendered in the Exchange Offer (including the Early Participation Premium) and the Accrued Interest will equal the Exchange Consideration, Early Participation Premium and the Accrued Interest, as if no deduction were due, subject to certain exceptions set forth under "Description of the New Notes—Additional Amounts."

Early Participation Deadline; Expiration Deadline; Extensions

The Early Participation Deadline is 5:00 p.m., New York City time, on November 28, 2023, unless extended, in which case the Early Participation Deadline will be such time and date to which the Early Participation Deadline is extended. The Expiration Deadline is 5:00 p.m., New York City time, on December 12, 2023, unless extended, in which case the Expiration Deadline will be such time and date to which the Expiration Deadline is extended.

Subject to applicable law, the Issuer, in its sole discretion, may extend the Early Participation Deadline or the Expiration Deadline for any reason, with or without extending the Withdrawal Deadline for either Exchange Offer, without extending such dates with respect to any other Exchange Offer. To extend the Early Participation Deadline or the Expiration Deadline, the Issuer will notify the Exchange Agent and Information Agent and will make a public announcement thereof before 10:00 a.m., New York City time, on the next business day after the previously scheduled Early Participation Deadline or Expiration Deadline, as applicable. Such announcement will state that the Issuer is extending the Early Participation Deadline or the Expiration Deadline, as the case may be, for a specified period. During any such extension, all Existing Notes previously tendered in an extended Exchange Offer will remain subject to the Exchange Offer and may be accepted for exchange by us.

The Issuer expressly reserves the right, subject to applicable law, to:

- delay accepting any Existing Notes, extend the Exchange Offer, or terminate the Exchange Offer and not accept any Existing Notes; and
- amend, modify or waive at any time, or from time to time, the terms of the Exchange Offer in any respect, including waiver of any conditions to consummation of the Exchange Offer.

Subject to the qualifications described above, if the Issuer exercises any such right, the Issuer will give written notice thereof to the Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which the Issuer may choose to make a public announcement of any extension, amendment or termination of the Exchange Offer, the Issuer will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law.

Settlement Date

Upon the terms and subject to the conditions of the Exchange Offer, including, among other things, the satisfaction or waiver of the Minimum Exchange Condition and the Financing Condition, we will accept for exchange as soon as reasonably practicable in the Exchange Offer all Existing Notes validly tendered at or prior to the Early Participation Deadline or the Expiration Deadline, and we will deliver the New Notes on the Settlement

Date. We will not be obligated to deliver the New Notes with respect to the Exchange Offer unless the Exchange Offer is consummated. The Settlement Date is expected to be the third business day after the Expiration Deadline.

Conditions to the Exchange Offer and the Solicitation

Notwithstanding any other provision of the Exchange Offer Documents, with respect to each of the Exchange Offer and the Solicitation, we will not be obligated to (i) accept for exchange any validly tendered Existing Notes, nor (ii) issue any New Notes in exchange for validly tendered Existing Notes or complete the Exchange Offer or the Solicitation, unless each of the following conditions is satisfied or waived at or prior to the Expiration Deadline with respect to the Exchange Offer and the Solicitation:

- (1) there shall not have been instituted, threatened or be pending any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Exchange Offer and the Solicitation that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer or (iii) would require a modification to the terms of the Exchange Offer that would materially impair the contemplated benefits of the Exchange Offer to us;
- (2) no order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (i) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer, or (ii) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects;
- (3) there shall not have occurred or be reasonably likely to occur any event or condition affecting our or our affiliates' business or financial affairs that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, or (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer;
- (4) the Trustee shall not have objected in any respect to or taken action that could, in our reasonable judgment, adversely affect the consummation of the Exchange Offer in any significant manner or shall not have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of any offer or the acceptance or exchange of some or all of the Existing Notes pursuant to the Exchange Offer;
- (5) there shall not exist, in our reasonable judgment, any actual or threatened legal impediment that would prohibit or prevent, or significantly restrict or delay, our acceptance for exchange of, or exchange of, all of the Existing Notes;
- (6) there shall not have occurred (i) any general suspension of, or limitation on prices for, trading in securities in the U.S. securities or financial markets, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or other major financial markets, (iii) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or (iv) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;
- (7) we shall have obtained all governmental approvals and third-party consents that were necessary for the completion of the Exchange Offer as contemplated by this Exchange Offer Memorandum and all such approvals or consents shall remain in effect; and
- (8) with respect to the Exchange Offer, the satisfaction or waiver of the Minimum Exchange Condition and the Financing Condition.

Solely as it relates to the Solicitation, we will not be required to enter into the Fourth Supplemental Indenture, and we may, in our sole discretion, terminate the Solicitation or, in our sole discretion, modify, extend or otherwise amend the Solicitation if, at or prior to the Expiration Deadline, we have not received any of the Consents required to approve the Proposed Amendments. We reserve the right, in our sole discretion, to amend or terminate the Exchange Offer or the Solicitation and to reject for exchange any Existing Notes not previously accepted by us (and the related Consents), upon the occurrence of any of the conditions of the Exchange Offer specified above. We reserve the right, in our sole discretion, at any time or at various times, to waive any of the conditions of the Exchange Offer or the Solicitation, in whole or in part.

We will give oral or written notice (with any oral notice to be promptly confirmed in writing) of any amendment, non-acceptance, termination or waiver to the Exchange Agent as promptly as practicable, followed by a timely press release. These conditions are for our sole benefit, and we may assert them regardless of the circumstances that may give rise to them, or waive them in whole or in part at any or at various times, in our sole discretion. Under the Exchange Offer and the Solicitation, if any of these events occur, subject to the termination rights described above, we may (i) return Existing Notes tendered thereunder to you, (ii) extend the Exchange Offer and the Solicitation and retain all tendered Existing Notes until the expiration of the extended Exchange Offer and extended Solicitation, (iii) amend the Exchange Offer and the Solicitation in any respect by giving oral or written notice of such amendment to the Exchange Agent and making public disclosure of such amendment to the extent required by law or (iv) waive some or all of such conditions to the Exchange Offer and the Solicitation, at our sole discretion.

If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times. We have not made a decision as to what circumstances would lead us to waive any such condition, and any such waiver would depend on circumstances prevailing at the time of such waiver. Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the Exchange Offer or the Solicitation, in our sole discretion. We will give holders notice of such amendments as may be required by applicable law.

All conditions to each of the Exchange Offer and the Solicitation must be satisfied or, to the extent permitted by the terms of the Exchange Offer and the Solicitation, waived, at or prior to the Expiration Deadline. In addition, we may, in our sole discretion, terminate the Exchange Offer and/or the Solicitation for any other reason.

Additional Purchases of Existing Notes

After the Expiration Deadline, the Issuer or its affiliates may from time to time purchase additional Existing Notes in the open market, in privately negotiated transactions, through tender offers, exchange offer or otherwise, or the Issuer may redeem the Existing Notes pursuant to the terms of the Existing Indenture. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Existing Notes than the terms of the Exchange Offer and, in either case, could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. Any purchase or offer to purchase will not be made except in accordance with applicable law. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future.

Procedures for Tendering

All of the Existing Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Eligible Holders are authorized to tender their Existing Notes pursuant to the Exchange Offer. To tender Existing Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Existing Notes on such beneficial owner's behalf according to the procedure described below. There is no separate letter of transmittal in connection with this Exchange Offer Memorandum. See “—Book-Entry Transfer,” “—Other Matters” and “Transfer Restrictions” for discussions of the items that all Eligible Holders who tender Existing Notes in the Exchange Offer will be deemed to have represented, warranted and agreed. **Subject to the laws of the jurisdictions in which Eligible Holders reside, only Eligible Holders who have duly completed and returned the Eligibility Letter certifying that they are either (i) QIBs or (ii) non-U.S. persons (as defined in Rule 902 under the Securities Act) located outside of the United States and who are non-U.S. qualified offerees (as defined under “Transfer Restrictions”) are**

authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer. For further information, call the Exchange Agent and Information Agent or the Dealer Managers at the telephone numbers set forth on the back cover of this Exchange Offer Memorandum or consult your nominee for assistance.

For an Eligible Holder to tender Existing Notes validly pursuant to the Exchange Offer, (i) an Agent's Message must be received by the Exchange Agent via ATOP and (ii) tendered Existing Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Exchange Agent at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable.

To effectively tender Existing Notes, DTC participants should transmit their acceptance through ATOP, for which the Exchange Offer will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. Delivery of tendered Existing Notes must be made to the Exchange Agent pursuant to the book-entry delivery procedures set forth below.

Book-Entry Transfer

The Exchange Agent will establish an account with respect to the Existing Notes at DTC for purposes of the Exchange Offer, and any financial institution that is a participant in DTC may make book-entry delivery of the Existing Notes by causing DTC to transfer such Existing Notes into the Exchange Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Exchange Agent. The confirmation of a book-entry transfer into the Exchange Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Existing Notes that have been tendered by such participant pursuant to the Exchange Offer, that such participant has received this Exchange Offer Memorandum and that such participant agrees to be bound by and makes the representations and warranties contained therein and that the Issuer may enforce such agreement against such participant.

The tender by an Eligible Holder pursuant to the procedures set forth herein will constitute an agreement between such Eligible Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Exchange Offer Documents.

By tendering Existing Notes pursuant to the Exchange Offer, an Eligible Holder will have represented, warranted and agreed that such Eligible Holder is the beneficial owner of, or a duly authorized representative of one or more such beneficial owners of, and has full power and authority to tender, sell, assign and transfer, the Existing Notes tendered thereby and that when such Existing Notes are accepted for exchange and the New Notes are issued by us, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and that such Eligible Holder will cause such Existing Notes to be delivered in accordance with the terms of the relevant Exchange Offer. The Eligible Holder by tendering Existing Notes will also have agreed to (i) not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect, and (ii) execute and deliver such further documents and give such further assurances as may be required in connection with the Exchange Offer, the Solicitation and the transactions contemplated thereby, in each case on and subject to the terms and conditions of the Exchange Offer. In addition, by tendering Existing Notes an Eligible Holder will also have released us and our affiliates from any and all claims that Eligible Holders may have arising out of or relating to the Existing Notes.

Eligible Holders desiring to tender Existing Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC.

Except as otherwise provided herein, delivery of Existing Notes will be made only when the Agent's Message is actually received by the Exchange Agent. No documents should be sent to us or the Dealer Managers. If you are

tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

Other Matters

Subject to, and effective upon, the acceptance of, and the issuance of the New Notes in exchange for, the principal amount of Existing Notes tendered in accordance with the terms and subject to the conditions of the Exchange Offer and Solicitation of Consents, a tendering Eligible Holder, by submitting or sending an Agent's Message to the Exchange Agent in connection with the tender of Existing Notes, will have:

- irrevocably agreed to sell, assign and transfer to or upon our order or our nominees' order, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the tendering Eligible Holder's status as a holder of, all Existing Notes tendered, such that thereafter it shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Existing Notes arising under, from or in connection with such Existing Notes;
- waived any and all rights with respect to the Existing Notes tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Existing Notes and the Existing Indenture);
- irrevocably consented to the Proposed Amendments;
- released and discharged us and the Trustee from any and all claims the tendering Eligible Holder may have, now or in the future, arising out of or related to the Existing Notes tendered, including, without limitation, any claims that the tendering Eligible Holder is entitled to receive additional principal or interest payments with respect to the Existing Notes tendered (other than as expressly provided in this Exchange Offer Memorandum) or to participate in any repurchase, redemption or defeasance of the Existing Notes tendered;
- irrevocably constituted and appointed the Exchange Agent the true and lawful agent and attorney-in-fact of such tendering Eligible Holder (with full knowledge that the Exchange Agent also acts as our agent) with respect to any tendered Existing Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) deliver such Existing Notes or transfer ownership of such Existing Notes on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (ii) present such Existing Notes for transfer on the register, and (iii) receive all benefits or otherwise exercise all rights of beneficial ownership of such Existing Notes, including receipt of New Notes issued in exchange therefor and the balance of the Exchange Consideration for any Existing Notes tendered pursuant to the Exchange Offer with respect to the Existing Notes that are accepted by us and transfer such New Notes and such funds to the Eligible Holder, all in accordance with the terms of the Exchange Offer; and
- represented, warranted and agreed that:
 - it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Existing Notes tendered hereby, and it has full power and authority to tender the Existing Notes;
 - the Existing Notes being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Issuer will acquire good, indefeasible and unencumbered title to those Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when the Issuer accepts the same;
 - it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered hereby from the date of this Exchange Offer Memorandum, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;

- it is making all representations contained in the Eligibility Letter and it is either (i) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act or (ii) a non-U.S. person (as defined in Rule 902 under the Securities Act) located outside of the United States and a non-U.S. qualified offerees (as defined under “Transfer Restrictions”) (an Eligible Holder) and is tendering Existing Notes for its own account or for a discretionary account or accounts on behalf of one or more persons who are Eligible Holders as to which it has been instructed and has the authority to make the statements contained in this Exchange Offer Memorandum;
- it is otherwise a person to whom it is lawful to make available this Exchange Offer Memorandum or to make the Exchange Offer and the Solicitation in accordance with applicable laws (including the transfer restrictions set out in this Exchange Offer Memorandum);
- it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of the Issuer and receive answers thereto, as it deems necessary in connection with its decision to participate in the Exchange Offer;
- it acknowledges that the Issuer, the Dealer Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the Exchange Offer, no longer accurate, it shall promptly notify the Issuer and the Dealer Managers. If it is tendering the Existing Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;
- in evaluating the Exchange Offer and in making its decision whether to participate in the Exchange Offer by the tender of Existing Notes, the Eligible Holder has made its own independent appraisal of the matters referred to in this Exchange Offer Memorandum and in any related communications;
- the tender of Existing Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Exchange Offer Memorandum;
- it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person (i) falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”)), (ii) falling within Article 43 of the Financial Promotion Order (non-real time communication by or on behalf of a body corporate to creditors of that body corporate), or (iii) within Article 43 of the Financial Promotion Order, or to whom this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order;
- it is not an investor resident in a Member State of the European Economic Area, or, if it is resident in a Member State of the European Economic Area, it is a qualified investor (within the meaning of Article 2(e) of the Prospectus Regulation) and not a retail investor (as defined in the PRIIPs Regulation);
- it is not located or resident in Canada or, if it is located or resident in Canada, it is an “accredited investor” and “permitted client,” each as defined under applicable Canadian provincial securities laws;
- it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*) other than an individual (as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*), acting on its own account;

- it is not located or resident in Mexico, or if it is located or resident in Mexico, it qualifies as an institutional or accredited investors under the *ley del mercado de valores* (“LMV”) and regulations thereunder;
- it is not located or resident in Peru or, if it is located or resident in Peru, it is an institutional investor (as defined under Peruvian law);
- it is not located or resident in Singapore, or if it is located or resident in Singapore, it is (i) an institutional investor (as defined in Section 4A of the Securities and Futures Act of Singapore (the “SFA”) pursuant to Section 274 of the SFA, or (ii) a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA;
- it is not located or resident in Switzerland or, if it is located or resident in Switzerland, it is a professional investor or an institutional investor, each within the meaning of the Swiss Financial Services Act of June 15, 2018, as amended;
- it and the person receiving New Notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid or cause to be paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Exchange Offer or which will or may result in the Issuer or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer and the Solicitation or the tender of Existing Notes in connection therewith; and
- neither it nor the person receiving New Notes is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent’s Message.

By tendering Existing Notes pursuant to the Exchange Offer, an Eligible Holder will have agreed that the delivery and surrender of the Existing Notes is not effective, and the risk of loss of the Existing Notes does not pass to the Exchange Agent, until receipt by the Exchange Agent of a properly transmitted Agent’s Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Existing Notes will be determined by us, in our sole discretion, which determination shall be final and binding.

Notwithstanding any other provision of this Exchange Offer Memorandum, payment of the Exchange Consideration, and the Accrued Interest, if any, with respect to the Existing Notes, in exchange for any Existing Notes tendered for exchange and accepted by us pursuant to the Exchange Offer will occur only after timely receipt by the Exchange Agent of a Book-Entry Confirmation with respect to such Existing Notes, together with an Agent’s Message and any other required documents and any other required documentation. The tender of Existing Notes pursuant to the Exchange Offer by the procedures set forth above will constitute an agreement between the tendering Eligible Holder and us in accordance with the terms and subject to the conditions of the Exchange Offer. The method of delivery of Existing Notes, the Agent’s Message and all other required documents is at the election and risk of the tendering Eligible Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

Alternative, conditional or contingent tenders will not be considered valid. We reserve the right to reject any or all tenders of Existing Notes that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right, subject to applicable law, to waive any defects, irregularities or conditions of tender as to particular Existing Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Existing Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Existing Note. Our interpretations of the terms and conditions of the Exchange Offer will be final and binding on all parties. Any defect or irregularity in connection with tenders of Existing Notes must be cured within such time as we determine, unless waived by us. Tenders of Existing Notes shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of the Issuer, the Guarantors, the guarantors of the Existing Notes, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange

Agent or the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Existing Notes or will incur any liability to Eligible Holders for failure to give any such notice.

Acceptance of Existing Notes for Exchange; Issuance of New Notes

If the conditions to the Exchange Offer are satisfied or waived, we will issue the New Notes in book-entry form on the Settlement Date in exchange for Existing Notes that are validly tendered and accepted in the Exchange Offer.

We reserve the right, in our sole discretion, but subject to applicable law, to (i) delay acceptance of Existing Notes tendered under the Exchange Offer or the issuance of New Notes in exchange for validly tendered Existing Notes (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return Existing Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Exchange Offer), or (ii) terminate the Exchange Offer at any time at or prior to the Expiration Deadline if the conditions thereto are not satisfied or waived by us.

For purposes of the Exchange Offer, we will have accepted for exchange validly tendered Existing Notes (or defectively tendered Existing Notes with respect to which we have waived such defect) if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Exchange Agent. Subject to the terms and conditions of the Exchange Offer, delivery of the New Notes will be made by the Exchange Agent on the Settlement Date upon receipt of such notice. The Exchange Agent will act as agent for participating Eligible Holders of the Existing Notes for the purpose of receiving Existing Notes from, and transmitting New Notes, such Eligible Holders. With respect to tendered Existing Notes that are to be returned to Eligible Holders, such Existing Notes will be credited to the account maintained at DTC from which such Existing Notes were delivered after the expiration or termination of the relevant Exchange Offer.

If, for any reason, acceptance for exchange of tendered Existing Notes, or issuance of New Notes in exchange for validly tendered Existing Notes, pursuant to the Exchange Offer, is delayed, or we are unable to accept tendered Existing Notes for exchange or to issue New Notes in exchange for validly tendered Existing Notes pursuant to the Exchange Offer, then the Exchange Agent may, nevertheless, on behalf of us, retain the tendered Existing Notes, without prejudice to our rights described under “—Expiration Deadline; Extensions” and “—Conditions to the Exchange Offer and the Solicitation” above and “—Withdrawal of Tenders and Revocation of Consent” below, but subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Existing Notes tendered promptly after the termination or withdrawal of the Exchange Offer.

If any tendered Existing Notes are not accepted for exchange for any reason pursuant to the terms and conditions of the Exchange Offer, such Existing Notes will be credited to an account maintained at DTC from which such Existing Notes were delivered promptly following the Expiration Deadline or the termination of the Exchange Offer.

Holders of Existing Notes tendered for exchange and accepted by us pursuant to the Exchange Offer will be entitled to accrued and unpaid interest on their Existing Notes to, but excluding, the applicable Settlement Date, which interest shall be payable on such applicable Settlement Date. Under no circumstances will any additional interest be payable because of any delay by the Exchange Agent or DTC in the transmission of funds to Eligible Holders of accepted Existing Notes or otherwise.

Tendering Eligible Holders of Existing Notes accepted in the Exchange Offer will not be obligated to pay brokerage commissions or fees to the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee, the Exchange Agent or the Information Agent, except as set forth below, to pay transfer taxes with respect to the exchange of their Existing Notes.

Withdrawal of Tenders and Revocation of Consents

Existing Notes tendered for exchange and Consents delivered may be validly withdrawn or revoked at any time at or prior to the Withdrawal Deadline, except in certain limited circumstances as set forth herein. If the Exchange Offer is terminated, Existing Notes tendered pursuant to the Exchange Offer will be returned promptly to the tendering Eligible Holders.

At any time after the Withdrawal Deadline and before the Expiration Deadline, if the Minimum Exchange Condition has been satisfied or waived by the Issuer and the Issuer has received the Consent from the Majority Holders on such date, each of the Issuer, the guarantors of the Existing Notes and the Trustee (in its capacity as trustee under the Existing Notes) may execute and deliver the Fourth Supplemental Indenture.

The Fourth Supplemental Indenture will give effect to the Proposed Amendments to the Existing Notes that will be effective upon execution. However, the Fourth Supplemental Indenture, by its terms, will provide that the Proposed Amendments will not become operative unless and until the Total Consideration and the Exchange Consideration, as applicable, is paid to tendering holders of the Existing Notes at the Settlement Date.

For a withdrawal of a tender of Existing Notes or a revocation of a Consent to be effective, a properly transmitted "Request Message" through ATOP must be timely received by the Exchange Agent. Any such notice of withdrawal must contain:

- (i) the name of the DTC participant whose name appears on the security position as the owner of such Existing Notes; and
- (ii) the description of the Existing Notes to be withdrawn (including the principal amount of the Existing Notes to be withdrawn).

Withdrawal of tenders of Existing Notes and deliveries of Consents may not be rescinded, and any Existing Notes properly withdrawn will thereafter not be validly tendered for purposes of the Exchange Offer. Withdrawal of Existing Notes and revocation of Consents may only be accomplished in accordance with the foregoing procedures. Existing Notes validly withdrawn and Consents validly revoked may thereafter be retendered at any time on or prior to the Early Participation Deadline or the Expiration Deadline, as applicable by following the procedures described under "—Procedures for Tendering."

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for exchange of, or issuance of New Notes in exchange for, any Existing Notes or if we are unable to accept for exchange any Existing Notes or issue New Notes in exchange therefor pursuant to the Exchange Offer for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Existing Notes may be retained by the Exchange Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we issue or pay the consideration offered or return the Existing Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Exchange Offer).

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of Existing Notes to us in the Exchange Offer. If transfer taxes are imposed for any reason other than the transfer and tender to us, the amount of those transfer taxes, whether imposed on the registered holders or any other persons, will be payable by the tendering Eligible Holder. Transfer taxes that will not be paid by us include taxes, if any, imposed:

- in respect of income, capital or franchise (in lieu of income) taxes payable by the Eligible Holder, registered holder or other persons in respect of the transfer;
- if New Notes in book-entry form are to be registered in the name of any person other than the person on whose behalf an Agent's Message was sent; or
- if tendered Existing Notes are to be registered in the name of any person other than the person on whose behalf an Agent's Message was sent.

If satisfactory evidence of payment of or exemption from transfer taxes that are not required to be borne by us is not submitted with the Agent's Message, the amount of those transfer taxes will be billed directly to the tendering Eligible Holder and/or withheld from any payments due with respect to the Existing Notes tendered by such Eligible Holder.

Certain Consequences to Holders of Existing Notes Not Tendering in the Exchange Offer

Any of the Existing Notes that are not tendered to us at or prior to the Expiration Deadline or are not accepted for exchange will remain outstanding, will mature on their maturity date and will continue to accrue interest in accordance with, and will otherwise be entitled to all the rights and privileges under the Existing Indenture (as amended upon giving effect to the Fourth Supplemental Indenture amending the Existing Indenture). The trading markets for Existing Notes that are not exchanged could become more limited than the existing trading markets for the Existing Notes. More limited trading markets might adversely affect the liquidity, market prices and price volatility of the Existing Notes. If markets for Existing Notes that are not exchanged exist or develop, the Existing Notes may trade at a discount to the prices at which they would trade if the principal amount outstanding had not been reduced. See "*Risk Factors*."

PROPOSED AMENDMENTS TO THE EXISTING INDENTURE

The following summarizes the Proposed Amendments to the Existing Indenture for which Consents are being sought pursuant to the Solicitation. The summary of the provisions of the Existing Indenture affected by the Proposed Amendments set forth below is qualified in its entirety by reference to the full and complete terms in the Existing Indenture, copies of which are available upon request without charge from the Information Agent. The Proposed Amendments would eliminate substantially all of the restrictive covenants and events of default and related provisions under the Existing Indenture, and release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement.

Pursuant to the terms of the Existing Indenture, the Proposed Amendments set forth below require the Consent from the Requisite Holders. The Proposed Amendments constitute a single proposal, and a tendering and consenting Holder must consent to the Proposed Amendments as an entirety and may not consent selectively with respect to certain of the Proposed Amendments. If the Proposed Amendments become effective with respect to the Notes, the Holders of any Existing Notes that are not tendered and accepted for purchase pursuant to the Tender Offer will be bound by the Proposed Amendments.

The valid tender of Existing Notes by a Holder pursuant to the Solicitation will be deemed to constitute a consent by such Holder to the Proposed Amendments. The Issuer is not soliciting and will not accept consents from Holders who are not tendering their Existing Notes pursuant to the Solicitation.

The Proposed Amendments to the Existing Indenture will, in substance, eliminate any references in the Existing Indenture to the following sections or subsections:

- Section 4.1(d) — Limitation on Indebtedness;
- Section 4.1(e) — Limitation on Asset Dispositions;
- Section 4.1(f) — Limitation on Restricted Payments;
- Section 4.1(g) — Limitation on Liens;
- Section 4.1(h) — Limitation on Restrictions on Distributions from Restricted Subsidiaries;
- Section 4.1(i) — Limitation on Affiliate Transactions;
- Section 4.1(j) — Limitation on Activities of the Issuer and its Restricted Subsidiaries;
- Section 4.1(k) — Maintenance of Properties;
- Section 4.1(l) — Anti-Layering;
- Section 4.1(m) — Reports;
- Section 4.2 — Effectiveness of Covenants;
- Section 4.3 — Merger and Consolidation;
- Section 4.4 — Offer to Repurchase upon Change of Control;
- Section 5.1(a)(iii) (the event of default regarding failure by the Issuer or any Guarantor to comply with its obligations under Section 4.3);
- Section 5.1(a)(iv) (the event of default regarding failure by the Issuer or any Guarantor for thirty (30) days to comply with its obligations under Section 4.1(e) or Section 4.4);

- Section 5.1(a)(v) (the event of default regarding failure by the Issuer or any Guarantor for sixty (60) days to comply with any other covenant or agreement contained in the Existing Indenture or the Notes);
- Section 5.1(a)(vi) (the event of default regarding cross-acceleration and payment default);
- Section 5.1(a)(vii) (the event of default regarding undischarged judgments); and
- Section 5.1(a)(viii) (the event of default regarding bankruptcy).

The Proposed Amendments will also delete any definitions from the Existing Indenture that are used only in provisions that would be eliminated as a result of the elimination of the foregoing provisions. In addition, the Proposed Amendments will provide for the release any collateral, encumbrances, liens, pledges or other security interest granted by the Issuer and its subsidiaries to secure the Existing Notes in connection with the March 2023 Private Placement.

Any provision contained in the Existing Notes that corresponds to any provision of the Existing Indenture, as amended, shall likewise be amended so that any such provision contained in the Existing Notes will conform to and be consistent with any provision of the Existing Indenture, as amended. Any and all references in the Existing Indenture to the deleted sections or provisions referred to above will also be deleted in their entirety.

By consenting to the Proposed Amendments to the Existing Indenture, you will be deemed to have waived, as of the consummation of the Exchange Offer, any default, event of default or other consequence under such Existing Indenture for failure to comply with the terms of the provisions identified above.

The foregoing is qualified in its entirety by reference to the Existing Indenture and the form of the Fourth Supplemental Indenture, copies of which may be obtained without charge from the Information Agent.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the New Notes in the Exchange Offer. The Existing Notes surrendered in connection with the Exchange Offer will be cancelled.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2023:

- on an actual basis; and
- on an as adjusted basis to give effect to the Exchange Offer, the borrowings of US\$550.0 million under the New Term Loan, including the use of proceeds therefrom to repay all of our obligations under the 2028 Notes, and the use of \$12.5 million in cash to pay certain fees and expenses related to the Transaction.

The table below should be read in conjunction with “Use of Proceeds,” “Unaudited Pro Forma Combined Financial Information,” “Presentation of Financial and Other Information,” “Auna Summary Financial and Other Information,” “Grupo OCA Summary Financial and Other Information,” “Management’s Discussion and Analysis of Financial Conditions and Results of Operations,” “Description of Certain Other Indebtedness” and our consolidated financial statements included in this Exchange Offer Memorandum.

Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of fees and expenses, fluctuations in cash on hand between June 30, 2023 and the date of this Exchange Offer Memorandum.

	As of June 30, 2023							
	Actual				As Adjusted			
	(in millions of US\$)(1)		(in millions of S/)		(in millions of US\$)(1)		(in millions of S/)	
Cash and cash equivalents(2)	US\$	71.3	S/	258.8	US\$	58.8	S/	213.5
Existing Notes(3)		300.0		1,088.4		60.0		217.7
2028 Notes(4)		505.0		1,832.1		—		—
New Term Loan(5)		—		—		550.0		1,995.4
New Notes(3)		—		—		249.6		905.5
Other loans and borrowings		135.1		490.0		135.0		490.0
Total loans and borrowings(6)		940.0		3,410.5		994.6		3,608.6
Lease liabilities		42.4		153.9		42.4		153.9
Total debt		982.5		3,564.4		1,037.1		3,762.5
Total equity		511.2		1,854.5		511.2		1,854.5
Total capitalization	US\$	1,493.6	S/	5,418.9	US\$	1,548.2	S/	5,617.0

- (1) Calculated based on an exchange rate of S/3.6280 to US\$1.00 as of June 30, 2023. See “Presentation of Financial and Other Information—Currency Translations.”
- (2) We expect to pay approximately \$12.5 million of fees and expenses related to the Transaction from cash on our balance sheet.
- (3) Adjusted to give effect to the Exchange Offer and the Solicitation reflecting a 80% illustrative participation by Holders of the Existing Notes and no participation between the Early Participation Deadline and the Expiration Deadline. Amounts do not include (i) accrued and unpaid interest on the Existing Notes from the last payment date to the Settlement Date, (ii) unamortized debt issuance costs or (iii) fees and expenses incurred in connection with the Exchange Offer and the Solicitation.
- (4) Amounts do not include unamortized debt issuance costs.
- (5) We expect to draw US\$550.0 million under the New Term Loan on the Settlement Date to repay all of our obligations under the 2028 Notes, including \$505.0 million in principal amount, \$28.7 million in exit fees (comprised of \$14.9 million accounted for as deferred interest and \$13.8 million in prepayment penalties), and fees and expenses related to the Transaction.
- (6) As of June 30, 2023, we had S/1,986.5 million (US\$547.6 million) guaranteed secured loans and borrowings and S/1,424.0 million (US\$392.5 million) guaranteed unsecured loans and borrowings.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma financial information has been derived from (i) our historical audited financial statements for the year ended December 31, 2022 and (ii) the historical audited financial statements of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Tovleja HG, S.A. de C.V. (hereinafter the “Entities”) for the period from January 1, 2022 to October 4, 2022. The following unaudited pro forma financial information gives effect to the Entities’ acquisition as if their acquisition was completed on January 1, 2022. A pro forma statement of financial position as of December 31, 2022 is not presented as the statement of financial position in our consolidated financial statements for the year ended December 31, 2022, includes the acquisition of the Entities and is therefore not required.

Year Ended December 31, 2022							
(in millions of <i>soles</i> , except per share data and as otherwise indicated)							
	Historical Financial Statements (Note 1)				Pro forma adjustments		
	Auna	The Entities (in millions of MXN)	The Entities (in millions of soles) (1)	Financial statement alignment (2)	Adjustments	Note	Pro Forma Combined Unaudited
Unaudited Pro Forma Condensed Combined Statement of Income or Loss							
Revenue from contracts with customers ⁽³⁾	2,451.6	3,021.8	569.4	(18.9)	—		3,002.1
Cost of sales and services	(1,571.9)	—	—	(355.6)	(9.3)	2(a)	(1,936.8)
Gross profit	879.7	3,021.8	569.4	(374.5)	(9.3)		1,065.3
Selling expenses	(169.8)	—	—	(2.1)	—		(171.9)
Administrative expenses	(477.5)	—	—	(47.3)	(33.9)	2(b)	(558.7)
Income (loss) for impairment of trade receivables.....	1.6	—	—	(6.4)	—		(4.8)
Other expenses.....	(1.0)	(236.7)	(44.6)	44.6	—		(1.0)
Other income	21.6	—	—	13.2	—		34.8
Medications and hospital supplies	—	(811.9)	(153.0)	153.0	—		—
Salary, wages and benefits	—	(652.1)	(122.9)	122.9	—		—
Medical Fees	—	(147.8)	(27.9)	27.9	—		—
Short-term real estate leases	—	(7.4)	(1.4)	1.4	—		—
Depreciation and amortization	—	(119.2)	(22.5)	22.5	—		—
Service and repair	—	(79.9)	(15.0)	15.0	—		—
Hospital equipment rental	—	(66.3)	(12.5)	12.5	—		—
Laboratory supplies	—	(36.6)	(6.9)	6.9	—		—
Electricity	—	(55.4)	(10.4)	10.4	—		—
Operating profit	254.6	808.5	152.3	—	(43.2)		363.7
Finance income.....	6.9	—	—	0.4	—		7.3
Finance costs ⁽⁴⁾	(312.7)	(23.2)	(4.4)	(0.2)	(202.5)	2(c), 2(d)	(519.8)
Foreign exchange (loss) gain ⁽⁵⁾	—	1.0	0.2	(0.2)			
Share of profit of equity-accounted investees	3.8	—	—	—	—		3.8
Profit (Loss) before tax ⁽⁶⁾	(47.4)	786.3	148.1	—	(245.7)		(145.0)
Income tax (expense) benefit ⁽⁷⁾	(29.4)	(225.9)	(42.6)	—	38.9	2(e)	(33.1)
Net Profit (loss) for the period ⁽⁸⁾	(76.8)	560.4	105.5	—	(206.8)		(178.1)
Other comprehensive result:							
Items that may be subsequently reclassified to profit or loss:							
Cash flow hedges.....	10.2	—	—	—	—		10.2
Foreign operations – foreign currency translation differences	(217.8)	—	—	—	22.6	2(f)	(195.2)
Remeasurements of defined benefit liability ⁽⁹⁾	(0.4)	2.1	0.4	—	—		—
Changes in fair value of Put and Call liability	(9.7)	—	—	—	—		(9.7)
Equity-accounted investees – share of OCI.....	(0.1)	—	—	—	—		(0.1)
Income tax	(3.0)	—	—	—	—		(3.0)
Other comprehensive (loss) profit for the year, net of tax ⁽¹⁰⁾	(220.8)	2.1	0.4	—	22.6		(197.8)
Total combined comprehensive (loss) income for the period	(297.6)	562.5	105.9	—	(184.2)		(375.9)

Year Ended December 31, 2022						
(in millions of <i>soles</i> , except per share data and as otherwise indicated)						
Historical Financial Statements (Note 1)				Pro forma adjustments		Pro Forma Combined Unaudited
Auna	The Entities (in millions of MXN)	The Entities (in millions of soles) (1)	Financial statement alignment (2)	Adjustments	Note	
Basic and diluted earnings per share.....	(0.36)				2(g)	(0.70)
(1) The Mexican peso amounts have been converted into Peruvian soles at a rate of MXN5.3070 to S/1.00, which was the average of the daily exchange rates reported from January 1, 2022 to October 4, 2022 by the Mexican Central Bank (<i>Banco de México</i>) and published in the Mexican Federal Official Gazette (<i>Diario Oficial de la Federación</i>).						
(2) Represents the presentation reclassifications to conform with the line items in Auna's IFRS financial statements.						
(3) This line item presents the amount related to "Revenue from services and others" in the historical financial statements of the Entities.						
(4) This line item presents the amount related to "Interest expense, net" in the historical financial statements of the Entities.						
(5) This line item presents the amount related to "Foreign exchange gain" in the historical financial statements of the Entities.						
(6) This line item presents the amount related to "Income before income taxes" in the historical financial statements of the Entities.						
(7) This line item presents the amount related to "Income taxes" in the historical financial statements of the Entities.						
(8) This line item presents the amount related to "Combined net income" in the historical financial statements of the Entities.						
(9) This line item presents the amount related to "Remeasurement of employee benefit obligations, net of taxes" in the historical financial statements of the Entities.						
(10) This line item presents the amount related to "Combined comprehensive income" in the historical financial statements of the Entities.						

Notes to Unaudited Pro Forma Combined Statement of Profit or Loss

Note 1. Basis of presentation

The unaudited pro forma combined statement of operations and comprehensive loss for the year ended December 31, 2022 assumes the acquisition of the Entities was completed on January 1, 2022. Auna's historical financial statements reflect the full year period for Auna, which includes three months of the Entities' operations post acquisition. The Entities' historical financial statements reflects their operations from January 1, 2022 through October 4, 2022.

The historical financial statement of Auna for the year ended December 31, 2022 included in the unaudited pro forma financial information is derived from the audited consolidated financial statements in thousands of *soles* of Auna on page F-56 of this Exchange Offer Memorandum. Likewise, the historical financial statement in thousands of Mexican *pesos* of the Entities for the period from January 1, 2022 to October 4, 2022 included in the unaudited pro forma financial information is derived from the audited combined financial statements of Grupo OCA on page F-184 of this Exchange Offer Memorandum.

Note 2. Pro forma adjustments – unaudited pro forma combined statement of income or loss

The following adjustments have been reflected in the unaudited pro forma combined statement of operations and comprehensive loss:

- Depreciation reflects the incremental depreciation of property and equipment as a result of the purchase price allocation. Definite-lived assets arising from the acquisition of the Entities, include the depreciation of property and equipment, which was recognized at fair value at their acquisition date.
- Amortization reflects the incremental amortization of customer relationships related to contracts agreed with doctors in the healthcare services as a result of the purchase price allocation, which was recognized at fair value at their acquisition date.
- Interest expense reflects the costs associated with the financing entered into by Auna in order to finance the acquisition of the Entities as well as the interest associated with the deferred payment (holdback) to the selling shareholders. The financing related to the acquisition totals U.S.\$350,000 thousand and is comprised of a loan agreement signed between Grupo Salud Auna México, S.A. de C.V. and Santander México Bank and HSBC México Bank, as well as a loan with Grupo OCA's former shareholder.

- (d) Reflects foreign exchange impacts associated with the liability for the holdback of the consideration to the selling shareholders of the Entities, which will be settled in US dollars.
- (e) Reflects tax impact of pro forma adjustments to the statement of income or loss computed at the Entities' statutory tax rate of 30% and also considers that the holding company of the Entities has incurred tax losses that have not been recognized as their recoverability is not deemed to be probable.
- (f) Reflects foreign currency translation differences as the Entities' functional currency is the Mexican Peso and the presentation currency of the Company is the Peruvian sol.
- (g) Pro forma adjustment to basic and diluted loss per share consist of the following:

	<u>Auna</u>	<u>The Entities</u>	<u>Adjustments</u>	<u>Pro Forma Combined Unaudited</u>
Combined net profit (loss) for the period attributable to owners of the Company (000's of soles).....	(85.6)	83.1	(163.0)	(165.5)
Weighted average number of ordinary shares at December 31	236.5			236.5
Basic and diluted loss per share attributable to common shareholders (in soles).....	(0.36)			(0.70)

The Entities' net loss and the corresponding pro forma adjustments differ from the net loss attributable to owners of the Company as they are consolidated within Auna Salud S.A.C., which has a non-controlling interest of approximately 21.2%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2022, 2020 and 2021 and the notes thereto, and our unaudited condensed consolidated interim financial statements as of June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, included elsewhere in this Exchange Offer Memorandum, as well as the information presented under "Presentation of Financial and Other Information" and "Auna Selected Financial and Other Information."

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Forward-Looking Statements" and "Risk Factors."

Overview

Our mission is to lead the transformation toward a significantly improved and highly integrated healthcare system throughout SSLA. Our focus lies in providing access to high-quality healthcare, incentivizing prevention and concentrating on some of the high-complexity diseases that contribute the most to healthcare expenditures. Our model offers an accessible and integrated healthcare experience to a broad segment of the population in the markets we serve. We offer a unique end-to-end healthcare ecosystem by leveraging our patient-centric model, high-complexity-focused medical capabilities, unique healthcare plans and digital platform. This ecosystem provides our members and patients with access to life-long high-quality healthcare and empowers them to be in control of their own health journey, while offering them exceptional patient experiences and medical resolutions in their disease care. Our care delivery approach reflects our human-centered and patient-obsessed lens, which combined with our wide-ranging practices and capabilities across our ecosystem, enables us to provide cutting-edge services and deliver excellent patient outcomes.

Our unique operating model is what we call the "Auna Way." The Auna Way is our approach to effectively managing our businesses and operations; creating high value for patients, families, and our staff; and achieving sustainable competitive advantages. It is our corporate DNA, our organization's spirit and our deeper meaning; the one we revert to for clarity of action.

Our mission is underpinned by the Auna Way's key pillars:

- I. We are committed to amplifying access to a life-long ecosystem of health and well-being, incentivizing prevention, and focusing on the few diseases that are the biggest part of healthcare expenditures. We empower our users to be in control of their health journey, by providing them with life-long care for the entire family, which we believe makes us many patients' preferred healthcare partner. We want to lead the improvement of access to healthcare by bringing affordability and immediacy to a large portion of the populations we serve.
- II. Our patient-centric approach prioritizes the human element, the patient and family, and we strive to deliver Auna to their service. This results in high patient satisfaction and robust patient demand, positioning Auna as one of the premier healthcare providers in our markets, which is integral to enabling sustainable growth. We ease patient engagement and support life journeys through health and disease, from prevention to early detection, to early treatment, to disease management and recovery. We recognize the immense market potential for catering to this fundamental need.
- III. We relentlessly pursue excellent medical outcomes, by providing cutting-edge services and fostering evidence-based medicine, with patient well-being as the ultimate benchmark of quality and success. We are laser-focused on high-complexity care and are establishing Centers of Excellence in strategic high-complexity diseases. High-complexity care relates to highly specialized medical care, including specialized equipment and expertise, usually provided over an extended period of time, that involves advanced and complex diagnostics, procedures and treatments performed by medical specialists in state-of-the-art facilities. We have established Auna as a leading provider of cancer management in SSLA and seek to equal these capabilities in cardiology, neurology and emergency trauma. Our aim is

to continue scaling, outperforming and deploying end-to-end solutions in key medical specialties and attend to the robust market demand for superior healthcare solutions in the markets where we operate.

- IV. We aim to standardize and scale first-in-class medical protocols for increased predictability and better outcomes, to establish care ecosystems through our horizontal integration and to increase population health-based offerings and unlock access to health, through our vertical integration. We leverage technology to enhance our traditional healthcare platform, delivering an innovative healthcare experience to our patients, while allowing us to efficiently expand our reach.
- V. We focus on sustainable, deliberate and congruent growth. We want to continue growing organically by optimizing assets and concentrating spare capacity towards higher complexity and inorganically by completing the current urban and national ecosystems in the markets where we operate.
- VI. Our operations rest on the solid foundation of our organizational culture, as all we achieve depends on our strongest asset: our people. Every person at Auna embodies our principles of caring for patients, families, members and staff; transforming healthcare in our region; being passionate about human-centeredness and excellence; and surprising with a superb and seamless healthcare experience and high-quality services. These cultural principles contribute to our institutional excellence in the pursuit of the best possible outcomes.

This combination of mission, values, and practices put in place within our organization is what truly defines the Auna Way. It is the corporate strategy that propels us to continue transforming healthcare in the region by effectively managing our business and operations, creating high value for our patients and members, their families and our staff, while achieving sustainable competitive advantages.

Segment Reporting

Operating segments are components of a company about which separate financial information is available that is regularly evaluated by the chief operating decision maker(s) in deciding how to allocate resources and assess performance. We have determined that our reportable segments are: (i) Oncosalud Peru, (ii) Healthcare Services in Peru, (iii) Healthcare Services in Colombia and (iv) Healthcare Services in Mexico. Our Oncosalud Peru segment consists of our prepaid healthcare plans and oncology services provided at our Oncosalud Peru segment facilities, including services provided under our prepaid plans and third-party healthcare plans and paid for out-of-pocket by our patients. Our Healthcare Services in Peru segment consists of healthcare services provided at any of our facilities in Peru other than those in the Oncosalud network. Oncosalud Peru is a payer to Healthcare Services in Peru, as are other third-party payers, for oncology and general healthcare services provided to it by our Healthcare Services in Peru segment, and the cost of such services are reflected as a cost to our Oncosalud Peru segment and a revenue to our Healthcare Services in Peru segment in our segment reporting. Our Healthcare Services in Colombia segment consists of healthcare services provided at any of our facilities in Colombia. Our Healthcare Services in Mexico segment consists of healthcare services provided at any of our facilities in Mexico and dental and vision insurance plans. In connection with our acquisition of Grupo OCA in October 2022, we added the Healthcare Services in Mexico segment to our reportable segments beginning with the fourth quarter of 2022. The accounting policies we follow for these segments are the same as those for the Company on a consolidated basis.

Factors Affecting Our Results of Operations

We believe that the most significant factors affecting our results of operations include:

- **Utilization and Mix of Healthcare Services.** One of the most important factors affecting our financial condition and results is the rate of utilization of the healthcare services provided to our patients, including the number of outpatient consultations, emergency services, surgeries and hospitalizations that we provide in a period, as well as our ability to adequately cross-sell complementary services such as pharmaceutical, diagnostic imaging and clinical laboratory services. Our utilization rates are also affected by the number of third-party payers for which our facilities are considered in network. As the number of third-party payers for which we are in network for increases, so does our patient population and consequently our utilization rates. As our utilization rates increase, so does our revenue and our margins because it allows us to increase our economies of scale, as our asset base is largely a fixed cost. Likewise, if utilization rates decrease, so do

our margins, and because a portion of our costs are essentially fixed, higher utilization rates drive higher margins in our business. The mix of healthcare services provided in a period also impacts our revenue, as we derive higher revenue from high complexity procedures, such as complex surgeries, rather than lower complexity procedures.

- **Acquisitions.** Since 2019, we have completed seven acquisitions, including the acquisition of a controlling stake in Clínica Portoazul in Barranquilla, Colombia in September 2020, the acquisitions of OncoGenomics and Posac in October 2021, the acquisition of IMAT Oncomédica in Montería, Colombia in April 2022, the acquisition of Grupo OCA in Monterrey, Mexico in October 2022 and the acquisition of Dentegra in Mexico in February 2023. The results of each entity have been consolidated into our results of operations from their respective dates of acquisition, which may affect comparability of our results period-to-period.
- **Growth of Oncosalud Products and Membership and Balanced Age Demographic.** Increasing the total number of Oncosalud products and plan members is vital for the continued growth of our business. As we increase our plan member population, the rate of cancer and other disease incidence among our plan members generally stays steady or increases at a stable pace. Through new plan members, we obtain additional resources to treat our plan members that are diagnosed with cancer and other diseases and are able to spread the costs of treatment across a larger population, while also increase our profitability. In addition, we seek to maintain a balanced age demographic in our member population. Younger patients pay lower plan rates, which tends to lower our average revenue per plan member, but their likelihood of being diagnosed with cancer and other diseases is significantly lower, which reduces our expected average medical cost per plan member in any given period. Additionally, expected lifetime revenue is greater for younger plan members. As of June 30, 2023, the average age of our oncology plan members was 37.2 years and the average age of our general healthcare plan members was 31.6 years. Keeping a balanced mix of younger and older patients helps us manage our revenue and costs.
- **Medical Inflation.** Our financial condition and results are driven by our ability to (i) control the costs of providing healthcare services, including oncology services, (ii) appropriately price healthcare plans in our Oncosalud Peru segment and dental and vision plans in our Healthcare Services in Mexico segment and (iii) pricing strategies in our healthcare networks. Our strong reputation in the market also depends on our having access to the newest technologies and medicines to diagnose and treat our patients, all of which can be expensive, and therefore places upward pressure on our costs. Moreover, we face significant competition for qualified medical personnel in Mexico, Peru and Colombia, which may require us to increase salaries and other benefits provided to our personnel. If we are unable to continue providing high quality care while managing these cost increases, our operating profit could decline or we may be required to pass these cost increases onto our payers via the pricing of our products and services, which could make our products and services less attractive, and also impact our profitability. We continually focus on balancing the pressures of medical inflation with the benefits of providing the best quality healthcare services at affordable prices in order to continue to build the strength of our brands, which helps us grow our revenues and manage our costs.
- **Expansion of Our Network.** Our ability to expand our network of healthcare facilities is one of the most important factors affecting our results of operation and financial condition. Historically, our business growth has been primarily driven by planning and building new hospitals or expanding existing hospitals and by acquiring new hospitals from third parties, and we expect these activities to continue to be key drivers for our future growth. Each additional facility that we develop or acquire increases the number of patient cases treated in our network and contributes to our continued revenue growth. However, building new hospitals requires several years of capital expenditures and ramp up of operations prior to a facility becoming profitable, and it takes time and resources to integrate new hospitals acquired from third parties into our existing networks.
- **Foreign Exchange Rates.** Our presentation currency is the Peruvian sol and therefore we present our consolidated financial information in Peruvian soles. The functional currency of our operations is associated with the countries in which we operate. During the six-month period ended June 30, 2023, we generated 30.0%, 41.0% and 29.0% of our revenue in Mexican pesos, Peruvian soles and Colombian pesos, respectively. This generates an exchange rate risk due to the possibility that the depreciation of the Mexican

peso or Colombian peso against the Peruvian sol, which is our reporting currency, may cause the results of the applicable subsidiaries to be reduced once converted into Peruvian soles and therefore, impact our consolidated results. In addition, a significant portion of our debt is U.S. dollar-denominated. Although we have entered into hedging arrangements with respect to all of our material U.S. dollar-denominated debt and throughout the three countries where we operate, we recognize gains and losses from this debt and the related hedging instruments resulting from exchange rate differences between Mexican pesos, Peruvian soles, Colombian pesos and U.S. dollars in profit or loss, depending on the net liability position in a foreign currency other than the functional currency in each country in which we operate.

Components of Our Results of Operations

Total Revenue from Contracts with Customers

Total revenue from contracts with customers. We generate revenue from (i) the sale of healthcare services, which occurs in all of our segments, (ii) the sale of medicines, which also occurs in all of our segments, (iii) insurance revenue on our healthcare plans in our Oncosalud Peru segment and (iv) insurance revenue earned on our dental and vision insurance plans in our Healthcare Services in Mexico segment.

Healthcare services. The revenue we generate from the sale of healthcare services is recognized as services are rendered to our patients and includes amounts related to the services provided as well as the products and supplies used in providing such services. The price of healthcare services is determined by the rates set forth in reimbursement arrangements that we have with individual healthcare providers for patients that have healthcare coverage or by reference to our standard rates for patients that do not have healthcare coverage and are generally paying out-of-pocket.

Sales of medicines. The revenue we generate from the sale of medicines is recognized when medicines are provided to our customers and in cases when our patients are hospitalized, when medicines are administered to them.

Healthcare plans. We sell prepaid healthcare plans in Peru to plan members for one-year terms, which are automatically renewed and adjusted for price increases at the end of the term, unless terminated by either party. Most of our plan members make payments pursuant to these plans on a monthly basis, while a smaller percentage of them make payments on an annual basis. The insurance revenue we receive from the sales of healthcare plans are recognized as revenue proportionally during the period in which a patient is entitled to healthcare services under his or her plan. Insurance revenue related to the unexpired contractual coverage period under a healthcare plan are recognized in the accompanying statement of financial position as unearned insurance revenue reserve.

Dental and vision plans. We sell dental and vision insurance plans in Mexico. Most of our plan members make payments pursuant to these plans on a monthly basis. The insurance revenue we receive from the sales of dental and vision insurance plans are recognized when they are contracted by the insured. Insurance revenue related to the unexpired contractual coverage period under a dental and vision insurance plan are recognized in the accompanying balance sheet as part of reserves.

Cost of Sales and Services and Gross Profit

Cost of sales and services. Our cost of sales and services is primarily comprised of costs incurred in providing healthcare services, including the cost of medicines; personnel expenses for medical staff; medical consultation fees; surgery fees; depreciation of medical equipment; depreciation of buildings and facilities; amortization of software; cost of services provided by third parties, primarily lease payments to third parties for certain of our facilities, service and repair costs at our facilities, custodial and cleaning services and utilities; cost of room services for inpatients; cost of clinical laboratories; technical reserves for healthcare services; and cost of services provided by dental and vision healthcare providers for services renders to our dental and vision members.

Gross profit. Our gross profit is the difference between the revenue generated by the sale of our healthcare and insurance plans, healthcare services and medicines and the cost of sales and services.

Operating Expenses, Loss for Impairment of Trade Receivables, Other Expenses and Other Income

Selling expenses. Our selling expenses include personnel expenses for our dedicated sales and marketing team; cost of services provided by third parties, primarily sales commissions paid to brokers, call centers and other third parties that assist with our sales efforts, as well as advertising costs; and other management charges, such as office rental for our sales team, advisory fees for market studies and sales team recruiting fees.

Administrative expenses. Administrative expenses consist primarily of costs incurred at the administrative level at each of our facilities, including personnel expenses for administrative staff; cost of services provided by third parties, primarily advisory and consulting fees and lease payments to third parties for office space; depreciation, primarily of buildings and facilities; amortization of intangibles, such as IT and software; various other administrative expenses, such as insurance; and tax expenses. We also allocate a portion of administrative expenses at the corporate level to each of our operating segments.

Loss for impairment of trade receivables. Loss for impairment of trade receivables consists of the estimate for impairment of trade receivables. This estimate generally consists of provisions for services to patients who, after a certain period of time and in accordance with our impairment policy, do not pay for those services provided, either by themselves or through insurance companies. We calculate the estimate for impairment of trade receivables using an expected loss model whereby we estimate expected losses on our trade receivables based on our historical experience of impairment and other circumstances known at the time of assessment in accordance with IFRS 9.

Financial Instruments. We record a gain for impairment of trade receivables for any recovery we make in excess of our estimated losses on trade receivables during the same period. The amount of the provision made for impairment of trade receivables is written off from the balance account when there is no expectation of cash recovery.

Other expenses. Other expenses consist of the change in fair value of assets held for sale and the loss on sale of intangible assets.

Other income. Other income consists of (i) rental income from property owned and rented by us for investment purposes, (ii) the parking fees we charge those who park in the parking lots at our facilities, (iii) the increase in fair value of our investment properties, (iv) rental income from property owned and rented by us for use by medical professionals in our Healthcare Services in Mexico segment and (v) any recovery receivables that were registered as uncollectable by acquired entities before being consolidated into our results.

Finance Income and Finance Cost

Finance income and finance cost consist of interest income, interest expense, net gain (loss) on financial assets, foreign currency gain (loss) on financial assets and financial liabilities and the reclassification of net gains (losses) on instruments used to hedge interest rate and foreign currency exchange rate risk previously recognized in other comprehensive income.

Income Tax Expense

Income tax expense consists of taxes on income generated during the period. The current statutory income tax rates are 29.5% in Peru, 30.0% in Mexico and 35.0% in Colombia, calculated based on taxable income. Reconciliation of income tax effective rate to statutory tax rate considers the following effects: (i) non-deductible expenses, (ii) tax rates of a subsidiary abroad, (iii) tax losses for which deferred tax asset was not recognized and (iv) annual adjustment for inflation in Mexico, Peru and Colombia, among others.

Results of Operations

We have derived the information included in the following discussion from our consolidated financial statements included elsewhere in this Exchange Offer Memorandum. You should read this discussion along with such financial statements.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

The following table summarizes our results of operations for the six-month period ended June 30, 2023 and 2022:

	Six Months Ended June 30,		% Change
	2023	2022	2023 vs. 2022
	(in millions of soles)		
Revenue			
Insurance revenue.....	S/ 391.6	S/ 347.8	12.6%
Health care services revenue	1,320.2	597.1	121.1%
Sales of medicines.....	128.0	105.4	21.4%
Total Revenue from contracts with customers	1,839.8	1,050.3	75.2%
Cost of sales and services	(1,152.2)	(666.9)	72.8%
Gross profit	37.4%	36.5%	0.9%
Selling expenses	(96.8)	(87.1)	11.1%
Administrative expenses	(335.5)	(210.3)	59.5%
Loss for impairment of trade receivables	(2.8)	2.3	(221.7)%
Other income	28.0	10.9	156.9%
Operating profit	280.6	99.3	182.6%
Finance income	50.8	7.9	*
Finance costs	(268.2)	(105.6)	154.0%
Net finance cost.....	(217.4)	(97.7)	122.5%
Share of profit of equity-accounted investees	2.8	2.2	27.3%
Profit before tax.....	66.0	3.8	*
Income tax expense	(43.4)	(8.8)	*
Profit (loss) for the period	S/ 22.6	S/ (5.0)	*

* Not meaningful.

Revenue

	Six Months Ended June 30,				% Change
	2023		2022		2023 vs. 2022
	(in millions of soles)				
Total revenue from contracts with customers					
Oncosalud Peru.....	S/	450.7	S/	395.5	14.0%
Healthcare Services in Peru		428.8		347.8	23.3%
Healthcare Services in Colombia.....		533.8		404.9	31.8%
Healthcare Services in Mexico		552.2		—	—
Holding and Eliminations		(125.7)		(97.8)	28.5%
Total.....	S/	1,839.8	S/	1,050.3	75.2%

Our total revenue from contracts with customers was S/1,839.8 million for the six-month period ended June 30, 2023, representing an increase of S/789.5 million, or 75.2%, from S/1,050.3 million for the six-month period ended June 30, 2022. This increase was partly attributable to our acquisition of Grupo OCA, which contributed revenue of S/506.7 million.

Revenue from our Oncosalud Peru segment was S/450.7 million for the six-month period ended June 30, 2023, representing an increase of S/55.2 million, or 14.0%, from S/395.5 million for the six-month period ended June 30, 2022. This increase was primarily driven by a 16.9% net increase in the average number of Oncosalud plan members, which contributed S/59.8 million, offset by a 3.8% decrease in average revenue per plan member caused by our new plan products which cover general healthcare services and as a result have lower average revenue per plan member.

Revenue from our Healthcare Services in Peru segment was S/428.8 million for the six-month period ended June 30, 2023, representing an increase of S/81.0 million, or 23.3%, from S/347.8 million for the six-month period ended June 30, 2022. This increase was primarily driven by a 9.2% increase in average revenue per patient related to the mix of services provided during the period after the COVID-19 pandemic, which contributed S/35.9 million, and an increase in the number of patients treated, which contributed S/45.0 million based on average revenue per patient for the six months ended June 30, 2023. The increase in the number of patients is attributable to (i) the normalization of the level of activity in the healthcare sector after the COVID-19 pandemic and (ii) the ramp up of our organic expansion in Clínica Chiclayo and Clínica Vallesur.

Revenue from our Healthcare Services in Colombia segment was S/533.8 million for the six-month period ended June 30, 2023, representing an increase of S/128.9 million, or 31.8%, from S/404.9 million for the six-month period ended June 30, 2022. This increase was primarily driven by (i) S/90.8 million of revenue from IMAT Oncomedica, which we acquired in April 2022, (ii) an increase in the number of patients treated at Clínica Las Americas and Clínica Portoazul, which contributed S/14.9 million, and (iii) a 6.5% increase in average revenue per patient related to the mix of services provided during the period post-COVID-19 pandemic, which contributed S/23.5 million.

Revenue from our Healthcare Services in Mexico segment was S/552.2 million for the six-month period ended June 30, 2023.

Cost of Sales and Services

	Six Months Ended June 30,		% Change
	2023	2022	2023 vs. 2022
	(in millions of soles)		
Cost of sales and services			
Oncosalud Peru.....	(240.5)	(202.9)	18.5%
Healthcare Services in Peru	(330.7)	(278.4)	18.8%
Healthcare Services in Colombia.....	(384.4)	(282.9)	35.9%
Healthcare Services in Mexico	(319.9)	—	—
Holding and Eliminations	123.3	97.2	26.8%
Total	(1,152.2)	(667.0)	72.8%

Our total cost of sales and services was S/1,152.2 million for the six-month period ended June 30, 2023, representing an increase of S/485.2 million, or 72.8%, from S/667.0 million for the six-month period ended June 30, 2022. This increase was primarily attributable to our acquisition of Grupo OCA, which contributed cost of sales and services of S/304.0 million.

Cost of sales and services in our Oncosalud Peru segment was S/240.5 million for the six-month period ended June 30, 2023, representing an increase of S/37.6 million, or 18.5%, from S/202.9 million for the six-month period ended June 30, 2022. This increase was primarily attributable to an increase in the number of patients treated due to the expiration of COVID-19 lockdowns in Peru and the sale of new general healthcare plans with a higher MLR than oncology plans, which increased costs by S/81.5 million, offset by a decrease in the average cost of treatment per patient due to the new product offering of healthcare services plans, which decreased cost of sales and services by S/43.9 million.

Cost of sales and services in our Healthcare Services in Peru segment was S/330.7 million for the six-month period ended June 30, 2023, representing an increase of S/52.3 million, or 18.8%, from S/278.4 million for the six-month period ended June 30, 2022. This increase was attributable to (i) an increase in the number of patients treated, which increased costs by S/36.0 million based on the average cost per patient for the six months ended June 30, 2023, driven by the normalization of the level of activity in the healthcare sector after the COVID-19 pandemic and the ramp up of our organic expansion in Clínica Chiclayo and Clínica Vallesur and (ii) a 5.2% increase in average cost per patient, which contributed S/16.3 million.

Cost of sales and services in our Healthcare Services in Colombia segment was S/384.4 million for the six-month period ended June 30, 2023, representing an increase of S/101.5 million, or 35.9%, from S/282.9 million for

the six-month period ended June 30, 2022. This increase was primarily driven by (i) S/64.0 million of costs from IMAT Oncomedica, which we acquired in April 2022, (ii) an increase in the number of patients treated at Clínica Las Américas and Clínica Portoazul, which contributed S/10.8 million, and (iii) a 10.2% increase in average cost per patient, which contributed S/26.7 million.

Cost of sales and services in our Healthcare Services in Mexico segment was S/319.9 million for the six-month period ended June 30, 2023.

Gross Profit and Gross Margin

For the foregoing reasons, our gross profit was S/687.5 million for the six-month period ended June 30, 2023, representing an increase of S/304.1 million, or 79.3%, from S/383.4 million for the six-month period ended June 30, 2022. Our gross margin for the six-month period ended June 30, 2023 was 37.4%. By segment, our gross margin was 46.6% in Oncosalud Peru, 22.9% in Healthcare Services in Peru, 28.0% in Healthcare Services in Colombia and 42.1% in Healthcare Services in Mexico. Overall, our gross margin increased by 0.9% for the six-month period ended June 30, 2023 from 36.5% for the six-month period ended June 30, 2022.

Selling Expenses

Our total selling expenses were S/96.8 million for the six-month period ended June 30, 2023, representing an increase of S/9.7 million, or 11.1%, from S/87.1 million for the six-month period ended June 30, 2022. This increase was partly attributable to our acquisition of Grupo OCA and Dentegra, which contributed selling expenses of S/4.5 million.

Selling expenses in our Oncosalud Peru segment were S/79.6 million for the six-month period ended June 30, 2023, representing an increase of S/5.1 million, or 6.8%, from S/74.5 million for the six-month period ended June 30, 2022. The increase in selling expenses was primarily a result of an increase in variable expenses related to revenues.

Selling expenses in our Healthcare Services in Peru segment were S/9.5 million for the six-month period ended June 30, 2023, representing an increase of S/0.2 million, or 2.2%, from S/9.3 million for the six-month period ended June 30, 2022.

Selling expenses in our Healthcare Services in Colombia segment were S/2.9 million for the six-month period ended June 30, 2023, representing a decrease of S/0.1 million, or (1.3)%, from S/3.0 million for the six-month period ended June 30, 2022.

Selling expenses in our Healthcare Services in Mexico segment were S/4.5 million for the six-month period ended June 30, 2023.

Administrative Expenses

Our total administrative expenses were S/335.5 million for the six-month period ended June 30, 2023, representing an increase of S/125.2 million, or 59.5%, from S/210.3 million for the six-month period ended June 30, 2022. This increase was partly attributable to our acquisition of Grupo OCA, which contributed administrative expenses of S/75.1 million.

Administrative expenses for our Oncosalud Peru segment were S/75.0 million for the six-month period ended June 30, 2023, representing an increase of S/7.5 million, or 11.1%, from S/67.5 million for the six-month period ended June 30, 2022. The increase was primarily driven by (i) S/2.5 million in amortization related to an increase in intangible assets, (ii) S/1.3 million in administrative personnel expenses related to our new healthcare plans, (iii) S/1.3 million in IT expenses and (iv) S/0.7 million in corporate expenses due to a growth in our regional workforce.

Administrative expenses for our Healthcare Services in Peru segment were S/81.6 million for the six-month period ended June 30, 2023, representing an increase of S/13.7 million, or 20.2%, from S/67.9 million for the six-month period ended June 30, 2022. The increase was driven by (i) an increase of S/8.2 million in corporate-level expenses primarily due to services provided in Clínica Chiclayo, which we opened in August 2021, and a relative

increase in IT service expenses., (ii) S/2.1 million related to an increase in required maintenance to facilities and equipment and (iii) S/1.2 million in staff expenses due to the regular annual salary increases.

Administrative expenses for our Healthcare Services in Colombia segment were S/90.6 million for the six-month period ended June 30, 2023, representing an increase of S/18.8 million, or 26.2%, from S/71.8 million for the six-month period ended June 30, 2022. This increase was primarily driven by (i) S/10.8 million of expenses from IMAT Oncomedica, which we acquired in April 2022, (ii) S/6.6 million in expenses related to administrative personnel, facility management and advisory services and (iii) S/1.5 million in expenses related to expenses in connection with the implementation of our new regional strategy.

Administrative expenses for our Healthcare Services in Mexico segment were S/92.4 million for the six-month period ended June 30, 2023.

Loss for Impairment of Trade Receivables

Loss for impairment of trade receivables was S/2.8 million for the six-month period ended June 30, 2023, representing a decrease of S/5.1 million, or 219.4%, from S/2.3 million reversal for impairment of trade receivables for the six-month period ended June 30, 2022. This decrease was partly attributable to our acquisition of Grupo OCA, which contributed loss for impairment of trade receivables of S/0.8 million.

Reversal for impairment of trade receivables for our Oncosalud Peru segment was S/0.4 million for the six-month period ended June 30, 2023, representing a decrease of S/1.2 million, or 75.0%, from S/1.6 million for the six-month period ended June 30, 2022. The decrease was primarily due to an increase in trade receivables recorded as impaired.

Reversal for impairment of trade receivables for our Healthcare Services in Peru segment was S/1.1 million for the six-month period ended June 30, 2023, representing a decrease of S/1.8 million, or 62.1%, from S/2.9 million for the six-month period ended June 30, 2022. The decrease was primarily due to an increase in trade receivables recorded as impaired.

Loss for impairment of trade receivables for our Healthcare Services in Colombia was S/3.4 million for the six-month period ended June 30, 2023, representing an increase of S/1.2 million, or 54.5%, from S/2.2 million for the six-month period ended June 30, 2022. The increase was primarily due to an increase in the average number of days for collection of our accounts receivable from EPSs.

Loss for impairment of trade receivables was S/0.8 million for the six-month period ended June 30, 2023 in our Healthcare Services in Mexico segment.

Other Income

Other income was S/28.1 million for the six-month period ended June 30, 2023, representing an increase of S/17.1 million, or 156.9%, from S/10.9 million for the six-month period ended June 30, 2022. This increase was primarily attributable to our acquisition of Grupo OCA, which contributed other income of S/11.4 million.

Other income in our Oncosalud Peru segment was S/5.7 million for the six-month period ended June 30, 2023, representing an increase of S/0.9 million, or 18.8%, from S/4.8 million for the six-month period ended June 30, 2022.

Other income in our Healthcare Services in Peru segment was S/3.1 million for the six-month period ended June 30, 2023, representing an increase of S/1.4 million, or 82.4%, from S/1.7 million for the six-month period ended June 30, 2022. The increase was primarily due to the recovery of account receivables reserved in prior periods.

Other income in our Healthcare Services in Colombia segment was S/12.9 million for the six-month period ended June 30, 2023, representing an increase of S/4.2 million, or 48.3%, from S/8.7 million for the six-month period ended June 30, 2022. The increase was primarily due to the recovery of account receivables reserved in prior periods.

Other income was S/12.0 million for the six-month period ended June 30, 2023 in our Healthcare Services in Mexico segment.

Operating Profit

	Six-Month Period Ended June 30,				% Change
	2023		2022		2023 vs. 2022
	(in millions of soles)				
Operating profit					
Oncosalud Peru	S/	61.7	S/	57.0	8.2%
Healthcare Services in Peru		11.1		(3.2)	—
Healthcare Services in Colombia		65.4		53.8	21.6%
Healthcare Services in Mexico		146.7		—	—
Holding and Eliminations		(4.3)		(8.3)	(48.2)%
Total	S/	280.6	S/	99.3	182.6%

For the foregoing reasons, our operating profit was S/280.6 million for the six-month period ended June 30, 2023, representing an increase of S/181.3 million, or 182.6%, from S/99.3 million for the six-month period ended June 30, 2022.

Finance Income and Finance Cost

Finance income was S/50.8 million for the six-month period ended June 30, 2023, representing an increase of S/42.9 million from S/7.9 million for the six-month period ended June 30, 2022. This increase was primarily due to (i) an appreciation in the local currencies in which we operate (Peruvian soles, Colombian pesos and Mexican pesos), with respect to the U.S. dollars, which contributed S/43.2 million, and (ii) S/3.2 million in finance income related to our acquisition of Dentegra in February 2023.

Finance cost was S/268.2 million for the six-month period ended June 30, 2023, representing an increase of S/162.6 million, or 154.0%, from S/105.6 million for the six-month period ended June 30, 2022. This increase was primarily attributable to (i) S/146.1 million of interest on debt related to our acquisitions of Grupo OCA and IMAT Oncomedica, (ii) S/10.8 million increase in short term debt related to our acquisition of Dentegra and our operating needs, and (iii) S/5.7 million generated from the impact of derivatives associated with our debt, including hedging arrangements with respect to the Existing Notes and the 2028 Notes, which are denominated in U.S. dollars.

Income Tax Expense

We recognized income tax expense of S/43.4 million for the six-month period ended June 30, 2023, representing an increase of S/34.6 million, or 391.5%, from income tax expense of S/8.8 million for the six-month period ended June 30, 2022. This represented an effective tax rate of 65.7% and 230.4% for the six-month period ended June 30, 2023 and 2022, respectively. The effective tax rate for the six-month period ended June 30, 2023 was mainly impacted by carryforward tax losses in Mexico, which have been considered not probable to be recovered and therefore no deferred income tax was recognized. The effective tax rate for the six-month period ended June 30, 2022 was mainly impacted by (i) expenses related to our acquisition of Grupo OCA which were allocated to one of our subsidiaries in Mexico and generated a negative profit without recognition of deferred income tax and (ii) tax losses in Colombia as a result of a deferred tax asset which was recognized at a lower tax rate due to being in a free trade zone.

Profit (Loss) for the Period

For the foregoing reasons, profit for the six-month period ended June 30, 2023 was S/22.6 million, representing an increase of S/27.6 million from a loss of S/5.0 million for the six-month period ended June 30, 2022.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

The following table summarizes our results of operations for the year ended December 31, 2022 and 2021:

	Year Ended December 31,		% Change
	2022	2021	2022 vs. 2021
(in millions of soles)			
Revenue			
Insurance revenue	S/ 716.1	S/ 630.5	13.6%
Health care services revenue	1,514.6	1,092.7	38.6%
Sales of medicines	220.9	200.5	10.2%
Total Revenue from contracts with customers.....	2,451.6	1,923.7	27.4%
Cost of sales and services	(1,571.9)	(1,236.8)	27.1%
Gross profit.....	879.7	686.9	28.0%
Selling expenses	(169.8)	(159.1)	6.7%
Administrative expenses.....	(477.5)	(400.7)	19.2%
Income (loss) for impairment of trade receivables	1.6	(27.1)	—
Other expenses.....	(1.0)	—	—
Other income	21.7	8.1	167.9%
Operating profit.....	254.6	108.1	135.5%
Finance income.....	6.9	7.6	(9.2)%
Finance costs	(312.7)	(122.2)	155.8%
Net finance cost.....	(305.8)	(114.6)	166.8%
Share of profit of equity-accounted investees.....	3.8	3.4	11.8%
Loss before tax	(47.4)	(3.1)	1429.0%
Income tax expense	(29.4)	(19.9)	47.7%
Loss for the year	S/ (76.8)	S/ (23.0)	233.9%

Revenue

	Year Ended December 31,		% Change
	2022	2021	2022 vs. 2021
(in millions of soles)			
Total revenue from contracts with customers			
Oncosalud Peru	S/ 815.1	S/ 761.6	7.0%
Healthcare Services in Peru.....	730.3	667.2	9.5%
Healthcare Services in Colombia	895.4	675.0	32.7%
Healthcare Services in Mexico.....	216.1	—	—
Holding and Eliminations.....	(205.3)	(180.1)	14.0%
Total.....	S/ 2,451.6	S/ 1,923.7	27.4%

Our total revenue from contracts with customers was S/2,451.6 million in 2022, representing an increase of S/527.9 million, or 27.4%, from S/1,923.7 million in 2021. This increase was partly attributable to our acquisition of Grupo OCA, which contributed revenue of S/216.1 million.

Revenue from our Oncosalud Peru segment was S/815.1 million in 2022, representing an increase of S/53.5 million, or 7.0%, from S/761.6 million in 2021. This increase was driven by a 14.7% net increase in the average number of Oncosalud plan members, which contributed S/94.2 million to the increase, partially offset by (i) a S/36.7 million decrease in healthcare revenues from third parties mainly as a result of a decrease in revenue for healthcare services from third parties at one of our facilities, Guardia Civil, which in 2021 was designated as a COVID-19 treatment facility and (ii) a 0.5% decrease in average revenue per plan member caused by our new plan products which cover general healthcare services and as a result have lower average revenue per plan member, resulting in a decrease of S/4.0 million in revenue.

Revenue from our Healthcare Services in Peru segment was S/730.3 million in 2022, representing an increase of S/63.1 million, or 9.5%, from S/667.2 million in 2021. This increase was primarily driven by the increase in the number of patients treated, which contributed S/144.2 million based on the average revenue per patient for the year ended December 31, 2022. The increase in the number of patients is attributable to (i) normalization in the level of

activity in the healthcare sector after the COVID 19 pandemic and (ii) the ramp up of demand in Clínica Chiclayo which we opened in August 2021, offset by a 10.0% decrease in average revenue per patient, which reduced revenue by S/81.1 million.

Revenue from our Healthcare Services in Colombia segment was S/895.4 million in 2022, representing an increase of S/220.3 million, or 32.6%, from S/675.0 million in 2021. This increase was primarily driven by (i) S/210.3 million of revenue from IMAT Oncomedica, which we acquired in April 2022 and (ii) an increase in the number of patients treated at Clínica Las Américas and Clínica Portoazul, which contributed S/98.9 million, partially offset by a 11.4% decrease in average revenue per patient related to the mix of services provided during the period, which reduced revenue by S/88.2 million.

Revenue from our Healthcare Services in Mexico segment was S/216.1 million in 2022.

Cost of Sales and Services

	Year Ended December 31,		% Change
	2022	2021	2022 vs. 2021
	(in millions of soles)		
Cost of sales and services			
Oncosalud Peru.....	S/ (419.7)	S/ (390.9)	7.4%
Healthcare Services in Peru.....	(578.3)	(539.9)	7.1%
Healthcare Services in Colombia	(620.4)	(483.0)	28.4%
Healthcare Services in Mexico	(156.8)	—	
Holding and Eliminations.....	203.3	177.1	14.8%
Total.....	S/ (1,571.9)	S/ (1,236.7)	27.1%

Our total cost of sales and services was S/1,571.9 million in 2022, representing an increase of S/335.4 million, or 27.1%, from S/1,236.7 million in 2021. This increase was partly attributable to our acquisition of Grupo OCA, which contributed cost of sales and services of S/156.8 million.

Cost of sales and services in our Oncosalud Peru segment was S/419.7 million in 2022, representing an increase of S/28.8 million, or 7.4%, from S/390.9 million in 2021. This increase was primarily attributable to an increase in the number of patients treated due to the expiration of COVID-19 lockdowns in Peru and the sale of new general healthcare plans with a higher MLR than oncology plans, which increased costs by S/37.9 million, partially offset by a decrease in average cost of treatment per patient due to the new product offering of healthcare services plans, which generally have lower costs and decreased cost of sales and services by S/8.9 million.

Cost of sales and services in our Healthcare Services in Peru segment was S/578.3 million in 2022, representing an increase of S/38.4 million, or 7.1%, from S/539.9 million in 2021. This increase was attributable to (i) an increase in the number of patients treated, which increased costs by S/116.7 million based on the average cost per patient for the year ended December 31, 2022, driven by the normalization of the level of activity in the healthcare sector after the COVID-19 pandemic and the ramp up of our organic expansion in Clínica Chiclayo and Clínica Vallesur and (ii) a 11.9% increase in average cost per patient related to the mix of services provided during the period post-COVID-19 pandemic, which contributed S/78.4 million.

Cost of sales and services in our Healthcare Services in Colombia segment was S/620.4 million in 2022, representing an increase of S/137.4 million, or 28.4%, from S/483.0 million in 2021. This increase was primarily driven by (i) S/122.3 million of costs from IMAT Oncomedica, which we acquired in April 2022, (ii) an increase in the number of patients treated at Clínica Las Américas and Clínica Portoazul, which contributed S/63.7 million, and (iii) a 10.1% increase in average cost per patient related to the mix of services provided during the period post-COVID-19 pandemic, which contributed S/48.6 million.

Cost of sales and services in our Healthcare Services in Mexico segment was S/156.8 million in 2022.

Gross Profit and Gross Margin

For the foregoing reasons, our gross profit was S/879.7 million in 2022, representing an increase of S/192.8 million, or 28.0%, from S/686.9 million in 2020. Our gross margin in 2022 was 35.9%. By segment, our gross margin was 48.5% in Oncosalud Peru, 20.8% in Healthcare Services in Peru, 30.7% in Healthcare Services in Colombia and 27.5% in Healthcare Services in Mexico. Overall, our gross margin increased by 0.2% in 2022, from 35.7% in 2021.

Selling Expenses

Our total selling expenses were S/169.8 million for the year ended December 31, 2022, representing an increase of S/10.7 million, or 6.7%, from S/159.1 million for the year ended December 31, 2021. This increase was partly attributable to our acquisition of Grupo OCA, which contributed selling expenses of S/0.7 million.

Selling expenses in our Oncosalud Peru segment were S/146.0 million for the year ended December 31, 2022, an increase of S/12.7 million, or 9.5%, from S/133.3 million for the year ended December 31, 2021. The increase was primarily a result of an increase in selling expenses of: (i) S/6.2 million related to payroll of our sales personnel; (ii) S/6.1 million related to advertising and (iii) S/1.7 million related to credit card transaction fees.

Selling expenses in our Healthcare Services in Peru segment were S/15.9 million for the year ended December 31, 2022, representing a reduction of S/3.0 million, or 15.9%, from S/18.9 million for the year ended December 31, 2021. The decrease in selling expenses was primarily due to the reduction in selling expenses of: (i) S/1.9 million related to payroll of our marketing staff and (ii) S/2.1 million mainly related to advertising expenses and partially offset by an increase in credit card transaction fees and others of S/1.0 million.

Selling expenses in our Healthcare Services in Colombia segment were S/5.7 million for the year ended December 31, 2022, representing an increase of S/1.8 million, or 46.2%, from S/3.9 million for the year ended December 31, 2021. The increase was primarily a result of an increase in selling expenses of: (i) S/0.7 million related to advertising expenses and (ii) S/0.4 million related to payroll of our marketing staff.

Selling expenses in our Healthcare Services in Mexico segment were S/0.7 million for the year ended December 31, 2022.

Administrative Expenses

Our total administrative expenses were S/477.5 million for the year ended December 31, 2022, representing an increase of S/76.8 million, or 19.2%, from S/400.7 million for the year ended December 31, 2021. This increase was partly attributable to our acquisition of Grupo OCA, which contributed administrative expenses of S/46.2 million.

Administrative expenses for our Oncosalud Peru segment were S/149.0 million for the year ended December 31, 2022, representing an increase of S/0.3 million, or 0.2%, from S/148.7 million for the year ended December 31, 2021. The increase was primarily driven by (i) S/4.7 million in amortization of intangible assets and (ii) S/0.8 million in donations made to our non profit organization, Auna Ideas, partially offset by a S/5.5 million decrease in corporate expenses mainly related to efficiencies in our IT structure.

Administrative expenses for our Healthcare Services in Peru segment were S/131.6 million for the year ended December 31, 2022, representing a decrease of S/10.4 million, or 7.3%, from S/142.0 million for the year ended December 31, 2021. The decrease was driven by (i) a decrease of S/3.6 million in corporate-level expenses mainly related to efficiencies in our IT structure, (ii) a decrease of S/1.3 million in third-party recruiting services, (iii) a decrease of S/1.0 million in third-party security services in the segment's hospitals and (iv) a decrease of S/1.0 million for maintenance of equipment and facilities.

Administrative expenses for our Healthcare Services in Colombia segment were S/159.0 million for the year ended December 31, 2022, representing an increase of S/31.3 million, or 24.5%, from S/127.7 million for the year ended December 31, 2021. The increase is due to IMAT Oncomedica, acquired in April 21, which incurred administrative expenses of S/32.5 million.

Administrative expenses for our Healthcare Services in Mexico segment were S/46.2 million for the year ended December 31, 2022.

Loss for Impairment of Trade Receivables

Reversal for impairment of trade receivables was S/1.6 million for the year ended December 31, 2022, representing a decrease in loss of S/28.7 million, or 105.9%, from a S/27.1 million loss for the year ended December 31, 2021.

Reversal for impairment of trade receivables in our Oncosalud Peru segment was S/2.4 million for the year ended December 31, 2022, representing an increase of S/3.3 million, or 366.7%, from a S/0.9 million loss for impairment of trade receivables for the year ended December 31, 2021. The increase was primarily due to a decrease in trade receivables recorded as impaired related to the reduction of uninsured patients treated for COVID-19.

Reversal for impairment of trade receivables in our Healthcare Services in Peru segment was S/4.1 million for the year ended December 31, 2022, representing an increase of S/12.3 million, or 150.0%, from a S/8.2 million loss for impairment of trade receivables for the year ended December 31, 2021. The increase was primarily due to a decrease in trade receivables recorded as impaired related to the reduction of uninsured patients treated for COVID-19.

Loss for impairment of trade receivables in our Healthcare Services in Colombia segment was S/4.7 million for the year ended December 31, 2022, representing a decrease of S/13.3 million, or 73.9%, from S/18.0 million for the year ended December 31, 2021. The decrease was primarily related to the liquidation of a third-party insurance payer, which contributed S/15.8 million in loss for impairment of trade receivables in 2021.

Loss for impairment of trade receivables was S/0.1 million for the year ended December 31, 2022 in our Healthcare Services in Mexico segment.

Other Income

Other income was S/21.6 million for the year ended December 31, 2022, representing an increase of S/13.6 million, or 167.9%, from S/8.1 million for the year ended December 31, 2021. This increase was partly attributable to our acquisition of Grupo OCA, which contributed other income of S/1.9 million.

Other income for our Oncosalud Peru segment was S/9.0 million for the year ended December 31, 2022, representing an increase of S/3.7 million, or 69.8%, from S/5.3 million for the year ended December 31, 2021. The increase was primarily related to rent for use of Clínica Chiclayo.

Other income in our Healthcare Services in Peru segment was S/4.4 million for the year ended December 31, 2022, representing an increase of S/1.2 million, or 37.5%, from S/3.2 million for the year ended December 31, 2021. The increase was primarily related to the recovery of account receivables reserved in prior periods.

Other income for our Healthcare Services in Colombia segment was S/15.3 million for the year ended December 31, 2022, representing an increase of S/10.7 million, or 232.6%, from S/4.6 million for the year ended December 31, 2021. The increase was primarily due to the recovery of account receivables reserved in prior periods.

Other income was S/1.9 million for the year ended December 31, 2022 in our Healthcare Services in Mexico segment.

Operating Profit

	Year Ended December 31,		% Change	
	2022	2021	2022 vs. 2021	
	(in millions of soles)			
Operating profit				
Oncosalud Peru	S/ 111.8	S/ 93.0	20.2%	
Healthcare Services in Peru	13.0	(38.6)	133.7%	

	Year Ended December 31,		% Change
	2022	2021	2022 vs. 2021
	(in millions of soles)		
Healthcare Services in Colombia.....	120.8	47.0	157.0%
Healthcare Services in Mexico	14.2	—	—
Holding and Eliminations	(5.2)	6.7	(177.6%)
Total	S/ 254.6	S/ 108.1	135.5%

For the foregoing reasons, our operating profit was S/254.6 million in 2022, representing an increase of S/146.5 million, or 135.5%, from S/108.1 million in 2021.

Finance Income and Finance Cost

Finance income was S/6.9 million for the year ended December 31, 2022, representing a decrease of S/0.7 million, or 9.2%, from S/7.6 million for the year ended December 31, 2021. This decrease was primarily due to a decrease of investments in short-term deposits resulting in a decrease of finance income earned.

Finance cost was S/312.7 million for the year ended December 31, 2022, representing an increase of S/190.5 million, or 155.9%, from S/122.2 million for the year ended December 31, 2021. This increase was primarily attributable to an increase of (i) S/57.8 million related to the depreciation of the Peruvian *sol* against the U.S. dollar combined with an increase in our U.S. dollar denominated debt, (ii) S/109.6 million in interest expenses, including interest expenses related to the financing of our acquisitions of IMAT Oncomedica and Grupo OCA, (iii) S/10.4 million related to hedges in connection with new debt and (iv) S/6.7 million related to the fair value changes in our earn-out obligation for the acquisition of IMAT Oncomedica.

Income Tax Expense

We had an income tax expense of S/29.4 million in 2022, representing an increase of S/9.5 million, from S/19.9 million in 2021. The increase was primarily attributable to S/21.7 million of income tax losses as a result of financing expenses related to our acquisition of Grupo OCA, partially offset by an income tax benefit of S/15.6 million resulting from taxable losses.

(Loss) Profit for the Period

For the foregoing reasons, loss for the year was S/76.8 million in 2022, representing a decrease of S/53.8 million, from a loss of S/23.0 million in 2021.

Liquidity and Capital Resources

Our financial condition and liquidity is, and will continue to be, influenced by a variety of factors, including (i) our ability to generate cash flows from our operations; (ii) the level of outstanding indebtedness and the interest payable on this indebtedness; and (iii) our capital expenditure requirements.

Overview

Our primary source of liquidity is our operating cash flow from insurance revenue on healthcare plans and the sale of healthcare services and medicines. Our healthcare plans are prepaid plans for one-year terms pursuant to which plan members typically pay us a fixed amount per month over the course of a year, while a smaller percentage of them make payments on an annual basis. Our dental and vision plans are insurance plans pursuant to which plan members typically pay us a fixed amount per month over the course of a year. During the six-month period ended June 30, 2023, in our healthcare services business in Peru, 79.4% of payments came from third-party payers, including 0.8% from Peruvian government entities, and 20.6% were paid out-of-pocket by our patients. In Colombia, 95.8% of payments came from third-party payers, including 1.4% from Colombian government entities, and 4.2% were paid out-of-pocket by our patients. In our healthcare services business in Mexico, 92.6% of payments came from third-party payers, including 9.0% from Mexican government entities, and 7.4% were paid out-of-pocket by our patients. In Peru, our accounts receivable for our healthcare services are typically collected in an average of

72 days whereas in Colombia, these are typically collected in 144 days and in Mexico, in 42 days. Our principal liquidity needs include paying the cost of medicines, personnel expenses, cost of services provided by third parties, debt service obligations, medical consultation fees and other selling and administrative expenses.

As of June 30, 2023, our cash and cash equivalents were S/258.8 million, and we had negative working capital (defined as current assets less current liabilities) of S/86.7 million. See “Risk Factors—Risks Related to Our Business—We may not have sufficient funds to settle current liabilities and as a result we may continue to have negative working capital in the near future.”

We believe that our available cash and cash equivalents and cash flows expected to be generated from operations and borrowings available to us under our revolving credit lines, will be adequate to satisfy our capital expenditure and liquidity needs for the foreseeable future. Our principal economic activities provide predictable cash flows, as they consist primarily of the sale of prepaid plans that have monthly prepayments agreed for one-year terms or annual payments that are automatically renewed unless canceled by the plan members, and the provision of healthcare services, for which we are reimbursed by third-party healthcare providers under agreements that typically also have one-year terms and automatically renew each year, unless renegotiated. Given the predictability of these cash flows, we can operate with negative working capital.

Our ability to expand and grow our business in accordance with management’s current plans and to meet our long-term capital requirements will depend on many factors, including those mentioned above. To the extent we pursue one or more significant strategic acquisitions, we may be required to incur additional debt or sell additional equity to finance those acquisitions.

Comparative Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2022	2021	2023	2022
	(in millions of soles)			
Net cash from (used in) operating activities	S/ 162.6	S/ 183.3	S/ 268.8	S/ (1.3)
Net cash used in investing activities	(3,209.4)	(292.0)	(56.1)	(558.5)
Net cash from (used in) financing activities	3,130.7	(102.1)	(146.1)	563.3
Net increase (decrease) in cash and cash equivalents	83.8	(210.8)	66.6	3.5
Cash and cash equivalents at beginning of period	138.8	343.5	208.7	138.8
Effect of movements in exchange rates on cash held ..	(14.1)	6.1	(16.5)	(3.9)
Cash and cash equivalents at end of period	S/ 208.7	S/ 138.8	S/ 258.8	S/ 138.5

Six-Month Period Ended June 30, 2023 Compared to Six-Month Period Ended June 30, 2022

Net cash from operating activities for the six-month period ended June 30, 2023 was S/268.8 million compared to S/(1.3) million for the six-month period ended June 30, 2022, an increase of S/270.1 million. This increase was primarily due to the net cash from operating activities from the Healthcare Services in Mexico segment, acquired in October 2022, which was S/145.9 million for the six-month period ended June 30, 2023. The net cash from operating activities of our other three segments was S/122.8 million compared to S/(1.3) million for the six-month period ended June 30, 2022, an increase of S/124.2 million. This result was primarily explained by an improvement in our cash management, which led to an increase in our cash conversion rate (i.e., the rate at which we convert our revenue to cash, which is calculated by dividing our net cash from operating activities by our total revenue from the same period) from (0.1)% to 9.5%, and which resulted in an increase of S/124.5 million in cash as compared to the six-month period ended June 30, 2022.

Net cash used in investing activities for the six-month period ended June 30, 2023 was S/56.1 million, compared to S/558.5 million for the six-month period ended June 30, 2022. The primary investment for the six-month period ended June 30, 2022 was S/476.3 million for the acquisition of IMAT Oncomedica in April 2022. The primary investment for the six-month period ended June 30, 2023 was S/60.0 million for the acquisition of Dentegra in February 2023. We also made investments of S/54.8 million, with a focus on (i) maintenance, replacements and

standardization improvements of our facilities and medical equipment and for software and other intangibles and (ii) organic growth in Colombia and Peru, through the expansion of the healthcare network capacity IMAT, Chiclayo and Vallesur.

Net cash used in financing activities for the six-month period ended June 30, 2023 was S/146.1 million, compared to net cash from financing activities of S/563.3 million for the six-month period ended June 30, 2022. Net cash from financing activities for the six-month period ended June 30, 2022 primarily reflected S/476.3 million of loans and borrowings used to finance our acquisition of IMAT Oncomedica in April 2022. Net cash used in financing activities for the six-month period ended June 30, 2023 primarily reflected S/2,261.0 million in proceeds from loans and borrowings, that were used to repay certain existing indebtedness and financial obligations of S/2,111.5 million and make certain interest payments of S/253.3 million, explained by the interest associated with the bridge loans and the private placement notes transaction costs in 2023 relating to the 2028 Notes.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Net cash from operating activities for the year ended December 31, 2022 was S/162.6 million compared to S/183.3 million for the year ended December 31, 2021, a decrease of S/20.7 million. This decrease was partially offset by the net cash from operating activities from the Mexico Healthcare Network business, acquired in October 2022, which was S/13.2 million for the year ended December 31, 2022. The net cash from operating activities of the rest of the existing business was S/149.2 million compared to S/183.3 million for the year ended December 31, 2021, a decrease of S/34.0 million. This result was primarily explained by an increase of S/29.7 million in cash collected driven by the increase in revenue in all of our segments and higher profitability, partially offset by a deterioration in our cash management, which led to a decrease in our cash conversion rate (i.e., the rate at which we convert our revenue to cash, which is calculated by dividing our net cash from operating activities by our total revenue from the same period) from 9.5% to 6.6% and which resulted in a reduction of S/63.7 million in cash as compared to the year ended December 31, 2021.

Net cash used in investing activities for the year ended December 31, 2022 was S/3,209.4 million, compared to S/292.0 million for the year ended December 31, 2021. The primary use of cash for the year ended December 31, 2022 was \$3,058.8 million for our acquisitions of Grupo OCA and IMAT Oncomedia; and \$150.6 million in investments, including intangibles, focused on maintenance, completion of our oncological value offer in Peru (Radiotherapy in the northern headquarters, PET CT Peru and PET CT Colombia, Prevention Center in Lima) and equipment for the new operations in Clínica Chiclayo, Clisur, Clínica Vallesur and the expansion of hospital and surgical capacity at Clínica Las Américas and Portoazul.

Net cash from financing activities for the year ended December 31, 2022 was S/3,130.7 million, compared to net cash used in financing activities of S/102.1 million for the year ended December 31, 2021. Net cash from financing activities for the year ended December 31, 2022 primarily reflected S/2,287.8 million of loans and borrowings used for the financing of our acquisitions of IMAT Oncomedica and Grupo OCA.

Capital Expenditures

We define capital expenditures as the acquisition of intangible assets and property, furniture and equipment. Our capital expenditures for the six-month period ended June 30, 2023 were S/68.9 million, 33.4% of which was for the acquisition of land, buildings and facilities, 33.8% of which was for medical equipment, furniture and vehicles and 32.8% of which was for intangibles, mainly software.

Our capital expenditures for the year ended December 31, 2022 were S/174.6 million, 32.2% of which was for the acquisition of land, buildings and facilities, 38.4% of which was for medical equipment, furniture and vehicles and 29.5% of which was for intangibles, mainly software.

Our capital expenditures for the year ended December 31, 2021 were S/323.3 million, 50.6% of which was for the acquisition of land, buildings and facilities, 31.5% of which was for medical equipment, furniture and vehicles and 18.0% of which was for intangibles, mainly software.

For 2023, we have a capital expenditures budget of S/160.0 million, which we expect to use primarily for maintenance uses. We intend to finance these capital expenditures with a combination of cash from operations and additional indebtedness.

Contractual Obligations and Commitments

The following table presents information relating to our contractual obligations as of June 30, 2023:

	Total	IFRS 16	Year 1	Year 2	Year 3	Year 4	Year 5	More than 6 years
	(in millions of soles)							
Loans and borrowings(1)	S/ 3,410.5	—	S/ 379.4	S/ 30.6	S/ 1,111.4	S/ 22.9	S/ 1,806.1	S/ 60.2
Lease liabilities(1)	76.6	—	19.7	18.2	14.4	7.6	7.6	9.1
Operating leases(1)	77.4	77.4	—	—	—	—	—	—
Total	S/ 3,564.4	S/ 77.4	S/ 399.1	S/ 48.8	S/ 1,125.8	S/ 30.5	S/ 1,813.6	S/ 69.3

(1) Excludes interests.

Senior Secured Notes due 2028

On April 11, 2023, we issued US\$505.0 million aggregate principal amount of Senior Secured Notes due 2028. We used the net proceeds from the issuance of the 2028 Notes to repay US\$505.0 million of certain indebtedness outstanding.

The 2028 Notes were issued pursuant to the Notes Purchase and Guarantee Agreement, dated as of March 29, 2023, among Auna S.A.A. and Grupo Salud Auna México, S.A. de C.V., as issuers, the guarantors party thereto, the purchasers party thereto, TMF Group New York LLC as administrative agent, collateral agent and notes registrar and BTG Pactual US Capital, LLC and Santander US Capital Markets LLC, as joint placement agents (the “Notes Purchase and Guarantee Agreement”). The 2028 Notes bear interest at a rate of 9.75% per year payable in cash semi-annually in arrears on April 11 and October 11 of each year and also contain an exit fee that is calculated through a formula based on specified rates that vary depending on the prepayment date or at maturity and accordingly increases over the life of the 2028 Notes. We record the accrued portion of the exit fee as deferred interest expense. The 2028 Notes will mature on April 11, 2028. We are entitled to redeem some or all of the 2028 Notes at any time at the redemption prices set forth in the applicable Notes Purchase and Guarantee Agreement.

The agreement governing the 2028 Notes contains financial covenants requiring us to maintain (i) a consolidated leverage ratio of less than (a) 5.25:1.0 as of December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, (b) 4.75:1.00 as of December 31, 2023, March 31, 2024, June 30, 2024 and September 30, 2024, and (c) 4.25:1.00 as of December 31, 2024 and the end of each fiscal quarter thereafter and (ii) a consolidated interest coverage ratio equal to or higher than (a) 1.50:1.0 as of the end of each fiscal quarter of the fiscal year ending on December 31, 2023, (b) 1.75:1.00 as of the end of each fiscal quarter of the fiscal year ending on December 31, 2024 and (c) 2.25:1.00 as of the end of each fiscal quarter after January 1, 2025.

The 2028 Notes are subject to mandatory redemption under certain circumstances, including, among others, in the event we or certain of our subsidiaries (i) incur new indebtedness, (ii) undertake an equity offering, (iii) sell assets, (iv) receive proceeds from a loss or casualty event in a qualifying amount or (v) hold excess cash, in each case, subject to the terms and conditions further described in the agreement governing the 2028 Notes.

The 2028 Notes contain customary representations and warranties, affirmative and negative covenants and events of default, of which we are in compliance as of their respective most recent measurement dates.

Senior Notes due 2025

On November 20, 2020, we issued US\$300.0 million aggregate principal amount of 6.500% Senior Notes due 2025. We used the net proceeds from the issuance of the 2025 Notes to repay US\$255.9 million of indebtedness outstanding and for general corporate purposes.

The 2025 Notes were issued pursuant to the indenture, dated as of November 20, 2020, among Auna S.A.A., the guarantors party thereto and Citibank, N.A. as trustee, paying agent, registrar and transfer agent (the “Indenture”). The 2025 Notes bear interest at a rate of 6.500% per year and interest on the 2025 Notes is payable semi-annually in arrears on May 20 and November 20 of each year. The 2025 Notes will mature on November 20, 2025. In connection with our issuance of the 2028 Notes, we provided certain assets as collateral to secure our 2025 Notes pursuant to the requirements under the Indenture. That collateral, which includes a portion of the collateral securing the 2028 Notes, is shared on a pari passu basis with the 2028 Notes. We are entitled to redeem some or all of the 2025 Notes at any time at the redemption prices set forth in the Indenture.

The 2025 Notes contain customary representations and warranties, affirmative and negative covenants and events of default, of which we are in compliance as of their respective most recent measurement dates.

Credit Agreements

Scotiabank Perú

On February 3, 2020, Oncosalud S.A.C. entered into a financing agreement (the “Chiclayo Hospital Financing Agreement”) with Scotiabank for S/70.0 million. The proceeds of the financing were used to build a new hospital in Chiclayo.

The Chiclayo Hospital Financing Agreement contains financial covenants requiring us to maintain a consolidated debt service ratio equal to or higher than 1.2 and a consolidated leverage ratio, defined as the ratio of our net consolidated debt to EBITDA, below or equal to 4.75x from the corresponding date of disbursement of the funds until December 31, 2020, 4.5x during 2021, 3.5x during 2022 and 2.5x from January 1, 2023 onwards. As of June 30, 2023, Oncosalud S.A.C. was in compliance with the consolidated debt service and consolidated leverage ratios under the Chiclayo Financing Agreement. EBITDA as calculated for purposes of the Chiclayo Financing Agreements excludes certain expenses relating to Torre Trecca that are not excluded from EBITDA as defined under “Non-GAAP Financial Measures.” In addition, the related assignment agreement requires Oncosalud S.A.C. to maintain a minimum debt service ratio, defined as the ratio of assigned rights to long-term debt plus financial expenses, of 1.0x during 2021 and 2022 and 1.2x during 2023 to 2027.

The Chiclayo Hospital Financing Agreement contains consent requirements for certain transactions, such as a merger, consolidation or internal reorganization, as well as certain restrictions, such as restrictions from transferring or encumbering assets located in Auna Chiclayo.

The Chiclayo Hospital Financing Agreement is secured by a mortgage over Oncosalud S.A.C.’s real estate property located in Chiclayo.

Credit Lines

We have access to available revolving credit lines of up to an aggregate of S/498.1 million with other recognized financial institutions that we use for short-term capital needs. Our revolving credit lines bear interest at varying fixed rates, ranging from 7.91% to 11.62%. As of June 30, 2023, we had drawn S/338.5 million, and had S/159.6 million of available borrowings, under our revolving credit lines, maturing between 2023 and 2024. We are subject to various covenants under our revolving credit lines, including reporting requirements, restrictions on incurring future debt and consent requirements for certain transactions, such as a merger, consolidation or internal reorganization, and were in compliance with these covenants as of June 30, 2023. Lenders may terminate our revolving credit lines under certain events, including nonpayment of our monetary obligations, acquiring debt that is senior to our obligations under our revolving credit lines, failing to maintain our corporate existence, certain changes to our corporate purpose and a change of control, whether directly or indirectly, among others.

Trends

Since 2019, we have completed seven acquisitions, including the acquisition of a controlling stake in Clínica Portoazul in Colombia in September 2020, the acquisitions of OncoGenomics and Posac in Peru in October 2021, the acquisition of IMAT Oncomédica in Colombia in April 2022, the acquisition of Grupo OCA in Mexico in October 2022 and the acquisition of Dentegra in Mexico in February 2023. The results of each entity have been

consolidated into our results of operations from their respective dates of acquisition. In addition, in August 2021, we launched operations at Clínica Chiclayo and in January 2022, we expanded capacity at Clínica Vallesur. In all of our networks, we expect to benefit from these expanded and new facilities as our greater capacity will allow us to treat additional patients and generate additional revenue. However, these expansions have, in certain cases, resulted in temporary increases in costs.

Our Oncosalud membership base increased 15.8% for the six-month period ended June 30, 2023 primarily as a result of the recovery of our sales channels and the launch of new products, including general healthcare plans and telemedicine plans. Relatedly, the number of plan members treated during the six-month period ended June 30, 2023 increased by 40.2% compared to the six-month period ended June 30, 2022 as a result of plan members covered by general healthcare plans. In our Healthcare Services in Peru segment, the number of patients treated during the six-month period ended June 30, 2023 increased by 12.9% compared to the six-month period ended June 30, 2022 as a result of the recovery in the level of activity in the healthcare sector after the COVID-19 pandemic and the ramp up of our organic expansion in Clínica Chiclayo and Clínica Vallesur. In our Healthcare Services in Colombia segment, the number of patients treated during the six-month period ended June 30, 2023 increased by 4.0% compared to the six-month period ended June 30, 2022 as a result of the recovery in the level of activity in the healthcare sector after the COVID-19 pandemic.

In our Auna Peru network, we will continue to grow organically by expanding our network's installed capacity. We are also evaluating other opportunities to expand our Auna Peru network beyond these current projects. In addition, we will continue to expand the healthcare plans offered under our Oncosalud Peru segment. In Colombia, we plan to focus on expanding the range of services offered in our existing facilities. In Mexico, we plan to focus on expanding the range of services offered in our existing facilities and the insurance plans offered. Throughout the remainder of 2023 and in 2024, we expect to invest in the expansion of our existing facilities and new plan products.

Our pharmaceutical costs represented 48.0%, 36.8% and 45.8% of our cost of services in Mexico, Peru and Colombia, respectively. We plan to implement strategies to further create synergies in our pharmaceutical costs.

Off-Balance Sheet Arrangements

As of June 30, 2023, we did not have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risks

In the ordinary course of our business activities, we are exposed to market risks that are beyond our control and which may have an adverse effect on the value of our financial assets and liabilities, future cash flows and profit. The market risks that we are exposed to include foreign currency risks and interest rate risks.

The functional currency of our operations is based on the countries in which we operate, whereby in Mexico it is the Mexican *peso*, in Peru it is the Peruvian *sol* and in Colombia it is the Colombian *peso*, and we present our financial statements in Peruvian *soles*. However, the majority of our liabilities (primarily US\$300.0 million of the 2025 Notes and US\$505.0 million of the 2028 Notes) are denominated in U.S. dollars, which exposes us to exchange rate risk. As of June 30, 2023, 60.9% of our liabilities were denominated in U.S. dollars. To mitigate our U.S. dollar exposure, we use derivative financial instruments, such as call spreads and forwards, to hedge our exposure to these risks.

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments may fluctuate as a result of changes in market interest rates. Our general policy is to hold financing at fixed rates, although certain of our borrowings accrue interest at floating rates. Because the majority of our financing is at fixed rates and we have hedging arrangements in place for all of our borrowings held at floating rates, we do not consider interest rate risk material to our business.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with IFRS. The preparation of our financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets,

liabilities, income and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and significant assumptions. We base these estimates on our historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results experienced may vary materially and adversely from our estimates. Revisions to estimates are recognized prospectively. To the extent there are material differences between our estimates and the actual results, our future results of operations may be affected. We consider the accounting policies that govern revenue recognition, regulatory or technical reserves and income taxes to be the most critical in relation to our consolidated financial statements. These policies require the most complex and subjective estimates of management.

Business Combinations

We account for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognized in profit or loss immediately. Transactions cost are expensed as incurred.

Subsidiaries are entities that we control. We control an entity when we are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. We eliminate all transactions between subsidiaries upon consolidation in the consolidated financial statements.

For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets as of the date of acquisition. Changes in our interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of our interest in the net identifiable assets at the date of the acquisition. Goodwill arising from a business combination is allocated to each cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level of cash-flow generating assets within the entity at which goodwill is monitored by management. Goodwill is tested for impairment at least annually and recorded at cost less accumulated impairment losses. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of value in use and fair value less costs to sell. Any impairment is recognized immediately as an expense and cannot be reversed.

Revenue Recognition

We generate revenue primarily from insurance revenue on healthcare plans and the sale of healthcare services and medicines. Revenue we generate from the sale of healthcare services is recognized as such healthcare services are provided to our patients. Similarly, the revenue we generate from the sale of medicines is recognized when medicines are provided to our customers and, in cases when our patients are hospitalized, when medicines are administered to them.

Our revenue recognition standard for revenue related to the insurance revenue on healthcare plans are recognized as revenue proportionally during the period in which a patient is entitled to healthcare services under his or her plan. Insurance revenue related to the unexpired contractual coverage period are recognized in the accompanying balance sheet as liability for remaining coverage.

Liability for Incurred Claims

We recognize the liability for incurred claims of a group of contracts at the amount of the fulfillment of cash flows relating to incurred claims. Since the future cash flows are expected to be paid in one year or less from the dates the claims are incurred, we do not discount the cash flows.

Income Taxes

Current income taxes are provided on the basis of our financial reporting and the financial reporting of each of our subsidiaries, including adjustments in accordance with the regulations of the relevant tax jurisdiction. As such, we must make critical judgments in interpreting tax legislation in the jurisdictions in which we operate in order to determine our income tax expenses.

Deferred income taxes are accounted for using an asset and liability method. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Recent Accounting Pronouncements

The International Accounting Standards Board, or other regulatory bodies, periodically introduce modifications to the financial accounting and reporting standards under which we prepare our consolidated financial statements. Recently, a number of new accounting standards and amendments and interpretations to existing standards have been issued and were effective as of January 1, 2022, including the amendments to IAS 37—Onerous Contracts—Contract Performance Cost, IAS 16—Property, Plant and Equipment—Proceeds Before Intended, and IFRS 3—Reference to the Conceptual Framework.

In addition, IFRS 17—Insurance contracts, the amendment to IAS 1—Classification of Liabilities as Current or non-Current, IAS 1—Disclosure of Accounting Policies, the amendment to IAS 8—Definition of Accounting Estimates, and the amendment to IAS 12—Deferred Tax related to Assets and Liabilities arising from a Single Transaction became effective on January 1, 2023. The amendment to IAS 1—Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current, and the amendment to IFRS 16—Lease Liability in a Sale and Leaseback are scheduled to become effective on January 1, 2024. Other than as described below, we do not expect these amendments to have a material impact on our consolidated financial statements.

Insurance contracts (IFRS 17)

In May 2017, the International Accounting Standards Board issued IFRS 17, which provides a more uniform approach for measurement and presentation of all insurance contracts, including by requiring insurance liabilities to be measured at a current fulfilment value.

The key principles of IFRS 17 are that we:

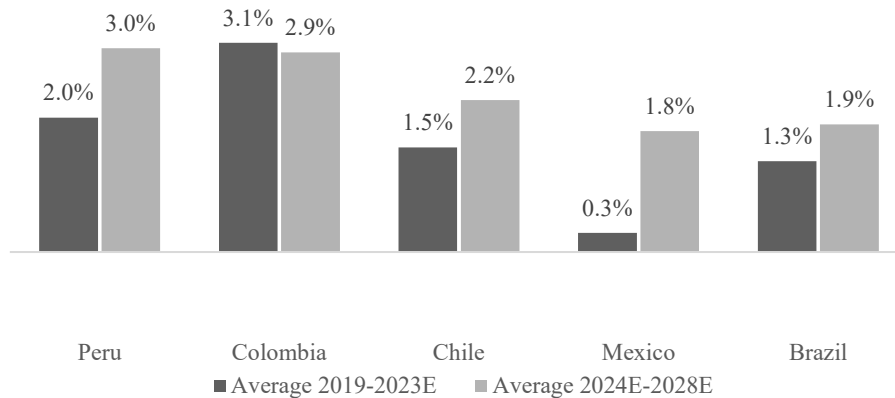
- Identify insurance contracts as those under which we accept significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separate specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and account for them in accordance with other standards.
- Recognize profit from a group of insurance contracts over each period that we provide insurance contract services, as we are released from risk. If a group of contracts is expected to result in a loss over the remaining coverage period, we recognize the loss immediately.
- Recognize an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognized. Such an asset is derecognized when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

As of January 1, 2022, we have applied IFRS 17 retrospectively to all insurance contracts.

INDUSTRY

We currently operate in the Mexican, Peruvian and Colombian healthcare sectors. Mexico, Peru, and Colombia have some of the strongest macroeconomic fundamentals in the Latin American region, after having consistently implemented market and investor-friendly policies over the past two decades. According to industry sources, in 2022, Mexico had a nominal GDP of US\$1,414.2 billion and a population of 127.5 million, which was equivalent to a nominal GDP per capita of US\$11,091.3. Similarly, in 2022, Peru had a nominal GDP of US\$242.6 billion and a population of 34.0 million, which was equivalent to a nominal GDP per capita of US\$7,125.8. In addition, in 2022, Colombia had a nominal GDP of US\$343.9 billion and a population of 51.9 million, which was equivalent to a nominal GDP per capita of US\$6,630.3.

Real GDP Growth (%)



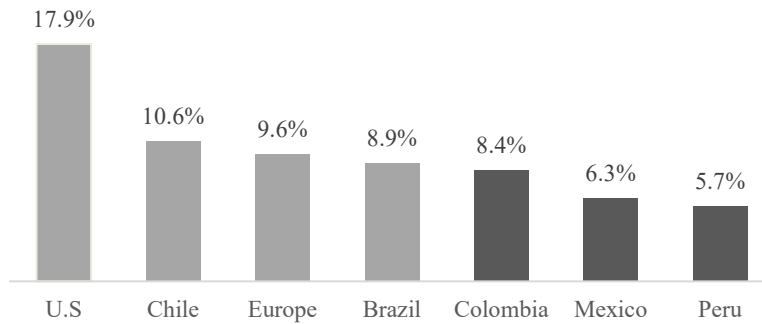
Source: IMF database.

The Mexican, Peruvian and Colombian Healthcare Sectors from a Global Perspective

According to Fitch Solutions, total spending in local currency in Mexico's healthcare sector grew at a CAGR of 8.2% between 2019 and 2022 and is expected to reach US\$96.4 billion in 2026, while in Peru, total public and private healthcare sector spending grew at a CAGR of 8.0% between 2019 and 2022 and is expected to reach US\$18.6 billion in 2026. In addition, total spending in local currency in Colombia's healthcare sector grew at a CAGR of 11.1% between 2019 and 2022 and is expected to reach US\$32.2 billion in 2026. Growth in these markets has been driven mainly by favorable demographic factors, including an expanding middle class demanding more and higher quality healthcare services and an aging population requiring additional healthcare services.

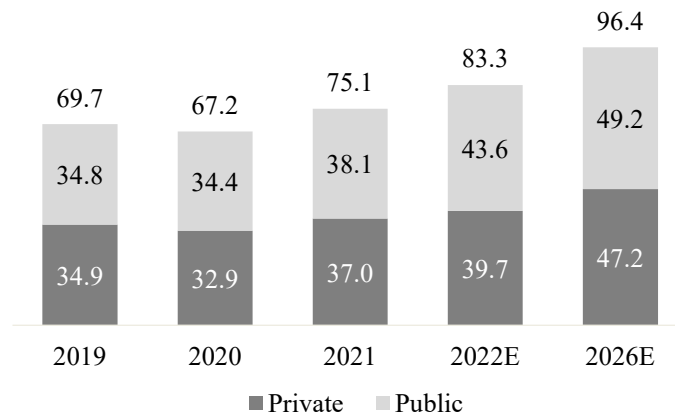
The Mexican, Peruvian and Colombian healthcare sectors remain significantly underpenetrated, as evidenced by the total healthcare expenditure as a percentage of GDP and healthcare expenditure per capita, shown in the charts below. Spending levels are not only significantly below developed markets, but also below key regional reference markets, such as Brazil and Chile.

2022E Healthcare Spending as a % of GDP



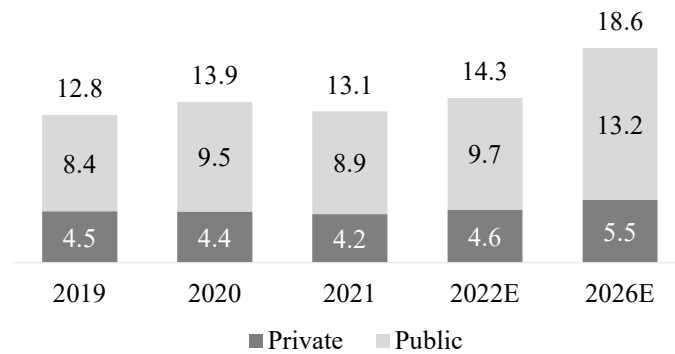
Source: Fitch Solutions Colombia Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions Peru Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions Mexico Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions U.S. Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions Chile Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions Europe Pharmaceuticals and Healthcare Report Q4 2022, Fitch Solutions Brazil Pharmaceuticals and Healthcare Report Q4 2022.

Mexico's Healthcare Expenditure (US\$ Bn)



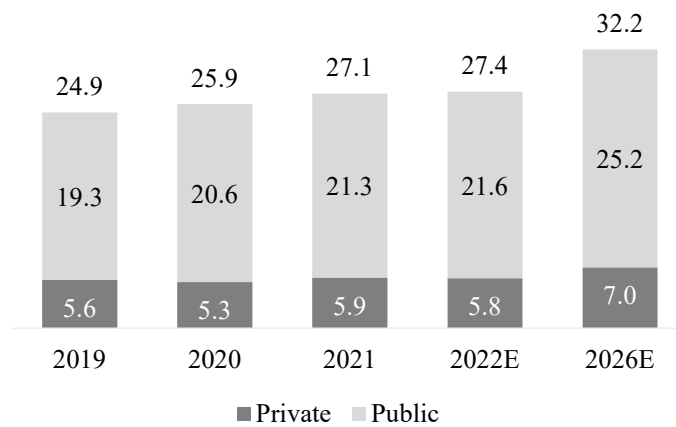
Source: Fitch Solutions Mexico Pharmaceuticals and Healthcare Report Q4 2022.

Peru's Healthcare Expenditure (US\$ Bn)



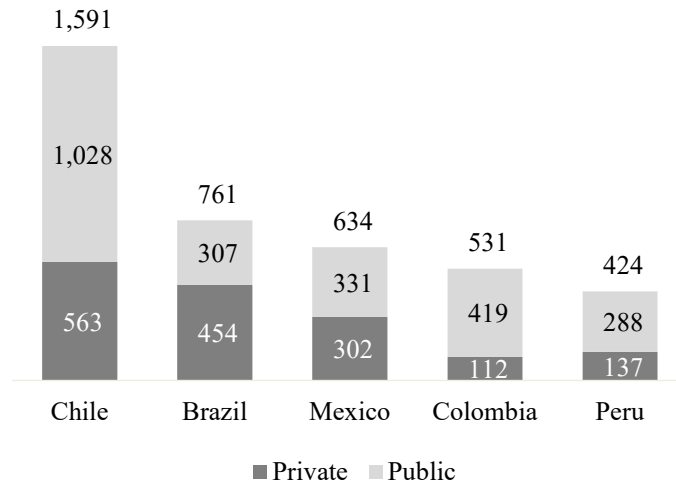
Source: Fitch Solutions Peru Pharmaceuticals and Healthcare Report Q4 2022

Colombia's Healthcare Expenditure (US\$ Bn)



Source: Fitch Solutions Colombia Pharmaceuticals and Healthcare Report Q4 2022.

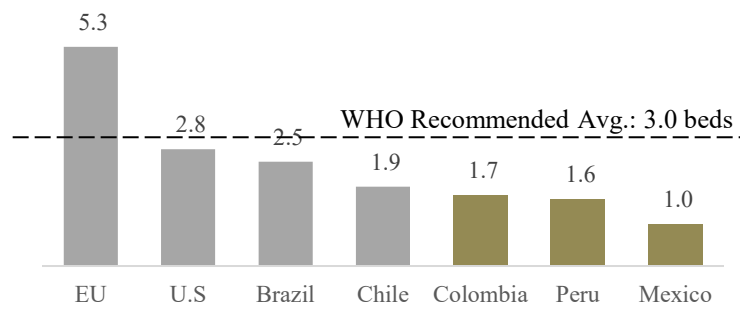
2022E Healthcare Spending per Capita (US\$)



Source: Fitch Solutions Chile Pharmaceuticals and Healthcare Report Q4 2022, Fitch Brazil Pharmaceuticals and Healthcare Report Q4 2022, Fitch Mexico Pharmaceuticals and Healthcare Report Q4 2022, Fitch Colombia Pharmaceuticals and Healthcare Report Q4 2022, Fitch Peru Pharmaceuticals and Healthcare Report Q4 2022.

Consistent with the relatively low levels of healthcare spending in Mexico, Peru and Colombia, these countries possess gaps in hospital infrastructure, with beds per 1,000 people significantly below the WHO recommended average of 3.0 beds.

Hospital Beds per 1,000 People*



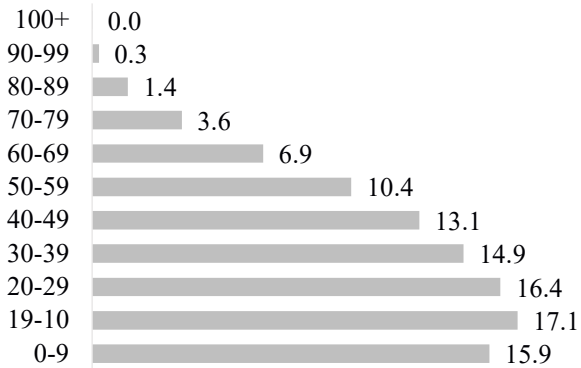
Source: OECD, MINSA, EUROSTAT

*2022 for Chile. 2021 for European Union, United States, Brazil and Mexico. 2020 for Colombia and Peru.

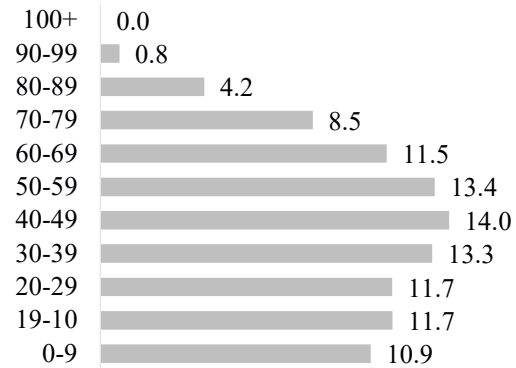
Moreover, as these countries' economies continue to grow, fertility and mortality rates are expected to fall, which will increase life expectancy and invert the age pyramid. We expect this to lead to an increased demand for healthcare services and growth in healthcare spending. We expect penetration to increase and infrastructure gaps to decrease as a result of these positive demographic trends.

Population Pyramid Evolution (%)

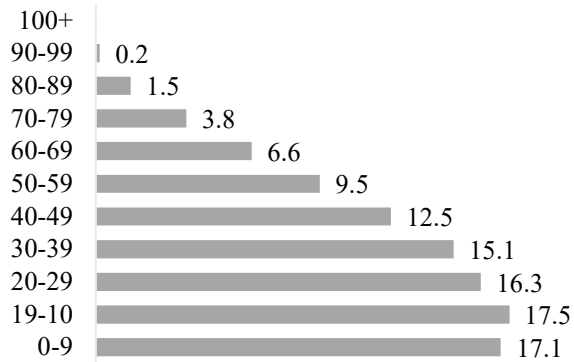
Mexico 2022E



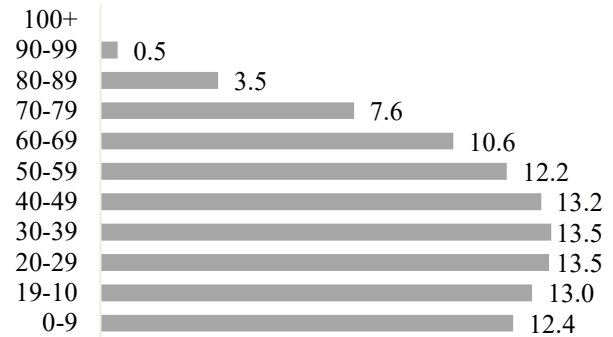
Mexico 2050E

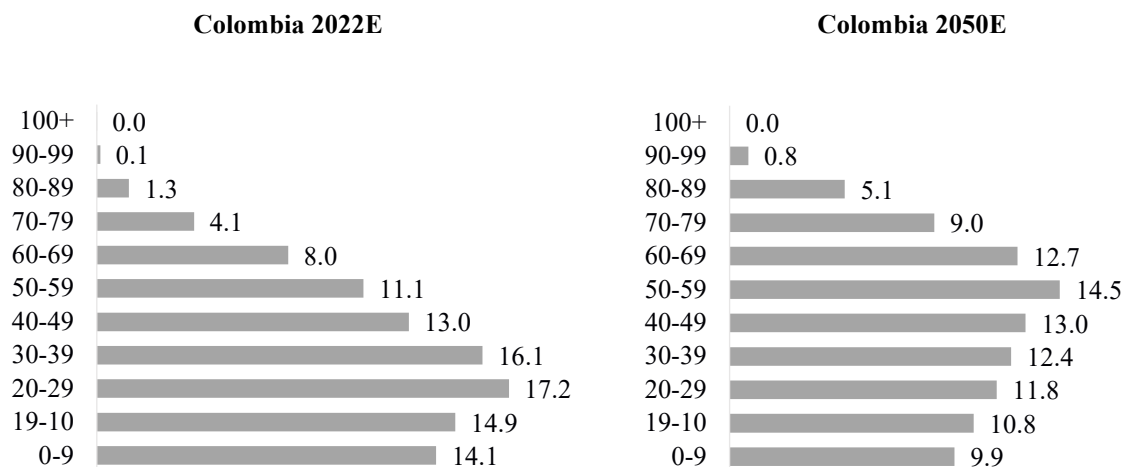


Peru 2022E



Peru 2050E





Source: United Nations - World Population Prospects.

As these countries continue to grow and to expand GDP per capita, the middle classes in Mexico, Peru and Colombia are also expected to continue to grow, which we believe will increase demand for more and higher quality healthcare services and will increase the percentage of the population that chooses to purchase healthcare services through the private healthcare systems in each country.

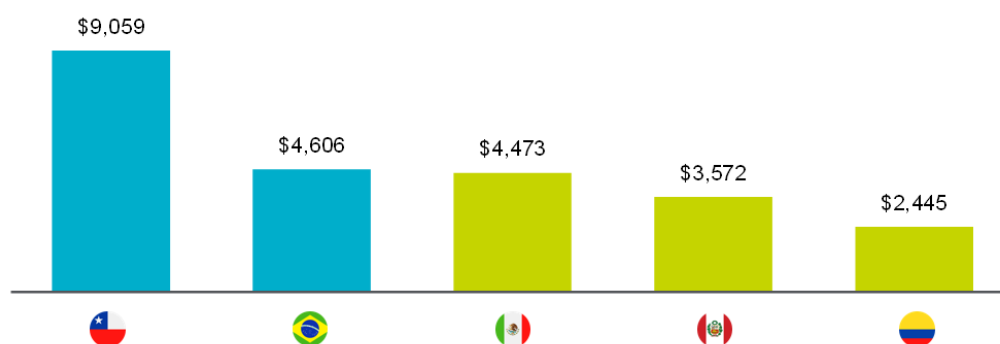
Middle Class* Change – Number of people ('000) earning over US\$15,000 per annum (Metropolitan areas)

Geography	Rank	2016	2030	% Change	Absolute change
Mexico: Mexico City	1	3,772.3	9,440.6	150%	5,668.3
Brazil: São Paulo	2	3,220.8	8,025.4	149%	4,804.6
Argentina: Buenos Aires	3	3,844.7	6,709.2	75%	2,864.5
Brazil: Rio de Janeiro	4	2,193.9	5,591.6	155%	3,397.7
Chile: Santiago	5	1,238.8	3,470.6	180%	2,231.8
Peru: Lima	6	641.3	3,413.4	432%	2,772.1
Mexico: Guadalajara	7	646.2	2,177.2	237%	1,531.1
Brazil: Belo Horizonte	8	720.8	1,848.5	156%	1,127.8
Colombia: Bogota	9	442.4	1,645.7	272%	1,203.3
Brazil: Brasilia	10	571.7	1,613.5	182%	1,041.8

Source: The Economist Intelligence Unit Limited 2017 (EIU).

*EIU defines middle class as Latin Americans earning over US\$15,000 at nominal prices per year according to EIU.

For the year ended December 31, 2022 personal disposable income per capita was US\$9,059 in Chile, US\$4,606 in Brazil, US\$4,473 in Mexico, US\$3,572 in Peru and US\$2,445 in Colombia, respectively.



The healthcare markets in Mexico, Peru and Colombia have historically been fragmented, and part of our competitive edge has been the reach of our networks. In recent years, new market entrants are seeking to consolidate their positions and increasingly compete with us. For example, in Mexico, main players such as Hospitales Ángeles or Christus Muguerza have increased their offerings mainly through the construction of new facilities. In the same line, their renovation plans aim to add capacity and new technologies to keep up with the competition. In Peru, well-established global players such as UnitedHealth and Quirónsalud have strongly positioned themselves through the acquisitions of Clínica San Felipe and Clínica Ricardo Palma, respectively, although Quirónsalud recently announced the sale of its investment in Peru and Colombia, while local groups such as Pacífico (through the Sanna network) and Rímac (through the Clínica Internacional network) have established horizontally integrated operations similar to ours in terms of coverage and structure. In Colombia, the market has seen increasing consolidation in recent years as both global and local players vie to integrate horizontal platforms in a sector where many top institutions are still owned by foundations and non-profit entities. However, while regional markets in Colombia have important non-profit players, such as Medellín with Hospital Pablo Tobon Uribe or Barranquilla with Clínica General del Norte, their limited expansion capacity has opened a gap for other private companies to expand their market share.

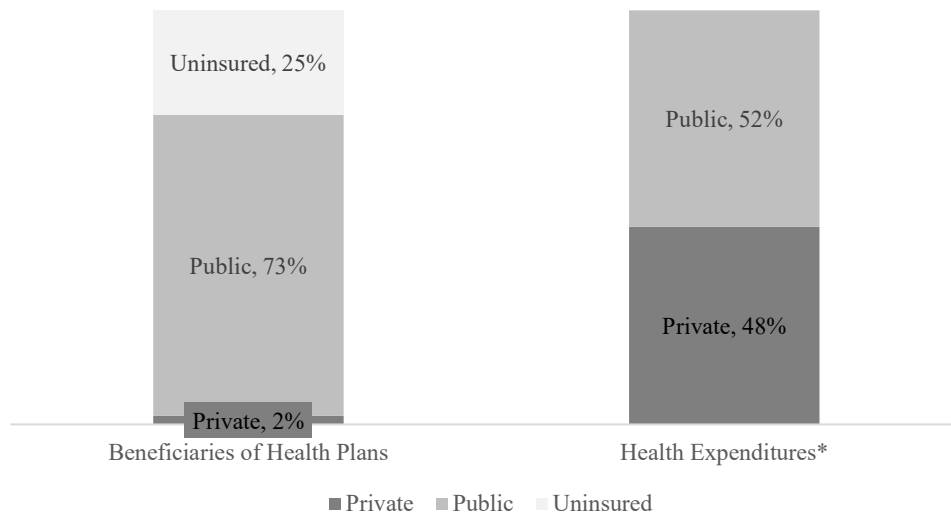
The Mexican Healthcare Sector

Structure of the Mexican Healthcare Sector

The Mexican healthcare structure is a mixed public-private system that provides universal healthcare coverage to all Mexican citizens. According to the INEGI, 74.8% of Mexico's population was covered by some form of healthcare coverage as of December 2020.

According to Fitch Solutions, total spending in the Mexican healthcare sector in 2022, excluding pharmaceuticals, amounted to US\$83.3 billion, with public sector spending amounting to US\$43.6 billion (52.3% of the overall spending). Despite only covering 2.1% of the population, private sector spending amounted to US\$39.7 billion, or 47.7% of the overall spending, in 2022.

Coverage and Expenditure Distribution between the Private and Public Sectors in Mexico

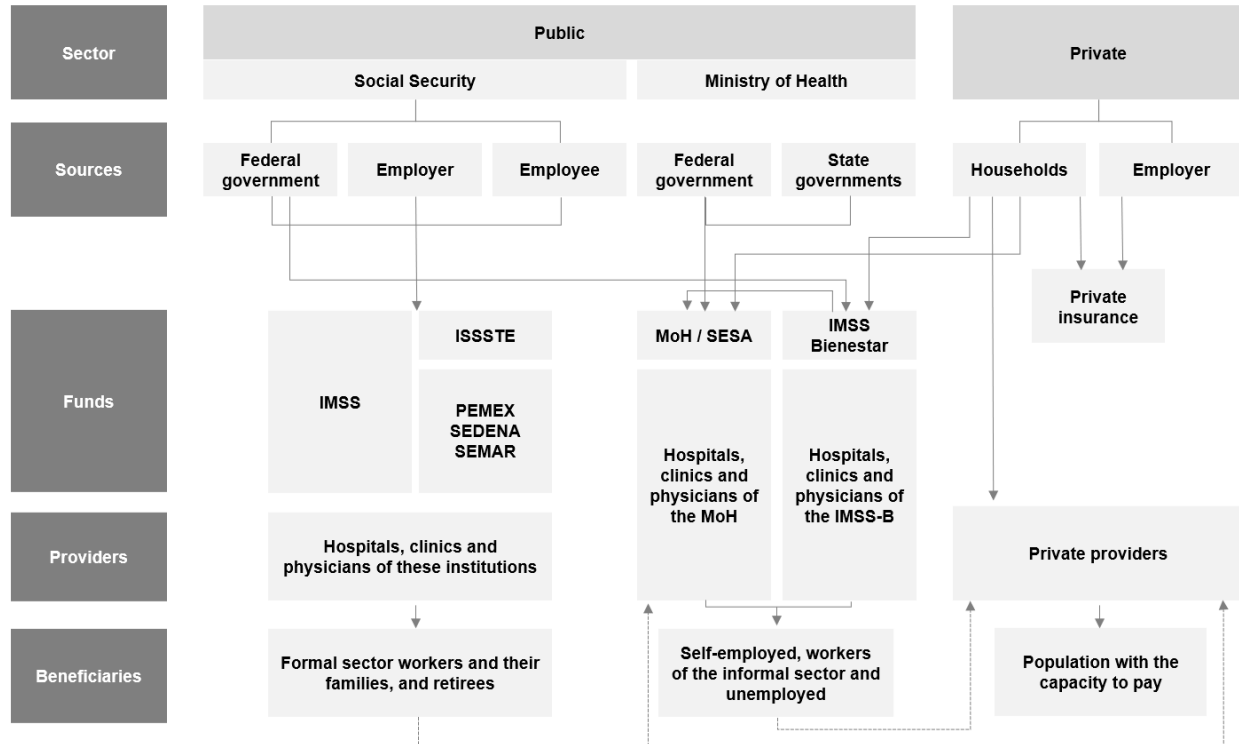


Source: INEGI 2020 and Fitch Solutions Mexico Pharmaceuticals and Healthcare Report Q4 2022.

*Beneficiaries of Health Plans as of 2020.

*Excludes pharmaceuticals. Health expenditures data as of 2022.

The Mexican healthcare sector is structured as follows:



Source: CONAEMI: Colegio Nacional de Especialistas en Medicina Integrada. INEGI. Diario Oficial de la Nación (Mexico).

Mexico has three separate health insurance systems: the social security health insurance system, managed by a fragmented group of state agencies (such as IMSS, ISSSTE, Pemex, among others), the national public health insurance system managed by the *Instituto de Salud para el Bienestar* (“INSABI”) and the *Instituto Mexicano del Seguro Social* (“IMSS-Bienestar”) and the private health insurance system.

As of 2020, approximately 72.7% of the Mexican population was estimated to be covered by one of the main government-managed programs.

- *Instituto Mexicano del Seguro Social* (“IMSS”): The largest public healthcare provider in Mexico. IMSS offers two forms of affiliation: the first is mandatory, since any labor relationship requires the employer to affiliate his or her employee under the program, and is financed through a combination of payroll taxes, government subsidies and user fees; the second is voluntary, based on a collective or individual decision, and requires an annual fee that varies according to the insured’s age. IMSS, which covers the insured and his or her family, provides a wide range of healthcare services including preventive, curative and rehabilitative care, and social security services such as pensions and disability and unemployment benefits. As of 2020, IMSS covered 47.2 million people.
- *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado* (“ISSSTE”): One of the largest public healthcare providers for government employees and their families. ISSSTE is financed by payroll taxes, the federal government and fees paid by the patients. It has two main components: The first, related to health insurance, offers preventive, curative and rehabilitative care; the second offers four benefits and services: mortgages and home financing, personal loans, social services including tourism and distribution of food, and cultural services including educational and cultural programs. As of 2020, 8.2 million people were covered by ISSSTE.
- *Petróleos Mexicanos* (PEMEX), *Secretaría de la Defensa Nacional* (“SEDENA”) and *Secretaría de Marina* (“SEMAR”): These institutions have their own healthcare agencies or insurance which cover their respective active and retired members and their beneficiaries. As of 2020, 1.2 million people in total were covered by PEMEX, SEDENA or SEMAR.
 - *Petróleos Mexicanos* (“PEMEX”), a Mexican state-owned company and the largest oil and natural gas company in Mexico, provides healthcare services to its active and retired employees, and their respective beneficiaries. These services include outpatient appointments, particular medical assistance, plastic or esthetic surgery and dental care, among others. Pemex’s insurance is fully financed by the government through an annual budget that is approved by the chamber of representatives.
 - *The Secretaría de la Defensa Nacional* (“SEDENA”) and the *Secretaría de la Marina* (“SEMAR”), are both subject to the same regime under the Mexican armed forces law. They offer services to their active and retired personnel, and their respective beneficiaries. Healthcare services provided by these institutions include surgical attention, medical assistance, preventive medicine and hospitalization, among others. The health insurance is funded by the personnel and their beneficiaries via contributions and by the Federal Government via annual fees and contributions.
- *Instituto Mexicano del Seguro Social* (“IMSS-Bienestar”): IMSS-Bienestar is a federal government program launched in 1979 under the name “IMSS-Coplamar” to secure care for non-eligible beneficiaries. Renamed for a fourth time in 2018, IMSS-Bienestar underwent a major change in 2022, when it became a decentralized public organization. This modification endowed the program with technical autonomy, its own budget and more tools to achieve its goal of providing free healthcare services to those unaffiliated with any health insurance system. By the end of 2022, 21.8 million people had received healthcare access under IMSS-Bienestar. Moreover, as per a Mexican health law modification approved on May 29, 2023, several amendments and additions were made through which the functions from the *Instituto de Salud para el Bienestar* (“INSABI”), a public healthcare provider established in 2020 in charge of attending to the population not covered by public healthcare programs, were formally transferred to IMSS-Bienestar. As the transition process is still underway, both agencies will continue to operate until its conclusion.

Health Plans' Beneficiaries - 2020

Program	Number of People ('000)	%
IMSS	47,246	37.5%
ISSSTE.....	8,207	6.5%
PEMEX, SEDENA or SEMAR.....	1,192	0.9%
IMSS-Bienestar*	959	0.8%
INSABI**	32,843	26.1%
Other Programs	1,150	0.9%
Private***	2,615	2.1%
Uninsured	31,787	25.2%
Total Population	125,998	100.0%

Source: INEGI 2020.

* In 2022, IMSS-Bienestar changed its main functions, and its current goal is to provide free healthcare services to those unaffiliated with any health insurance system.

** In process of being absorbed by IMSS-Bienestar.

*** Only considers *Seguro de Salud* (Health Insurance). For further information, see “—Private Healthcare Plan Market.”

Private Healthcare Plan Market

Private health insurance plays a small but growing role in funding healthcare in Mexico and the market is highly concentrated. The private insurance system in Mexico has two main components: *Gastos Médicos Mayores* (Major Medical Expenses) and *Seguro de Salud* (Health Insurance):

- *Seguro de Salud* is a health insurance that covers the cost of preventive and curative medical services, such as doctor visits, lab tests, dental care and limited ambulance service, among others. These plans typically have low deductibles and copays, but do not cover the cost of major medical expenses and offer only a low range of financial support. As of December 2020, 2.6 million people were beneficiaries of Health Insurance.

There is a significant concentration in the *Seguro de Salud* (Healthcare Insurance) market with the top 5 providers accounting for more than 95% of the health insurance premiums market in 2022. Among the top five providers is our Dentegra operation, the only company in the group that focuses on dental and vision insurance, confirming its leading position in that market and serving 2.6 million members nationwide.

Health Insurance Premiums - 2022

Ranking	Company	MXN '000	%
1	Plan Seguro	5,274,305	47.2%
2	General de Salud	2,307,353	20.7%
3	AXA Salud.....	2,127,113	19.0%
4	MediAccess.....	587,812	5.3%
5	Dentegra	366,094	3.3%
6	Centauro	218,230	2.0%
7	Odontoprev	150,991	1.4%
8	SIS NOVA	115,707	1.0%
9	BBVA Bancomer Salud	21,972	0.2%

Ranking	Company	MXN '000	%
	Total	11,169,578	100.0%

Source: Asociación Mexicana de Instituciones de Seguros 2022.

- Major Medical Expenses (“MME”) is a medical insurance that provides financial support in the event of hospitalization, medical emergencies, prescription drugs, surgeries, among others. MME plans usually have higher deductibles and copays than private health insurance plans, but can provide significant financial protection in case of serious illness or injury. MME acts as a complement to the traditional public or private health insurance, which means that Mexicans can have both a health insurance policy and an MME insurance policy at the same time. MME offer aims to reduce the gap between the services offered by the health insurance system and what the policyholders are looking for. As of December 2020, 13.4 million people had contracted the MME insurance.

The major medical insurance market also has significant concentration, with G.N.P, AXA Seguros, Metlife Mexico, Monterrey New York Life and Allianz México accounting for approximately 80% of the MME insurance premiums market in 2022.

Major Medical Expenses Insurance Premiums – 2022

Ranking	Company	MXN '000	%
1	G.N.P.	82,147,385	26.5%
2	AXA Seguros	59,232,573	19.1%
3	Metlife México	57,001,560	18.4%
4	Monterrey New York Life.....	29,814,821	9.6%
5	Allianz México	13,613,761	4.4%
6	Atlas	13,356,771	4.3%
7	Inbursa.....	12,925,128	4.2%
8	Mapfre México	10,029,496	3.2%
9	BUPA México	9,466,864	3.1%
10	Banorte	8,145,412	2.6%
11	Ve por Más	4,804,192	1.6%
12	Plan Seguro.....	2,421,837	0.8%
13	BBVA Bancomer Salud	2,271,753	0.7%
14	Seguros SURA	1,664,188	0.5%
15	Others	2,639,990	0.9%
	Total	309,535,732	100.0%

Source: Asociación Mexicana de Instituciones de Seguros 2022.

Healthcare Services Market

According to the Mexican government, as of January 2023, there were 122,417 consultation facilities, 43,835 healthcare facilities and 176,465 beds in Mexico. Additionally, as of March 2022, the six states with the largest number of beds, Mexico City, the State of Mexico, Jalisco, Puebla, Veracruz, and Nuevo León, accounted for 44% of the total number of consultation facilities, close to 36% of the total number of healthcare facilities and 48% of the total beds.

In Mexico, the healthcare system is structured in different levels of care, which are differentiated by the degree of specialization of the medical services offered. Level 1 includes primary care; Level 2 mainly provides outpatient and/or inpatient care with four specialties: Surgery, Internal Medicine, Pediatrics and Gynecology/Obstetrics; and Level 3 are medical units with the highest resolution capacity in the health system, with specialized personnel and

highly complex procedures. There is close interaction between the first and second levels, as well as the second and third levels. Intensive Care Units are placed in second and third level healthcare facilities.

Care Level	Institution Type
Level 1	Primary Care
	Surgery
	Internal Medicine
Level 2	Pediatrics
	Gynecology/Obstetrics
	Specialized Institution
	Intensive Care Units
	Subspecialties
Level 3	Medical Units of High Care
	Intensive Care Units

Source: Mexican Government. *Secretaría de Hacienda y Crédito Público*.

Our three high-complexity hospitals in Mexico, OCA Hospital, Doctors Hospital, and Doctors East Hospital, with more than 40 specializations in each of them, are classified as Level 3.

In January 2023, the number of beds in the Mexican healthcare system was 176,465, while the number of healthcare facilities was 43,835. As of 2022, the number of beds in the private sector was 47,557, representing around 26.9% of the total number of beds in the country, while the number of healthcare facilities in the private sector was 2,874, representing around 6.6% of the total number of healthcare facilities in Mexico. Although private sector healthcare facilities represent a low share of the total system, the number of beds per healthcare facility in this sector is higher than that of the total system.

Number of Beds and Healthcare Facilities by Sector

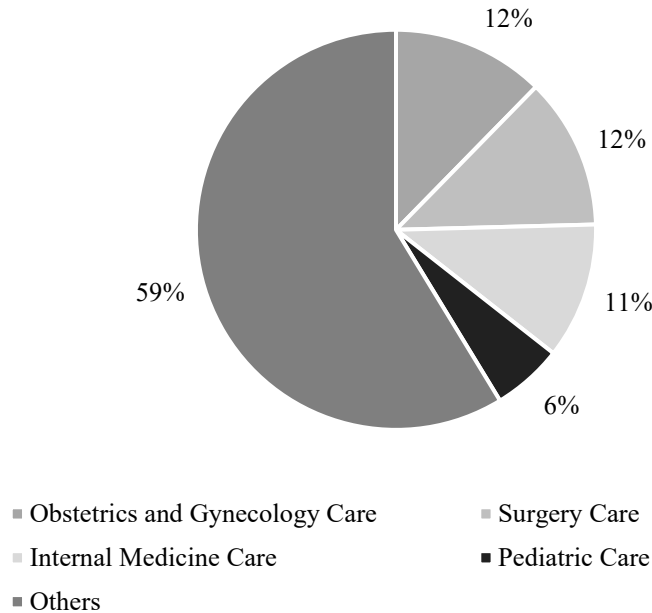
Sector*	Number of Beds	Number of Healthcare Facilities
Private	47,557	2,874
Total	176,465	43,835

Source: Mexican Government. Instituto Nacional de Estadística y Geografía (INEGI).

*Private Sector as of December 2022. Total as of January 2023.

Of the total of 47,557 beds in the private healthcare facilities, the types of beds with the highest utilization were mostly oriented to obstetrics and gynecology care (12.3%), surgery care (12.2%), internal medicine care (11.0%), and pediatric care (5.7%). Beds in the private sector are distributed as follows:

Private Sectors Beds by Type - 2022



Source: *Instituto Nacional de Estadística y Geografía (INEGI) 2022*

In addition, Global Health Intelligence ranked Doctors Hospital and Clínica OCA, two of our three facilities in Mexico, among the top 10 best-equipped private hospitals for hosting patients in Mexico in 2022. This ranking recognizes the high quality standards of our high-complexity hospitals and our strong presence in Mexico, which translates into an opportunity for further leveraging the current platform and growing in a market with low penetration and ample room for expansion.

Best-Equipped Private Hospitals for Hosting Patients in Mexico – 2022

Rank	Privately-Operated Institution	General Service Bed	Auxiliary Service Bed	Total
1	Hospital Universitario Dr. José Eleuterio González.....	500	266	766
2	Doctors Hospital.....	300	70	370
3	Hospital Español.....	300	49	349
4	Hospital y Clínica OCA.....	290	47	337
5	Hospital Pediatría Centro Médico Nacional Siglo XXI.....	184	67	251
6	Hospital Ángeles Chihuahua	110	87	197
7	Hospital Ángeles Sucursal del Carmen	150	31	181
8	Christus Muguerza Hospital UPAEP	150	27	177
9	Hospital Star Médica Ciudad Juárez	75	60	135
10	Hospital Infantil Privado	78	45	123

Source: Global Health Intelligence.

Monterrey, the capital and largest city of the northeastern state of Nuevo León, and the second largest city in Mexico behind Mexico City, is a well-established manufacturing base that is highly integrated with the U.S and garners significant investments.

As of 2022, Nuevo Leon and Monterrey had 3,392 and 2,099 beds in the private healthcare sector, respectively. Grupo OCA, with 708 beds in our three healthcare facilities, reached a market share of 21% in number of beds in the private sector in Nuevo León and is positioned as the leader in number of beds in the private healthcare sector in Monterrey with a market share of 34%, when considering general and auxiliary service beds. According to the ranking published by Blutitude and Fundacion Mexicana para la Salud in 2022, other relevant healthcare providers in Monterrey are Christus Muguerza, Tecsalud and Hospital San Jorge. However, we believe that our high complexity facilities in the Northern Mexican States position us as one of the most important healthcare services providers in the region.

Number of Beds in Monterrey and Nuevo León - 2022

Bed Description	Nuevo León	Monterrey
General service bed	2,163	1,334
Auxiliary service bed.....	1,229	765
Total.....	3,392	2,099

Source: INEGI 2022

Best Private Hospitals in Mexico 2022 - Regional Ranking / North (Monterrey)*

Ranking	Hospitals
1	Christus Muguerza Hospital Alta Especialidad
2	Hospital San José Tecsalud
3	Christus Muguerza Hospital Conchita
4	Doctors Hospital
5	Hospital San Jorge
6	Christus Muguerza Hospital Vidriera
7	Christus Muguerza Hospital Sur
8	Oca Hospital
9	Swiss Hospital

Source: Blutitude and Fundación Mexicana para la Salud (FunSalud) 2022.

*Only considering hospitals located in Monterrey that appear in the ranking.

Moreover, Monterrey reported 183,348 emergencies and 77,333 surgeries in 2022. Our installed capacity has allowed us to offer our services and maintain a strong market in terms of hospital services. In detail, we maintain a market share of 18% and 22% for emergencies and surgeries in Monterrey, respectively.

Hospital Services in Monterrey and Nuevo Leon - 2022

Description	Nuevo Leon	Monterrey	Auna
Emergencies.....	342,606	183,348	33,352
Surgeries	118,185	77,333	16,761

Source: INEGI 2022. Company information.

The Peruvian Healthcare Sector

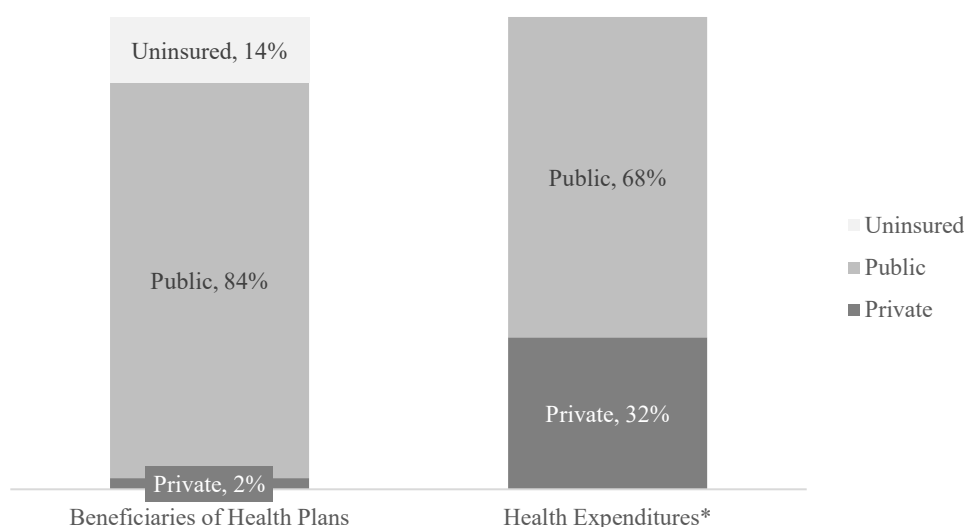
Structure of the Peruvian Healthcare Sector

Healthcare coverage in Peru is provided through either public programs or private healthcare coverage providers, with the type of coverage that a person has dictating the facilities at which he or she can obtain healthcare services. According to the National Household Survey (“ENAH”), conducted by the National Institute of Statistics and Informatics (“INEI”), approximately 86.1% of Peru’s population was covered by some form of healthcare

coverage as of 2022. Moreover, 0.1% of the population was covered by more than one form of healthcare coverage as of 2022.

According to Fitch Solutions, the total spending in the Peruvian healthcare sector in 2022, excluding pharmaceuticals, amounted to US\$14.3 billion, with public sector spending amounting to US\$9.7 billion (67.8% of the overall spending). Despite only covering 2.4% of the population, private sector spending amounted to US\$4.6 billion, or 32.2% of the overall spending in 2022. It should be noted that Peru has no limits on vertical integration.

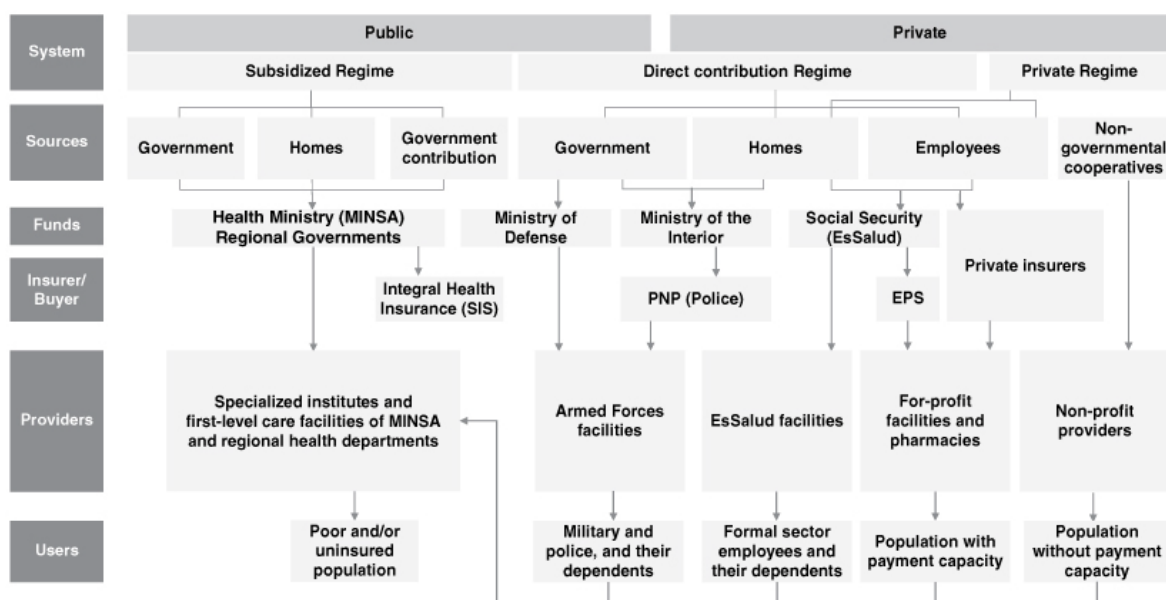
Coverage and Expenditure Distribution between the Private and Public Sectors in Peru – 2022



Source: Anuario Estadístico 2022, SUSALUD and Fitch Solutions Peru Pharmaceuticals and Healthcare Report Q4 2022.

*Excludes pharmaceuticals. Health expenditures data is as of the end of 2022.

The Peruvian healthcare sector is structured as follows:



Source: MINSA.

The Peruvian government plays a major role in providing healthcare coverage. As of 2022, approximately 84% of the population in Peru was estimated to be served by one of the main government-managed healthcare programs (EsSalud and SIS) and the government's objective is to reach universal healthcare coverage by 2030. The main government-managed healthcare programs available to the public are:

- **EsSalud:** A social security regime, also known as the direct contribution regime, which offers coverage for employees, the self-employed, agricultural workers, and their families. Employers' participation in EsSalud is mandatory and EsSalud is financed via monthly contributions from employers amounting to 9% of workers' aggregate monthly salaries. As of 2022, close to 11.0 million people were covered by EsSalud. EsSalud operates hospitals, clinics, and primary care facilities through 27 healthcare assistance units throughout Peru, and the insured can only obtain healthcare services at facilities that EsSalud operates. EsSalud has identified several problems in its provision of services, including delays in obtaining appointments, difficulties accessing surgeries and hospitalization due to shortages in available facilities, shortages of medicines and medical supplies, inadequate infrastructure, and deficient hospital equipment.
- **SIS:** A subsidized social security regime, also known as the indirect contribution regime, for the unemployed, the informally employed and persons below the poverty line. Coverage under this program has also been extended to expectant mothers, children under the age of five and newborns whose parents are uninsured. SIS is mostly financed via government resources and occasional donations from intergovernmental cooperation programs. It functions as the insurer of last resort for Peruvians who are not covered by EsSalud or private healthcare coverage and lack the means to pay for healthcare services out of pocket. As of 2022, 24.6 million people were covered by SIS. Affiliates must obtain healthcare services at facilities operated by MINSA or by the health departments of provincial governments. Pursuant to Urgent Decree N° 017-2019 enacted by the Peruvian government in November 2019, SIS was authorized to cover all Peruvian residents who have no healthcare coverage to ensure universal access to healthcare.
- **Armed Forces and National Police healthcare agencies:** The Armed Forces and National Police have their own healthcare agencies that are funded by the Peruvian Ministry of Defense and the Ministry of the Interior. According to SUSALUD, 651,841 people were covered by these agencies as of 2022, representing a combined 1.9% of Peru's population. Members of these agencies must obtain healthcare services from facilities operated by the Armed Forces or the National Police, as applicable.

As of 2022, approximately 2.4% of Peru's population was served by private healthcare coverage providers. Private healthcare coverage providers in Peru can be divided into two main categories:

- **EPS Providers:** Private health insurance companies acting as providers of EPS plans. EPS plans are healthcare plans funded by a portion of contributions to EsSalud, as described in more detail below. As of 2022, there were five companies providing EPS plans with 873,855 active members.
- **Other Private Providers:** Private health insurance companies that provide (i) various coverage plans that are mostly sold through large- and medium-sized private sector employers and (ii) prepaid plans, which provide certain levels of either general coverage or coverage of specific diseases for a fixed periodic fee and may also be offered by employers or purchased directly by individuals. As of 2022, there were more than 30 companies providing private healthcare coverage other than EPS plans with 2,539,575 active members.

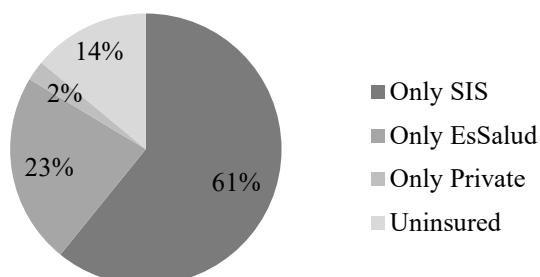
People that receive coverage through EPSs or through other private providers may obtain healthcare services at for-profit private facilities, including facilities operated by such providers and facilities approved by such provider, such as our Auna facilities, which serve beneficiaries of most of the EPSs in Peru, as well as most other private healthcare plans.

In addition to for-profit facilities operated by private healthcare services providers such as Auna, there is also a non-profit sector, mostly comprised of non-governmental organizations, the Peruvian Red Cross, the Volunteer

Firefighter Companies, and healthcare providers affiliated with religious institutions. These providers typically serve underserved populations and are almost wholly financed via donations.

The following chart presents a breakdown of the Peruvian population by type of healthcare coverage as 2022.

Breakdown of Population by Type of Coverage – 2022



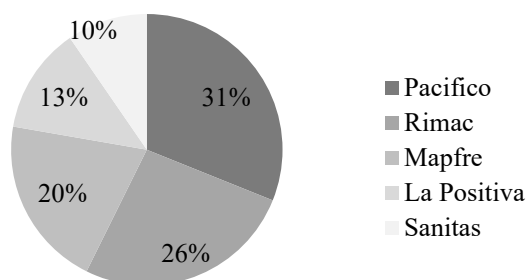
Source: Anuario Estadístico 2022, SUSALUD.

Private Healthcare Plan Market

Healthcare coverage providers, whether traditional insurance companies or prepaid plan providers, are considered *Instituciones Administradoras de Fondos de Aseguramiento en Salud* (“IAFASs”) regulated by SUSALUD. There are four types of private healthcare plans provided by private IAFASs in Peru:

- **EPS Plans:** Plans that provide additional or complementary services to those provided by EsSalud. EPS plans generally cover low complexity services through a network of private institutions. Employers may choose to provide EPS plans to their employees in addition to EsSalud coverage, in which case 2.25% out of the 9% of workers’ aggregate monthly salaries contributed to EsSalud is contributed to the chosen EPS, with the remaining 6.75% contributed to EsSalud. These plans are regulated by the SBS, Peru’s banking and insurance regulator. There are five providers of EPS plans: MAPFRE Perú S.A. (“Mapfre”) EPS, Rímac S.A. EPS, Pacífico S.A. EPS, La Positiva S.A. (“La Positiva”) EPS and Sanitas Perú S.A. (“Sanitas”) EPS, each of which also provides private healthcare plans.

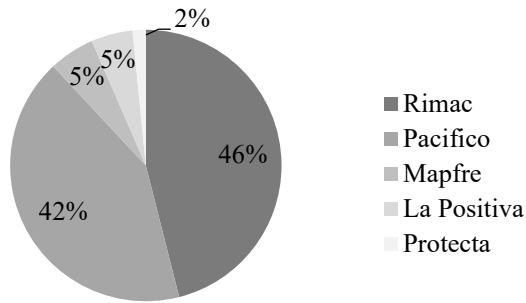
Breakdown of Members by EPS – 2022



Source: Anuario Estadístico 2022, SUSALUD.

- **Private Insurance Plans:** Private health insurance plans provided by traditional insurance providers. The main insurance providers in Peru are Rímac and Pacífico, which accounted for approximately 88% of the traditional private insurance market in Peru as of 2022. Other providers include La Positiva, Mapfre and Protecta. Traditional insurance plans may be purchased as additional protection on top of EPS and EsSalud coverage. These plans are regulated by the SBS and SUSALUD.

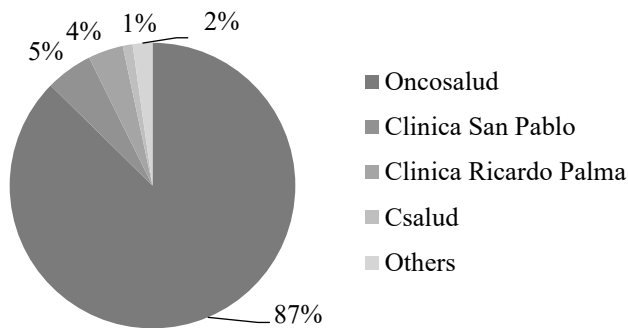
Breakdown of Members by Private Insurers – 2022



Source: Anuario Estadístico 2022, SUSALUD.

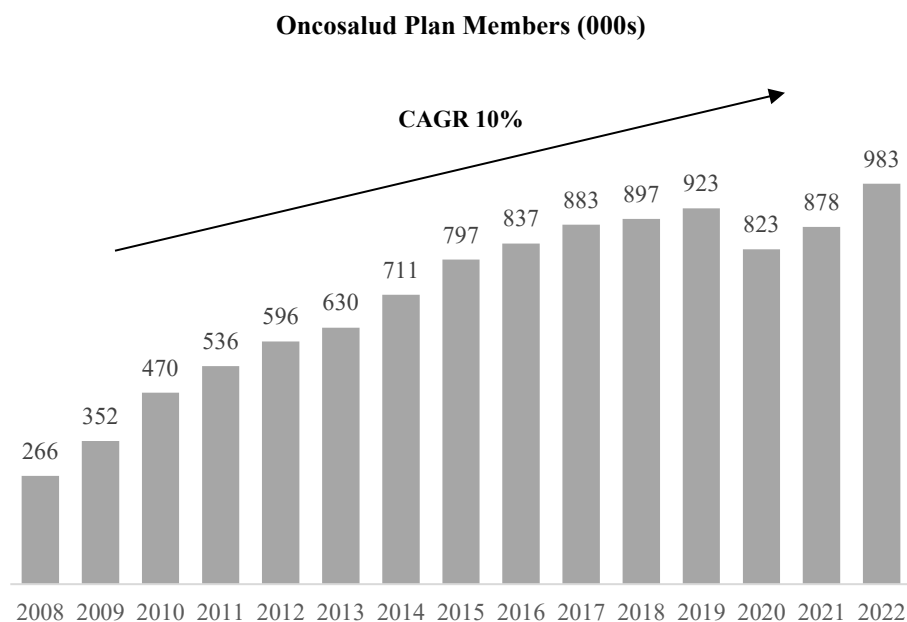
- Prepaid Plans:** Plans offered by hospitals and other medical service providers that are meant to be integrated with a hospital's healthcare services offerings. As these plans are not considered insurance programs, they are only regulated by SUSALUD and not by the SBS. The prepaid plans that we offer through Oncosalud and Auna Salud are examples of prepaid plans. Other prepaid plan providers include Ricardo Palma, San Pablo and Csalud (operating through its Maison de Sante brand), which offer general coverage limited to their own networks of hospitals and clinics. Within the prepaid plans market, Oncosalud (which includes Auna's total healthcare plans in Peru such as Auna Salud and Dr. Auna) accounted for 87.4% of all prepaid plan members in Peru as of 2022.

Prepaid Plans –2022



Source: Anuario Estadístico 2022, SUSALUD.

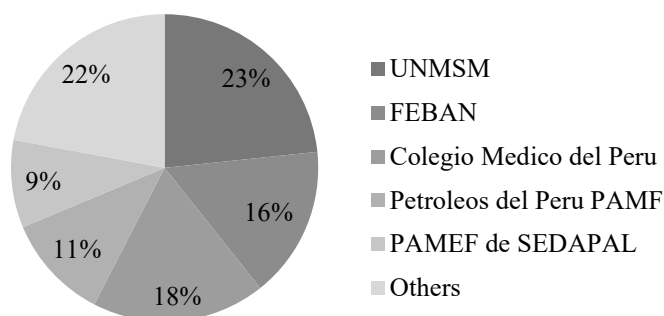
The number of Oncosalud plan members has grown at a double-digit rate over the past decade, growing at more than twice the rate of the EPSs, which is the third largest private healthcare plan type by number of plan members. Oncosalud plan members include our general healthcare plans, which have been growing from approximately 34,500 in 2021 to over 263,000 as of June 2023.



Source: Anuario Estadístico 2022, SUSALUD.

- **Self-Insurance Plans:** Plans offered primarily by institutions such as universities, large public institutions and labor unions, guilds and industry associations. These plans pool members' resources and function very similarly to prepaid plans. These plans are also regulated by SUSALUD.

Self-Insurance Plans – 2022

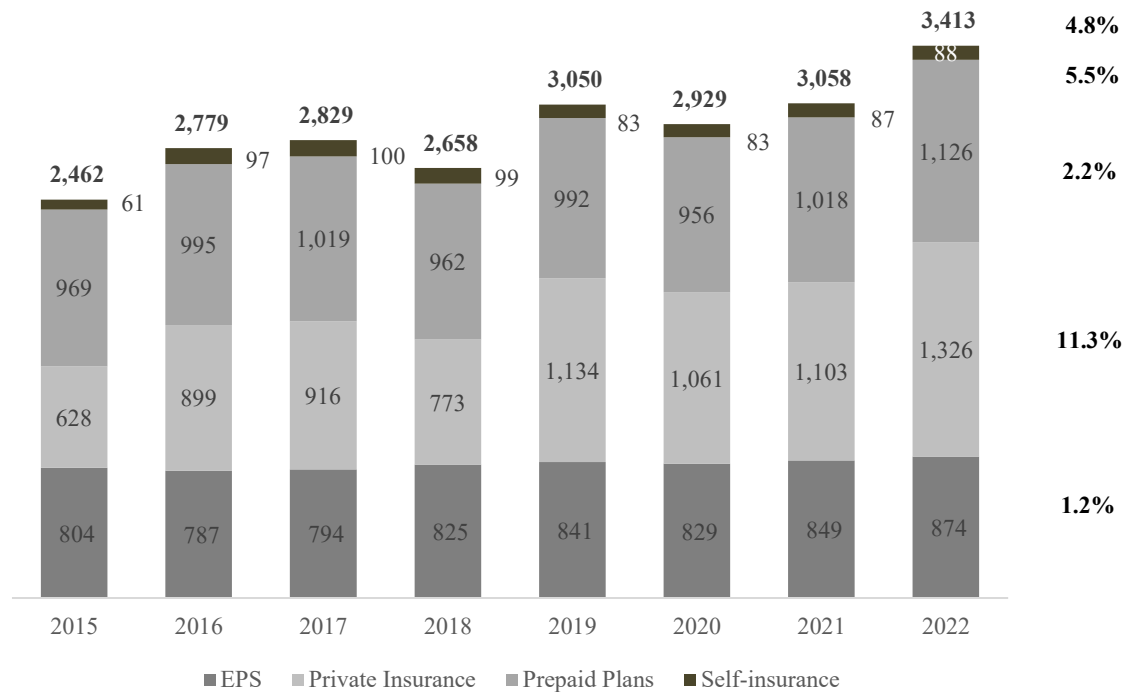


Source: Anuario Estadístico 2022, SUSALUD.

Overall, the private healthcare coverage plan market breaks down as follows:

Private Healthcare Plan Market by Plan Type (000s Members)

CAGR



Source: Anuario Estadístico 2022, SUSALUD.

There is significant concentration in the private healthcare plan market, with the top 10 providers accounting for more than 98% of the market since 2014. Oncosalud has consistently maintained a strong position in the market, and as of 2022, it held 29.3% of market share in the industry based on number of total plan members, including Auna's general healthcare plans, which have been growing since 2019, when we expanded our portfolio to offer general healthcare plans.

Largest Private Healthcare Plan Operators in Peru by Plan Members (000s)

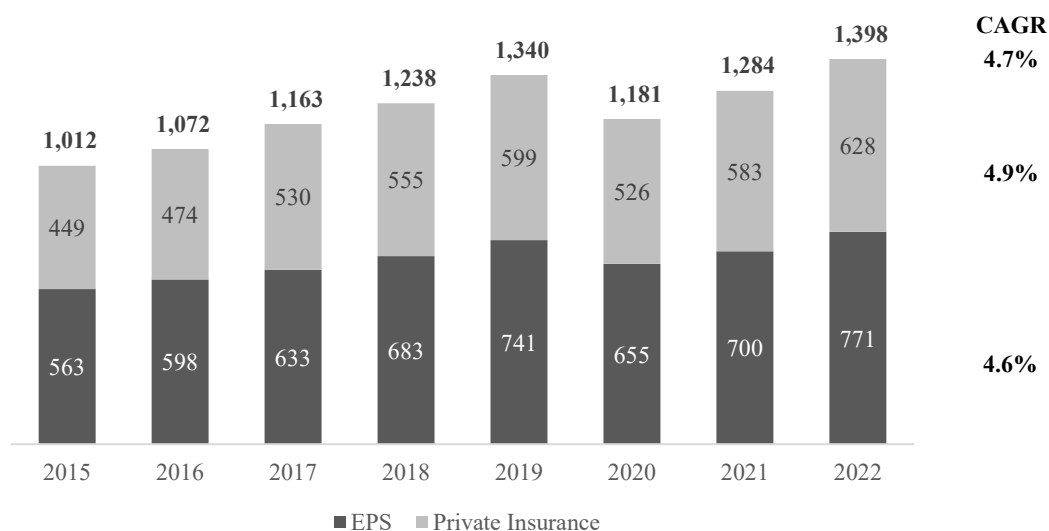
2014			2022					
	Plan Members	Market Share		Plan Members	Market Share			
Ranking	(in thousands)	(%)	Ranking	(in thousands)	(%)	CAGR (14-22)		
1	Rímac(1).....	746	29.4	1	Rímac(1).....	998	29.2	3.7
2	Oncosalud	711	28.0	2	Oncosalud	983	28.8	4.1
3	Pacífico(1).....	635	25.0	3	Pacífico(1).....	954	27.9	5.2
4	Cardif	87	3.4	4	Mapfre(1)	111	3.3	8.5
5	La Positiva.....	83	3.3	5	Sanitas(1).....	101	3.0	24.9
6	CSalud.....	72	2.8	6	La Positiva(1)	80	2.4	(0.4)
7	Mapfre(1)	58	2.3	7	San Pablo.....	60	1.8	3.6
8	Ricardo Palma ...	50	2.0	8	Ricardo Palma	45	1.3	(1.4)
9	San Pablo.....	45	1.8	9	Protecta.....	21	0.6	N.A.
10	Sánitas(1)	17	0.7	10	CSalud.....	13	0.4	(19.6)
	Top 10	2,502	98.6		Top 10	3,366	98.6	3.8
	Total	2,538	100.0		Total	3,413	100.0	3.8

Source: Anuario Estadístico 2022 and Anuario Estadístico 2014, SUSALUD.

(1) Includes EPS plans and private insurance plans provided by these providers.

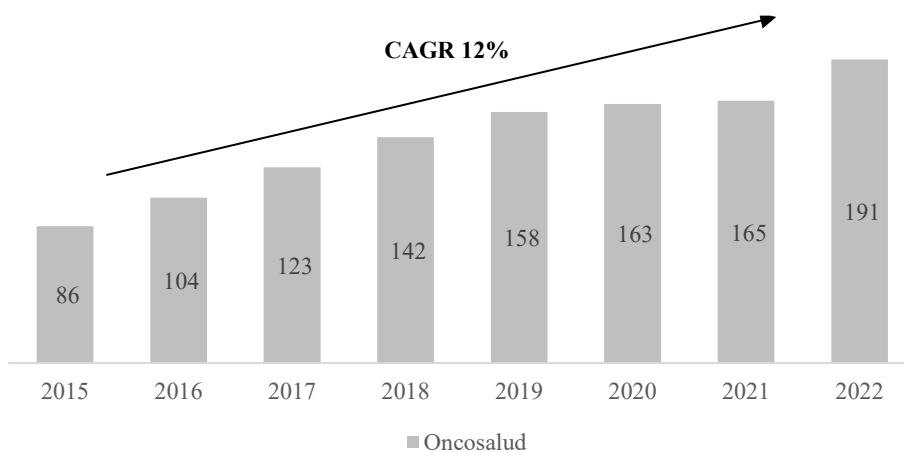
During the 2015-2022 period, aggregate private health insurance premiums and prepaid plan payments grew at an estimated CAGR of 4.7%, while Oncosalud's total prepaid plan payments, including Auna's total healthcare plans such as Auna Salud and Dr. Auna, grew at a CAGR of 12.1% and represented 13.7% of the market in 2022.

EPS and Private Insurance Plan Fees (US\$ million)



Source: SUSALUD; SBS.

Oncosalud Plan Fees (US\$ million)



Source: Company information.

Healthcare Services Market

According to SUSALUD, as of 2022, there were 24,514 healthcare facilities in Peru, which include hospitals, private clinics, medical centers, private consultation facilities and dental hospitals. All facilities, public or private, that provide healthcare services to individuals in Peru are considered *Instituciones Prestadoras de Servicios de Salud* ("IPRESSs") that are regulated by, and must be registered with, SUSALUD.

Upon registration with SUSALUD, each IPRESS is assigned an “attention level” classification by MINSA and an attention level category, with additional subcategories, which are valid for three years, depending on the degree of complexity associated with the services provided. After receiving their classification and upon registering with SUSALUD, IPRESSs are responsible for providing healthcare services within the parameters and principles determined by the applicable regulations for their respective classification. Level 1 facilities offer preventive low-complexity care and promote public health education. Level 2 facilities offer medium- to high-complexity care and services in basic specialties, including internal medicine, gynecology, general surgery and pediatrics. Finally, Level 3 facilities offer the highest complexity care in Peru, addressing highly specialized medical and surgical needs. IPRESSs are classified as follows:

Attention Level	Category	Institution Type
Level 1	I – 1	Health clinic
	I – 2	Health clinic with a doctor
	I – 3	Outpatient health center
	I – 4	Inpatient health center
Level 2	II – 1	General hospital with medical specialties and a general ICU
	II – 2	ICU
	II – E	Specialized institution
	III – 1	General hospital with medical subspecialties and a specialized ICU
Level 3	III – 2	Specialized institution
	III – E	

Source: MINSA.

All Auna’s hospitals in Peru are classified as Level 2, II – 2 with the exception of Clínica Delgado, classified as Level 3, III – 1.

As of July 2023, there were 555 Level 2 and Level 3 healthcare facilities in Peru. As of July 2023, Level 2 and Level 3 hospitals had a total of 35,981 beds and 11,956 outpatient rooms, distributed as follows:

Beds & Outpatient Rooms per Sector – July 2023

Sector	Beds	Beds Share (%)	Outpatient Rooms	Outpatient Rooms Share (%)
MINSA & Regional Governments	19,035	52.9%	4,169	34.9%
EsSalud.....	8,867	24.6%	1,818	15.2%
Private.....	6,478	18.0%	5,309	44.4%
Armed Forces, Police and Other.....	1,601	4.4%	660	5.5%
TOTAL.....	35,981	100.0%	11,956	100.0%

Source: SUSALUD as of July 2023.

Peru’s capital and most-populated city, Lima, and its metropolitan area, have the highest concentration of individuals with some type of healthcare coverage and are home to most of the country’s largest and most sophisticated hospitals.

Beds & Outpatient Rooms of Lima’s Premium Hospital Segment – July 2023

Hospital	Beds	Beds Share (%)	Outpatient Rooms	Outpatient Rooms Share (%)	Ownership
Ricardo Palma	186	17.0%	216	18.8%	Private
Delgado	155	14.1%	100	8.7%	Private
San Felipe.....	147	13.4%	51	4.4%	Private

Hospital	Beds	Beds Share (%)	Outpatient Rooms	Outpatient Rooms Share (%)	Ownership
San Pablo.....	130	11.9%	108	9.4%	Private
Sanna San Borja	116	10.6%	342	29.7%	Private
Internacional.....	110	10.0%	130	11.3%	Private
Angloamericana.....	93	8.5%	69	6.0%	Private
Javier Prado	66	6.0%	55	4.8%	Private
Sanna El Golf	54	4.9%	52	4.5%	Private
Montesur.....	40	3.6%	29	2.5%	Private
Total.....	1,097	100.0%	1,152	100.0%	

Source: SUSALUD as of July 2023.

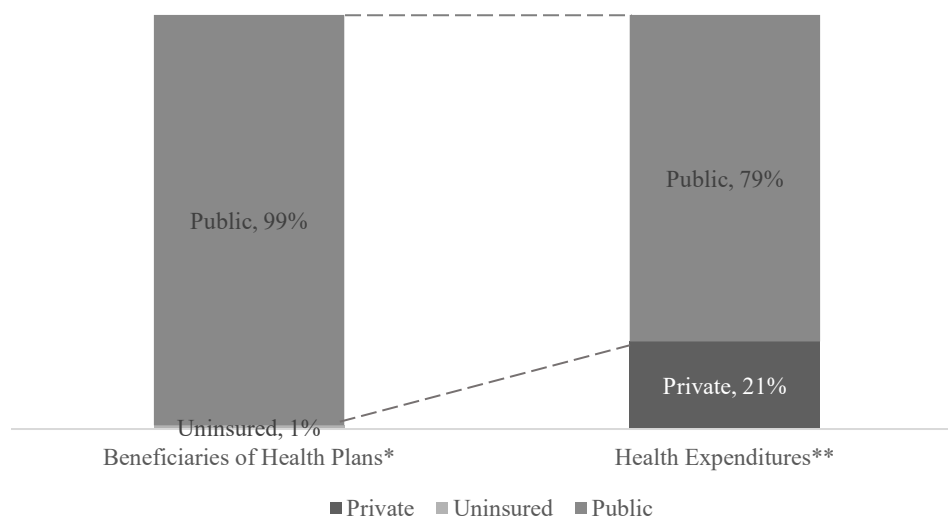
The Colombian Healthcare Sector

Structure of the Colombian Healthcare Sector

Healthcare coverage in Colombia is primarily provided through the SGSSS, the social security system in Colombia, which has three different regimes. There is also a small but rapidly expanding private healthcare coverage market, primarily consisting of traditional insurance. Healthcare coverage is mandatory in Colombia, with approximately 99% of the population covered by the SGSSS as of July 2023. As of 2021, approximately 2.5% of the population covered by the SGSSS enhanced their coverage through the private market. Only 1% of the population is estimated to have no insurance coverage as of July 2023, making Colombia one of the most advanced countries in the region in terms of healthcare coverage.

According to Fitch Solutions, total spending in the Colombian healthcare sector in 2022 amounted to US\$27.4 billion, with public sector spending (excluding pharmaceuticals) amounting to US\$21.6 billion (78.9% of the overall spending). Despite only covering approximately 2.5% of the population, private sector spending (excluding pharmaceuticals) amounted to US\$5.8 billion, or 21.1% of the overall spending in 2022. It should be noted that Colombia has a 30% limit on vertical integration.

Coverage and Expenditure Distribution between the Private and Public Sectors in Colombia as of December 2022

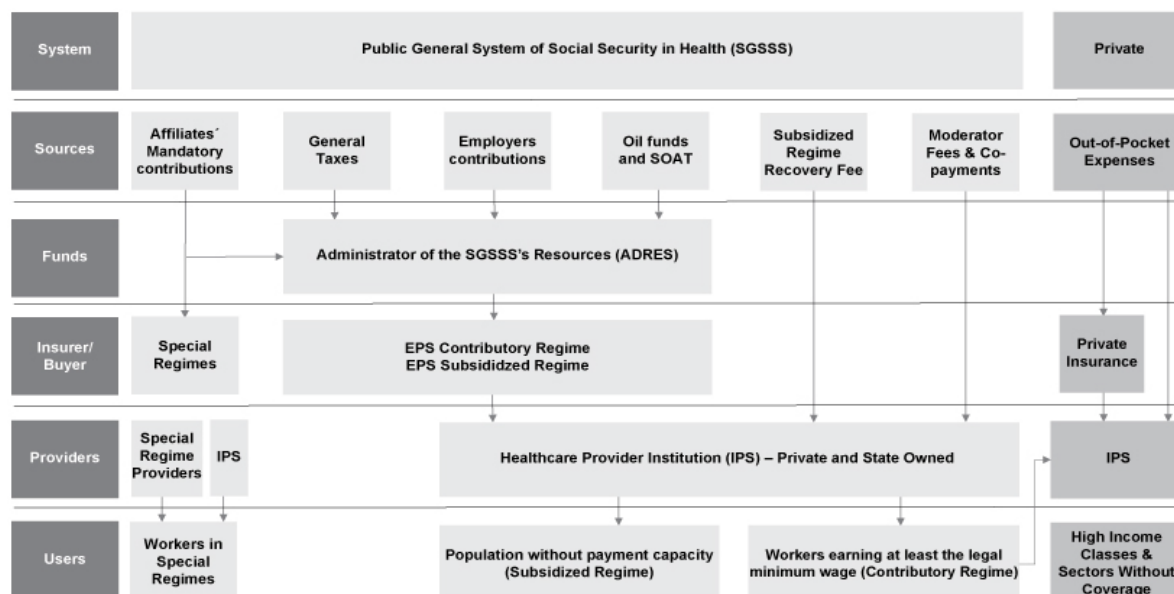


Source: SGSSS.

* Note: 99% of the Colombian population is covered by public health insurance, 2.5% has also enhanced their coverage through private health insurance in 2021.

** Excludes pharmaceuticals.

The Colombian healthcare sector is structured as follows:



Source: MinSalud.

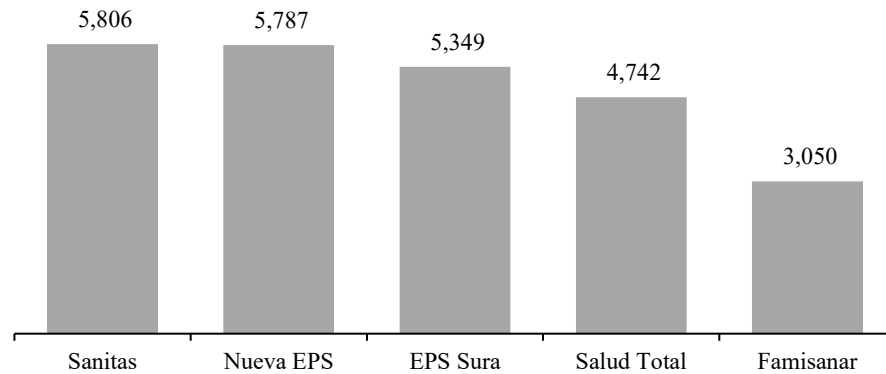
Healthcare coverage plans in Colombia are designated as one of only two types of plans: *Planes Obligatorios de Salud* (“POSs”) and *Planes Adicionales de Salud* (“PASs”), each of which can be provided by a variety of entities. POSs are obligatory plans offered under the SGSSS and include coverage for a series of medical services and medicines mandated by law. Unlike in the Peruvian market, where the government provides public healthcare coverage directly through EsSalud or MINSA, all public healthcare coverage in Colombia is provided by private entities, other than coverage provided under the special and exempt regime, as described in more detail below. Contributions to the SGSSS are put into a fund owned by the government and administered by the ADRES. The ADRES contributes funds to EPSs, which are private institutions responsible for (i) collecting and managing funds contributed to the system and (ii) paying healthcare providers for the services provided to their plan members.

Since May 2019, and particularly during the COVID-19 pandemic, the Colombian government has adopted and implemented certain legal measures in an effort to increase the financial liquidity of the various actors of the SGSSS by addressing, at least in part, the limitations on reimbursement for healthcare services.

The SGSSS consists of three main regimes:

- **Contributory regime:** For employees or independent workers with payment capacity, defined as those with an income equal to or greater than the legal minimum wage. Plan members contribute 12.5% of their monthly salary to the system, 8.5% of which is contributed by the employer and 4% of which is contributed by the employee. As of July 2023, there were 13 companies providing POSs under the contributory regime with 28.5 million active members.

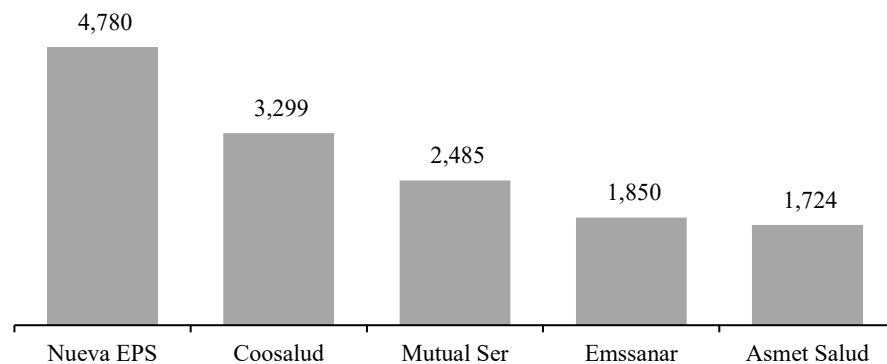
Top 5 Largest Contributory Regime EPSs by Number of Plan Members (000s) - July 2023



Source: SUPERSALUD as of July 2023

- Subsidized regime:** For those who do not have payment capacity and are subsidized by the contributory regime and the government. As of July 2023, there were 12 companies providing POSs under the subsidized regime with 19.3 million active members. This includes four types of EPSs: (i) *Empresas Solidarias de Salud*, which are non-profit organizations with the specific purpose of providing health insurance services to low-income households living in urban areas, (ii) *Entidades Promotoras de Salud*, which are for-profit entities, (iii) *Entidades Promotoras de Salud Indígenas*, which are for-profit entities providing healthcare coverage to indigenous populations and (iv) *Cajas de Compensación Familiar*, which are non-profit organizations that provide healthcare coverage and other services to local communities.

Top 5 Largest Subsidized Regime EPSs by Number of Plan Members (000s) - July 2023



Source: SUPERSALUD as of July 2023

- Special and exempt regime:** For members of the security forces and Ecopetrol, the national oil company in Colombia. As of July 2023, there were 2.2 million active members under the special and exempt regime.

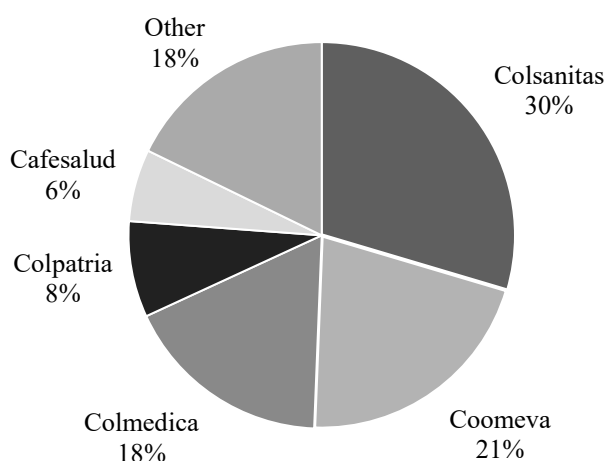
Currently, our Auna Colombia network consists of three hospitals located in Medellín, Barranquilla and Montería.

In Medellín, 71% of the population is enrolled in the contributory regime, while only 27% is enrolled in the subsidized regime as of July 2023. The larger market in the contributory regime has created a more competitive environment for private healthcare providers in such regime. Otherwise, in Barranquilla, 51% of the population is enrolled in the contributory regime, while 47% is enrolled in the subsidized regime as of July 2023. Moreover, in Montería, only 35% of the population is enrolled in the contributory regime, while 61% is enrolled in the subsidized regime as of July 2023. While EPSs in the contributory regime offer more favorable payment terms and conditions to healthcare providers than EPSs in the subsidized regime, our rationale behind our presence in Barranquilla and Montería was to focus on accessing new markets and strengthening our position in specialized areas.

The second type of healthcare coverage plan in Colombia, PASs, are offered by private healthcare coverage companies and financed directly by plan members. PASs are not mandatory, but to purchase a PAS, an individual must have a POS plan through an EPS. As a result, PASs usually include a wider range of benefits than those provided by POSs and are typically purchased to enhance the coverage an individual has under his or her POS plan. As of December 2021, there were 14 companies providing PASs.

According to SUPERSALUD, as of December 2021, 1.3 million people were covered by plans in the private healthcare coverage market in Colombia with a majority covered by the top three private healthcare coverage plan providers: Colsanitas, Coomeva and Colmedica.

Market Share of Private Healthcare Plan Operators by Number of Plan Members - December 2021



Source: SUPERSALUD 2021

Healthcare Services Market

Members participating in the public system in Colombia are able to obtain healthcare services at both state-owned and privately-owned *Instituciones Prestadoras de Servicios de Salud* (“IPSs”), which include hospitals, private clinics, medical centers, private consultation facilities and dental hospitals, among others. According to MinSalud, as of July 2023, Colombia had a total of 19,644 IPSs, of which 15,977 (81.3%) were privately operated, 3,607 (18.4%) were operated by the government and 60 (0.3%) were under mixed ownership meaning they are private facilities in which the government holds a stake, mostly structured as joint ventures with private players. Of the 18.4% of IPSs that are government-owned, the majority are managed by local governments.

Private IPSs in Colombia include a significant number of medium-sized healthcare networks of around 5-10 facilities each. In addition, some private IPSs are directly controlled by EPSs.

According to MinSalud, as of November 2022, out of all public IPSs, approximately 82% provide low-complexity services while the remaining 18% provide medium- and high-complexity services. As of November 2022, hospitals in Colombia had a total of 96,921 beds and 12,962 procedure rooms, distributed as follows:

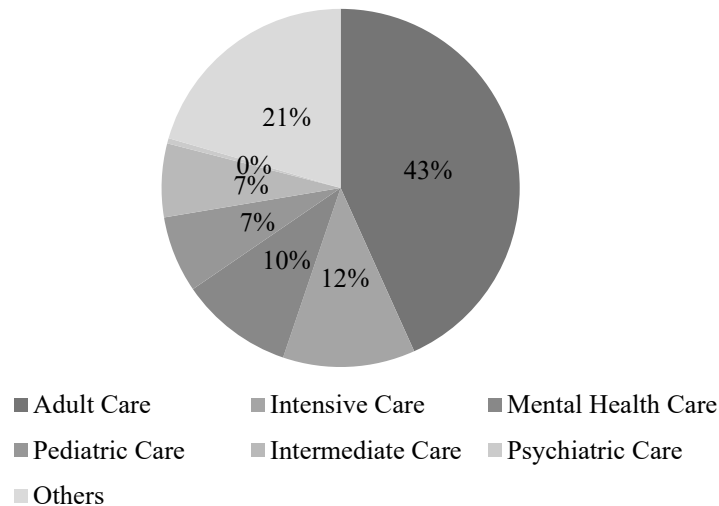
Beds & Procedure Rooms by Sector

Sector	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)
Public.....	29,011	29.9%	3,291	25.4%
Mixed	1,304	1.3%	87	0.7%
Private.....	66,606	68.7%	9,584	73.9%
Total.....	96,921	100.0%	12,962	100.0%

Source: MinSalud.

Of the 66,606 beds in the private system, 28,814 (43.3%) of them were allocated for adult care as of November 2022. Beds in the private sector are distributed as follows:

Private Sector Beds by Type



Source: MinSalud.

Clínica Las Américas, our hospital located in Medellín, is positioned within Medellín's premium hospital segment, due to its infrastructure, medical service capabilities and offered specialties. Installed capacity, as of November 2022, for the premium hospital segment in Medellín was as follows:

Beds & Outpatient Rooms of Medellín's Premium Hospital Segment

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership
Pablo Tobon Uribe	547	11.7%	52	13.9%	Not For Profit
San Vicente de Paul.....	527	11.3%	59	15.8%	Not For Profit
Terapias Integrales.....	505	10.8%	0	0.0%	Private
Las Américas.....	350	7.5%	30	8.0%	Private

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership
Hermanas Domínicas de la Presentación.....	312	6.7%	32	8.6%	Not For Profit
Clínica CES	213	4.6%	11	2.9%	Not For Profit
Universidad Pontificia Bolivariana	212	4.5%	12	3.2%	Not For Profit
Others	2,010	43.0%	178	47.6%	N.A.
Total.....	4,676	100.0%	374	100.0%	

Source: MinSalud.

Clínica Portoazul, our healthcare services provider with state-of-the-art facilities and a premium portfolio, is positioned within Barranquilla's premium hospital segment. Installed capacity, as of November 2022, for the premium hospital segment in Barranquilla was as follows:

Beds & Outpatient Rooms of Barranquilla's Premium Hospital Segment

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership
General del Norte	535	12.8%	18	7.1%	Private
Bonnadona Prevenir	313	7.5%	13	5.2%	Private
Reina Catalina	260	6.2%	23	9.1%	Private
Clínica de la Costa.....	222	5.3%	6	2.4%	Private
Clínica La Merced Barranquilla	208	5.0%	10	4.0%	Private
Oinsamed.....	205	4.9%	12	4.8%	Private
Clínica La Asunción	152	3.6%	7	2.8%	Not For Profit
Behavioral Center IPS	150	3.6%	0	0.0%	Private
San Martín Barranquilla	145	3.5%	5	2.0%	Private
Portoazul*.....	139	3.3%	26	10.3%	Private
Others	1,859	44.4%	132	52.4%	
Total.....	4,188	100.0%	252	100.0%	

Source: MinSalud.

* Portoazul is included due to its proximity to Barranquilla.

IMAT Oncomédica, our hospital located in Montería, is positioned within the province's premium hospital segment, due to its advanced oncology research facilities and specialties offered. Installed capacity, as of November 2022, for the premium hospital segment in Montería was as follows:

Beds & Outpatient Rooms of Montería's Premium Hospital Segment

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership
Fundación Amigos de la Salud.....	501	19.9%	7	8.9%	Not For Profit
Materno Infantil Casa del Niño	174	6.9%	5	6.3%	Private
Universitaria Medicina Integral.....	174	6.9%	4	5.1%	Private
Cardio Integral IPS	151	6.0%	3	3.8%	Private
Instituto Medico de Alta Tecnología	148	5.9%	7	8.9%	Private
Instituto de Sistema Nervioso de Córdoba	127	5.1%	4	5.1%	Private
La Esperanza de Montería	123	4.9%	5	6.3%	Private
IMAT Oncomédica.....	116	4.6%	8	10.1%	Private

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership
Others	998	39.7%	36	45.6%	
Total.....	2,512	100.0%	79	100.0%	

Source: MinSalud.

BUSINESS

The Auna Way

Our mission is to lead the transformation toward a significantly improved and highly integrated healthcare system throughout SSLA. Our focus lies in providing access to high-quality healthcare, incentivizing prevention and concentrating on some of the high-complexity diseases that contribute the most to healthcare expenditures. Our model offers an accessible and integrated healthcare experience to a broad segment of the population in the markets we serve. We offer a unique end-to-end healthcare ecosystem by leveraging our patient-centric model, high-complexity-focused medical capabilities, unique healthcare plans and digital platform. This ecosystem provides our members and patients with access to life-long, high-quality healthcare and empowers them to be in control of their own health journey, while offering them exceptional patient experiences and medical resolutions in their disease care. Our care delivery approach reflects our human-centered and patient-obsessed lens, which combined with our wide-ranging practices and capabilities across our ecosystem, enables us to provide cutting-edge services and deliver excellent patient outcomes.

Our unique operating model is what we call the “Auna Way.” The Auna Way is our approach to effectively managing our businesses and operations; creating high value for patients, families, and our staff; and achieving sustainable competitive advantages. It is our corporate DNA, our organization’s spirit and our deeper meaning; the one we revert to for clarity of action.

Our mission is underpinned by the Auna Way’s key pillars:

- I. We are committed to amplifying access to a life-long ecosystem of health and well-being, incentivizing prevention, and focusing on the few diseases that are the biggest part of healthcare expenditures. We empower our users to be in control of their health journey, by providing them with life-long care for the entire family, which we believe makes us many patients’ preferred healthcare partner. We want to lead the improvement of access to healthcare by bringing affordability and immediacy to a large portion of the populations we serve.
- II. Our patient-centric approach prioritizes the human element, the patient and family, and we strive to deliver Auna to their service. This results in high patient satisfaction and robust patient demand, positioning Auna as one of the premier healthcare providers in our markets, which is integral to enabling sustainable growth. We ease patient engagement and support life journeys through health and disease, from prevention to early detection, to early treatment, to disease management and recovery. We recognize the immense market potential for catering to this fundamental need.
- III. We relentlessly pursue excellent medical outcomes, by providing cutting-edge services and fostering evidence-based medicine, with patient well-being as the ultimate benchmark of quality and success. We are laser-focused on high-complexity care and are establishing Centers of Excellence in strategic high-complexity diseases. High-complexity care relates to highly specialized medical care, including specialized equipment and expertise, usually provided over an extended period of time, that involves advanced and complex diagnostics, procedures and treatments performed by medical specialists in state-of-the-art facilities. We have established Auna as a leading provider of cancer management in SSLA and seek to equal these capabilities in cardiology, neurology and emergency trauma. Our aim is to continue scaling, outperforming and deploying end-to-end solutions in key medical specialties and attend to the robust market demand for superior healthcare solutions in the markets where we operate.
- IV. We aim to standardize and scale first-in-class medical protocols for increased predictability and better outcomes, to establish care ecosystems through our horizontal integration and to increase population health-based offerings and unlock access to health, through our vertical integration. We leverage technology to enhance our traditional healthcare platform, delivering an innovative healthcare experience to our patients, while allowing us to efficiently expand our reach.
- V. We focus on sustainable, deliberate and congruent growth. We want to continue growing organically by optimizing assets and concentrating spare capacity towards higher complexity and inorganically by completing the current urban and national ecosystems in the markets where we operate.

- VI. Our operations rest on the solid foundation of our organizational culture, as all we achieve depends on our strongest asset: our people. Every person at Auna embodies our principles of caring for patients, families, members and staff; transforming healthcare in our region; being passionate about human-centeredness and excellence; and surprising with a superb and seamless healthcare experience and high-quality services. These cultural principles contribute to our institutional excellence in the pursuit of the best possible outcomes.

This combination of mission, values, and practices put in place within our organization is what truly defines the Auna Way. It is the corporate strategy that propels us to continue transforming healthcare in the region by effectively managing our business and operations, creating high value for our patients and members, their families and our staff, while achieving sustainable competitive advantages.

Our Model

Our business model closely reflects the key tenets of the Auna Way and is integrated both horizontally and vertically. It is also distinguished by an end-to-end ecosystem that bridges physical and virtual care delivery, integrated with affordable healthcare plans and telehealth service packages that provide additional access to the populations we serve. Our care delivery ecosystem consists of virtual care, at-home care and a range of high-quality, in-person services provided through our network of medium-to-high-complexity focused hospitals, clinics and outpatient facilities. Over the past five years, we have built one of SSLA's largest and most modern healthcare platforms that consists of two key components: a horizontally integrated network of healthcare facilities across SSLA (our "Healthcare Network") and a vertically integrated portfolio of oncological plans and selected general healthcare plans (our "Healthcare Plans"). We believe ours to be the only platform with a truly regional footprint in SSLA. We seek to operate in under-penetrated markets, characterized by limited access to medical care, a poor quality of clinical services, and deficient public healthcare infrastructure. We believe that the Auna Way provides us with a differentiated operating ability to serve these markets, which is further complemented by our robust platform that can efficiently scale to serve all segments of the population and unlock operating efficiencies. We have implemented this business model throughout our regional network, and it is currently in different stages of completion in each of our markets.

Highlights of our integrated platform include:

- ***Horizontally-integrated healthcare network facilities:*** We own and operate networks of premium hospitals and clinics providing high-quality care at all levels of complexity in the three markets in which we operate. As of June 30, 2023, our network of facilities included 15 hospitals with 2,301 beds and 16 outpatient, prevention and wellness facilities in Mexico, Peru, and Colombia. Each component of our healthcare ecosystem is integrated through our scaled platform, standardized clinical best practices and protocols, and centralized operational and administrative support function. This cohesive approach improves our operating efficiency by better supporting providers and employees as they deliver exceptional care and an exceptional experience to the more than 1.0 million patients we serve annually. During the six-month period ended June 30, 2023, our medical staff carried out over 530,000 in-person interactions as well as over 43,000 procedures, of which 35% were from high-complexity related specialties, while maintaining a NPS of 80.0 in Mexico, 62.3 in Peru, and 80.2 in Colombia as of June 30, 2023. These scores compare favorably with other large healthcare networks in Latin America, such as Rede D'Or and DASA, with scores of 56.0 and 71.0, respectively, as of 2022.
- ***Vertically-integrated portfolio of mono-risk plans and selected general healthcare plans:*** Fully vertically integrated with our healthcare provider network in Peru, we provide prepaid health plans in Peru. We are the leading private healthcare plan provider in Peru, with 29.3% market share, which we believe is a reflection of our robust offering of moderately priced and innovative plans, that incorporate preventative care, early detection services, early treatment and complex care. Oncosalud, our mono-risk, now principally oncological healthcare plan business founded in 1989, had over 940,000 memberships as of June 30, 2023. Our selected general healthcare plan business which was launched in 2019, had over 263,000 memberships as of June 30, 2023. Almost all of our patients with an Auna health plan also utilize the Auna healthcare facilities in Peru and we believe this contributes to the resulting outstanding medical outcomes, patient experiences, and disciplined cost controls. As a fully integrated payer and provider of care, we are able to take a long-term, value-based approach to

healthcare and focus on prevention, early detection and treatment. Our approach results in a 74% 5-year survival rate for our oncology plans, which is above the national average in both the U.S. and England. In addition, in February 2023, we acquired Dentegra, a small insurance platform previously owned by Delta Dental that provides dental and vision plans to 2.7 million memberships in Mexico. We are in the process of leveraging Dentegra's existing nationwide insurance license, distribution platform, regulatory and commercial relationships, and membership base to begin offering our successful mono-risk healthcare plans, particularly our proven oncology plans, in Mexico, which would expedite our time to market and would create a fully integrated payer and provider ecosystem in Mexico.

- ***Technologically-enabled:*** Our platform serves patient experience, clinical, administrative and operational goals, which benefits patients, members and caregivers. We have leveraged tools from best-in-class vendors to create a solid, scalable platform. Patients, members and caregivers benefit from electronic health records, online appointment scheduling, appointment management, insurance management and membership verification, telehealth services and access to a digital pharmacy. Our platform is accessible through a smartphone app, the Auna App, and via desktop in Peru, and is being rolled out in other geographies. Internally, our technology supports medical insights, medical record management, administrative functions and revenue cycle management. We believe that by investing in our technology solutions, we can better reach underserved segments of the population and provide accessible, immediate and timely access to healthcare.

Our History

Our company was originally founded to address an unmet need in the quality and accessibility of treatment for cancer in Peru. At the end of the 1980s, even though science continued to make advancements with respect to cancer treatment, Peru faced a deep economic crisis and most of the population could not access advanced care for cancer. Patients were usually treated by generalist physicians or specialists in other areas and therefore did not receive adequate treatments. To make matters worse, insurance companies did not provide coverage for cancer.

In 1989, Dr. Luis Pinillos and Dr. Carlos Vallejos, both former directors of INEN (National Institute of Neoplastic Diseases of Peru) and Ministers of Health of Peru, founded Oncosalud to address this unmet need. Oncosalud began as a healthcare coverage program covering oncology services, which at the time cost US\$1 per month per patient with no deductibles or copayments. The program provided unlimited coverage for cancer treatment through the end of the disease's cycle, including medicines, surgeries, and other treatments, in all cases provided by specialists. With the help of Victor Hugo Gonzales and Juan Serván, renowned experts in healthcare coverage, and the medical leadership of Dr. Pinillos and Dr. Vallejos, Oncosalud quickly began to gain members at a rapid pace. Starting in 1997, we began developing a dedicated network of facilities for preventing and treating cancer, and in 2014 we opened Clínica Oncosalud, a specialized oncology hospital and one of the most renowned oncology centers in Peru, offering a fully integrated platform for the prevention, detection and treatment of cancer.

Our controlling shareholder, Enfoca, one of Latin America's foremost investment firms, formed a partnership with Oncosalud's original partners in 2008, and together they launched Grupo Salud del Perú, which became the holding company of Oncosalud. In 2011, Grupo Salud del Perú launched the Auna brand and began its transformation into a full-fledged healthcare company. This transformation began with a series of seven acquisitions to expand our national footprint in Peru. In October 2011, we acquired Servimédicos, a clinic, in Chiclayo, one of Northern Peru's key economic hubs with a population of more than 550,000 people. In November 2011, we acquired Clínica Camino Real, a hospital, in Trujillo, Peru's third largest city with a population of more than 900,000 people. In the following month, we acquired Clínica Bellavista, a hospital, in Callao, a province located next to Lima with a population of more than one million people. In the beginning of 2012, we completed four acquisitions: (i) a stake in Clínica Miraflores, a hospital, in Piura, another key hub in Northern Peru with a population of more than 470,000 people; (ii) a stake in Clínica Vallesur, a hospital, in Arequipa, Peru's second-largest city with a population of more than one million people; (iii) RyR Patólogos, a medical laboratory; and (iv) Cantella, a clinic in Lima.

Following these acquisitions, in 2014, we completed the construction of Clínica Delgado, our network's flagship facility in Peru, and one of the leading high-complexity hospitals in Latin America, with over 40 specialties and state-of-the-art technology.

By 2017, we had built a unique integrated healthcare platform in Peru with national reach.

The success of our integrated healthcare platform in Peru led us to start our regional expansion. At the end of 2018, we launched our international expansion plan in the SSLA region, which represented a significant milestone in our growth strategy and key point for the model we use today as we aim to transform healthcare in the region.

Our first acquisition was of Grupo Las Américas, one of the leading private healthcare groups in Medellín, Colombia. In September 2020, we expanded our regional presence in Colombia through the acquisition of Clínica Portoazul, and in 2022, we completed the construction of Clínica del Sur and IMAT Oncomédica in Montería.

By 2022 we had completed the integration of our Colombia healthcare network successfully which helped propel us to the most important expansion of Auna to date. In October 2022, we entered Mexico through the landmark acquisition of Grupo OCA, a private healthcare group located in Monterrey, Mexico operating three high-complexity hospitals with 708 beds and an estimated market share of 34% in Monterrey. Similar to what we did in Colombia, we entered Mexico with scale and market power in one of the largest cities, which will help us to further expand our network and brand in the country.

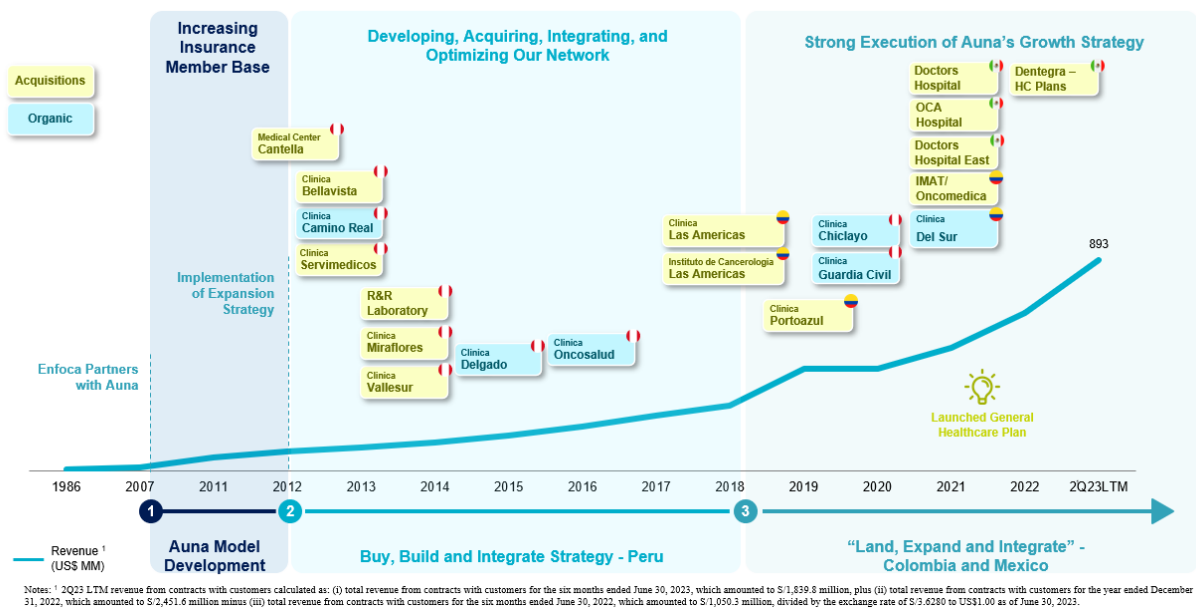
Our expertise in selecting targets and incorporating assets into our platform allowed us to integrate Grupo OCA in record time. In February 2023, we acquired Dentegra, a leading dental and visual insurer with nationwide coverage across Mexico.

Mexico represents a major milestone for Auna given the size of the market as the biggest country in the SSLA region. We believe our Mexican assets and operations position us well for significant upside in the near future as Mexico's market is over twice the size of both Peru's and Colombia's markets combined, tripling our total addressable market, and benefits from favorable demographic trends and secular macroeconomic forces such as the ongoing nearshoring boom, which Monterrey is expected to be one of the major winners of due to its privileged location and attractive fundamentals. Additionally, we believe the opportunity to launch our oncological plans in Mexico has significant potential as the existing private healthcare plans available in the oncology-focused market are limited and there is no dominant player that has an integrated healthcare platform such as Auna has in Peru.

Auna's growth has been a combination of inorganic growth, as described above, and organic expansion. We have recently expanded in Peru through Clínica Chiclayo in 2021 and Clínica Vallesur in 2021, which added 68 and 20 beds to our network, respectively. With a focus on steady and sustainable growth, Auna has demonstrated a robust capacity to execute inorganic and continuous organic growth strategies through the expansion of our healthcare services and specialties, our hospitals and geographic infrastructure.

Since the beginning of our international expansion in 2018, the Company has increased the number of available beds by a multiple of 6.4x, from 359 to 2,301 as of June 30, 2023. During the same period, the number of patients treated annually grew at a compound annual growth rate ("CAGR") of 52.3%. To promote and execute our

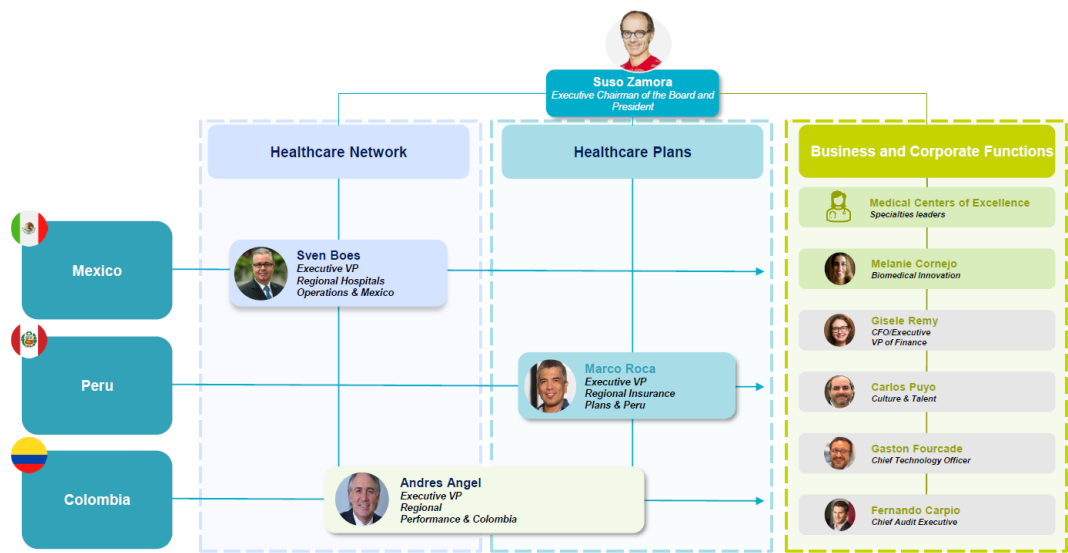
inorganic growth strategy, we have an internal team focused on new businesses and acquisitions responsible for studying potential regions, selecting target hospitals, start-ups and healthtechs, and executing such transactions.



Matrix Organization

We have an experienced management team focused on ensuring management efficiency and perpetuating the vision of our founders, as well as promoting transparency and compliance with best governance practices.

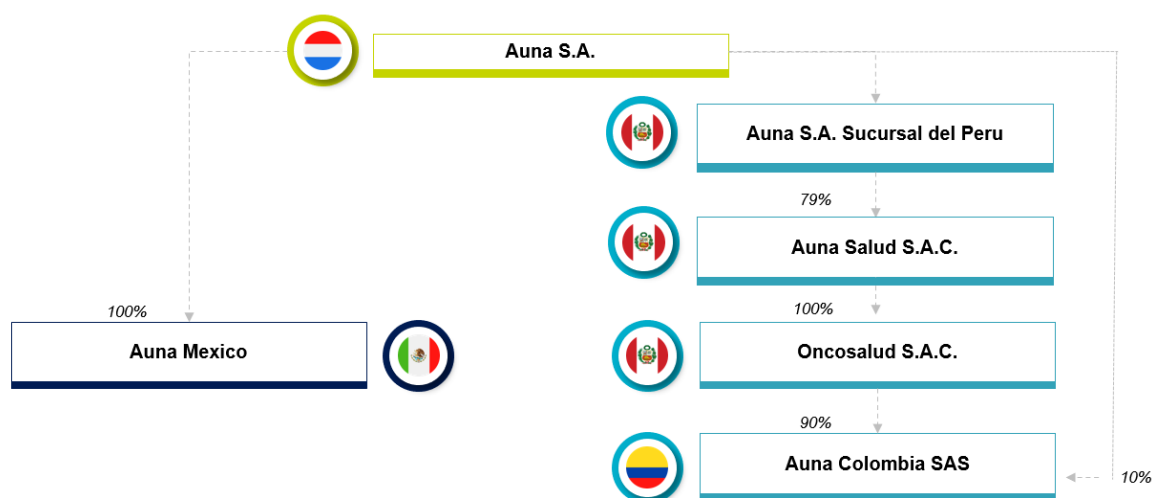
Our leadership team follows a matrix organization designed to optimize regional and segment management, as presented below.



- (1) While we already have in each country and region a structure to manage our medical standards and protocols, as we continue to grow, we intend to add a Chief Medical Officer to oversee all of our operations
- (2) Auna is in the process of hiring Chief Medical Officer and Chief Commercial Officer positions

Our Corporate Structure

A simplified organizational chart showing our corporate structure is set forth below.



Our Products and Services

Today, we operate our business through four segments: (i) Healthcare Services in Mexico, which consists of our Auna Mexico network and Dentegra, (ii) Healthcare Services in Peru, which consists of our Auna Peru network, (iii) Healthcare Services in Colombia, which consists of our Auna Colombia network, and (iv) Oncosalud Peru, which consist of our prepaid healthcare plans and oncology services.

Healthcare Services in Mexico

Auna Mexico

We provide healthcare services in Mexico through our Auna Mexico network, which we launched through the acquisition of Grupo OCA, a leading healthcare group in Monterrey, Nuevo León, Mexico. Our Auna Mexico network consists of three high-complexity hospital facilities: (i) OCA Hospital, (ii) Doctors Hospital and (iii) Doctors Hospital East. Combined, these facilities represent the largest infrastructure footprint in Monterrey's healthcare market, with approximately 34% market share based on number of beds. As of June 30, 2023, our network in Mexico included 708 beds and 41,879 patients were treated at our facilities during the six-month period ended June 30, 2023. Unlike in Peru and Colombia, a majority of the services provided at our facilities in Mexico are performed by unaffiliated physicians and we charge fees for healthcare services provided at our facilities by unaffiliated physicians.

Our hospitals are ranked among the best hospitals in northern Mexico and we are ranked the #1 hospital network in northern Mexico in oncology, cardiology, heart surgery, gastro and gastrointestinal surgery by Fundación Mexicana para la Salud, and we are the only hospital network in northern Mexico with two cyclotrons. Our Auna Mexico network has an existing occupancy rate of 42.3%, allowing for plenty of room for growth in our existing facilities. OCA Hospital targets the middle market segment and was founded over 50 years ago with only 30 beds. It currently has 261 beds, 14 surgery rooms, 23 emergency rooms and 63 outpatient rented offices. Doctors Hospital,

founded in 2011 as the network's premium and largest facility, targets the premium market. Its installed capacity currently has 301 beds, 16 surgery rooms, 25 emergency rooms and 210 outpatient rented offices. Doctors Hospital East, the network's newest facility, opened in late 2019 and targets the value market segment. Its installed capacity currently has 146 beds, 11 surgery rooms, 17 emergency rooms and 37 outpatient rented offices. Furthermore, high-complexity services, which include oncology, traumatology and orthopedics, cardiology and neurology surgical procedures and have historically grown at faster rates than other specialties, represent approximately 62% of our total revenue from contracts with customers derived from the Auna Mexico network for the six months ended June 30, 2023.

Our Healthcare Services in Mexico segment aims to work with renowned doctors who value flexibility in their medical practice by offering them a level of autonomy in the medical treatments they choose for their patients. The doctors have access to the resources they need in their practice at the discretion of their schedule, as our network operates with a significant installed capacity and access to a wide repertoire of medicines. All of these accommodations are offered within an extensive infrastructure, a premium location and amenities convenient to them. The value proposition for patients includes the premium facilities and amenities of the network. The hospitals' general areas and hospitalization rooms are maintained with our patients' comfort in mind, and our infrastructure is designed to be easy to access and navigate. Our network's premium service goes beyond the quality of its healthcare services as it strives for premium service at all stages through a patient-centered and friendly service, distinguishing its level of service from other hospitals as demonstrated by a NPS of 80 as of June 30, 2023. Lastly, patients benefit from having the hospitals in strategic locations serving populations from the premium, middle and value market segments in Monterrey.

The following table sets forth additional information with respect to the main facilities in our Mexican network:

Facility	Location	Owned / Leased	Type	Complexity Level	No. of Beds	Occupancy	Outpatient Offices	Surgery Rooms	Emergency Rooms	Specializations
OCA Hospital.....	Monterrey	Owned	Hospital	High	261	30.7%	63	14	23	36
Doctors Hospital	Monterrey	Owned	Hospital	High	301	46.6%	210	16	25	37
Doctors Hospital East..	Monterrey	Owned	Hospital	High	146	54.7%	37	11	17	35

Dentegra

Dentegra currently offers dental and vision insurance through a nationwide provider network that includes over 4,600 dentists, 400 dental clinics and 1,000 optical locations. It operates the largest dental plan network in Mexico and serves over 2.6 million memberships nationwide. We have a dedicated workforce of approximately 200 full-time employees and, in addition to its headquarters in Mexico City, its commercial network has a physical presence in 13 regional offices.

In addition to our existing products and services, we plan to roll out oncological plans in Mexico during 2024. Through our recent strategic acquisition of Dentegra, a leading dental and vision healthcare plan provider based in Mexico City, we aim to replicate our model for Oncosalud in Peru in Mexico. We have identified a total addressable market of more than 14.6 million potential members for the oncological plans and we believe that with plans that are similar to those refined by Oncosalud in Peru over many years, we will be able to capture a significant member base among the underserved Mexican population. Similar to our operations in Peru, we expect to implement a vertically integrated model in Mexico. We plan to apply the know-how and experience obtained through our operation of Oncosalud to introduce oncology plans to the large underserved Mexican market, providing the benefits of specialized and affordable coverage to a broad market and unlocking a substantial growth opportunity for Auna.

Dentegra is registered as an insurance provider with the Mexican Insurance and Surety Commission, and we are in the process of leveraging its leading insurance provider platform and commercial and regulatory relationships to expedite our time to market for our oncology plans in Mexico.

Below is a map depicting our presence in Mexico by providers covered by insurance plans:



Healthcare Services in Peru

We provide healthcare services in Peru through our Auna Peru network, a horizontally integrated network of hospitals, clinics, diagnostic imaging centers and clinical laboratories, making us one of the country’s largest, horizontally integrated private healthcare networks.

Our Auna Peru network is primarily centered around six hospitals and three clinics in Lima, Arequipa, Chiclayo, Piura and Trujillo, which are the principal cities in the five most populated departments in Peru, with each department having a population above one million. As of June 30, 2023, our Auna Peru network included 375 beds. We treated 296,039 and 204,007 patients at our facilities during 2022 and the six-month period ended June 30, 2023, respectively.

Our Healthcare Services in Peru segment generated S/428.8 million (US\$118.2 million) in revenue in the six-month period ended June 30, 2023, 61.4% of which was paid by third-party private insurers and 13.8% of which was paid out-of-pocket by our patients, with the remainder of payments generated by intersegment transactions involving medical services performed at facilities within our network.

Through our Auna Peru network of facilities, we are focused on providing a seamless, integrated healthcare experience for our patients at varying levels of complexity. Our high-complexity services are centered at our flagship hospital in this network, Clínica Delgado, which we built from the ground up between 2011 and 2014 and which was designed by Gresham Smith & Partners, one of the leading architecture firms for healthcare facilities in the United States. We treated 116,597 and 77,631 patients, or 39% and 43% of our total patient volume, at Clínica Delgado during 2022 and the six-month period ended June 30, 2023. Clínica Delgado has a Diamond accreditation from ACI and is ranked among the best hospitals in Peru in a wide range of categories by Global Health Intelligence’s Hospirank Peru 2019 report, such as #1 on best installed base for treating cancer by number of oncology equipment and #3 for most diagnostic imaging equipment by number of diagnostic imaging equipment. Notably, it is one of only two private hospitals in Peru licensed to perform organ transplants and owns a well-equipped neonatal intensive care unit and maternity wards. Clínica Delgado physicians also performed the first ever thorax abdominal aorta endoprosthesis implant in Peru, and only the third in Latin American history. In addition, we provide a wide variety of medium-complexity services at our regional hospitals and clinics outside of Lima, with our hospitals in Chiclayo and Arequipa serving as our two key regional hubs with a focus on medium-complexity treatments in northern and southern Peru, respectively. In the Auna Peru network, high-complexity services, which include oncology, traumatology and orthopedics, cardiology and neurology surgical procedures, represent approximately 56% of our total revenue from contracts with customers derived from our Auna Peru network for the six months ended June 30, 2023.

Our Auna Peru network is horizontally integrated, meaning that our patients are provided with a seamless experience regardless of which of our facilities they access. We cover all of our patients’ healthcare needs in a coordinated manner by offering all of the treatments they require in addition to diagnostic imaging, pharmaceuticals and laboratory services. In addition, our data management allow us to monitor patient healthcare needs, efficiently manage costs across our patient population and improve medical outcomes and the quality of our services. Our HIS includes our EMR system, which was the first of its kind in Peru when we implemented it in 2013, and is implemented in all of our hospitals in Peru, allows doctors and medical staff at any of our facilities to work with the most complete information on each patient and makes it easy for patients to transfer between facilities if needed. We also have kiosks and a mobile app, which allow our patients to make and pay for appointments in a convenient

manner. By covering all of our patients' healthcare needs in a coordinated manner, we enhance customer satisfaction, incentivize patients to remain within our networks and bolster our reputation for quality and our brand awareness.

The following table sets forth additional information with information of the hospitals and clinics in our Auna Peru network:

Facility	Location	Owned / Leased	Type	Complexity Level	No. of Beds	Occupancy	Outpatient Offices	Surgery Rooms	Emergency Rooms	Specializations
Clinica Delgado.....	Lima	Owned(1)	Hospital	High	164	70.8%	77	8	27	57
Clinica Chiclayo.....	Chiclayo	Owned	Hospital	Medium	68	56.0%	30	4	12	40
Clinica Vallesur.....	Arequipa	Owned	Hospital	Medium	65	60.4%	24	4	12	42
Clinica Miraflores	Piura	Owned	Hospital	Medium	47	84.5%	31(2)	2	10	33
Clinica Bellavista	Callao	Owned	Hospital	Medium	23	48.4%	13	2	9	30
Clinica Camino Real	Trujillo	Owned	Hospital	Medium	8	59.6%	13	1	—	33
Servimédicos.....	Chiclayo	Owned	Clinic	Low	—	—	15	—	—	26
Cantella.....	Lima	Owned	Clinic	Low	—	—	4	—	—	1
Auna Benavides	Lima	Owned	Clinic	Low	—	—	3	—	—	1
Laboratorio Guardia Civil .	Lima	Leased	Laboratory	Low	—	—	—	—	—	1

(1) We own the facility and have the right to use, enjoy and encumber the surface of the land on which Clínica Delgado sits via a surface rights agreement. See “— Material Agreements—Surface Rights Agreement.”

(2) Includes outpatient offices at Centro de Consulta Monteverde.

(3) Occupancy measured only by number of beds that are occupied.

Throughout our network we provide more than 40 medical specialties and subspecialties, and we specialize in medium- and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. Notably, Clínica Delgado is the only private hospital in Peru providing all cardiology-related subspecialties, such as clinical cardiology, cardiovascular surgery, electrophysiology and pacemakers, hemodynamics and cardiological intervention, intensive cardiology, cardiology imaging, and pediatric cardiology, including congenital anomalies.

Healthcare Services in Colombia

We provide healthcare services in Colombia through our Auna Colombia network, which we launched through the acquisition of Grupo Las Américas, one of Colombia's leading healthcare groups located in the country's second-largest market and key economic hub, Medellín. We further expanded our network in Colombia through the acquisition of Clínica Portoazul, a healthcare services provider with state-of-the-art facilities and a premium customer portfolio located in Barranquilla, the fourth largest city in Colombia. In early 2022, we completed the construction of Clínica del Sur and the acquisition of IMAT Oncomedica, a high complexity hospital with a dominant position in Montería due to its unique healthcare service offering strongly focused on oncological treatment, adding a combined total of 580 beds.

Our Auna Colombia network consists of three hospitals, Clínica Las Américas, Clínica del Sur and IDC and three clinics in Medellín; one hospital, Clínica Portoazul, in Barranquilla and one hospital, IMAT Oncomedica, in Montería. As of June 30, 2023, our network included 1,109 beds. We treated 586,692 and 350,781 patients at our facilities in 2022 and the six-month period ended June 30, 2023, respectively.

Like in our Auna Peru network, our Auna Colombia network is focused on providing a seamless experience for our patients at varying levels of complexity through a horizontally integrated network of facilities with premium clinical capabilities. Our high-complexity services are centered at our flagship hospitals in this network, Clínica Las Américas and IDC. Clínica Las Américas is the leading private hospital in the city, specializing in cardiology and bone-marrow transplants, and was ranked the 10th best hospital in Colombia by América Economía's 2021 Best Hospital Rankings and 3rd best hospital in Oncology in Colombia. IDC is also renowned as one of the top oncology hospitals in the country and is the only healthcare institution in Colombia that is a sister institution of MD Anderson. To attain this relationship with MD Anderson, a cancer-fighting institution must be deemed by MD Anderson to have research- and education-based capabilities meeting certain of MD Anderson's quality standards after undergoing an application process. Through an annual fee, we have access to educational tools, participate in collaborative research with MD Anderson and its global network of sister institutions and are able to send our IDC

patients to MD Anderson's facilities. IDC is also affiliated with the Union for International Cancer Control. These affiliations allow IDC to share best practices and new treatments with a wide range of institutions around the world. In the Auna Colombia network, high-complexity specialties represent approximately 57% of our total revenue from contracts with customers derived from our Auna Colombia network for the six months ended June 30, 2023.

IMAT Oncomedica is focused on offering a high-quality service for all patients in the region of Montería and holds a dominant position due to its unique medical offering. The original infrastructure is a mature building with 131 beds focused on providing high-complexity services, mainly oncology. In 2020, a new tower with an additional capacity of 294 beds was inaugurated, specializing in oncology complementary services and general health procedures, mainly procedures related to cardiology. Similarly, Clínica Portoazul is a reference point for high-complexity healthcare services, which comprises the surgical procedures of oncology, traumatology and orthopedics, cardiology, and neurology, in Barranquilla, Colombia's fourth largest city, with premium infrastructure and a suite of medical specialties, including oncology.

The following table sets forth additional information with respect to the main facilities in our Colombian network:

Facility	Location	Owned / Leased	Type	Complexity Level	No. of Beds	Occupancy	Outpatient Offices	Surgery Rooms	Emergency Rooms	Specializations
Clínica Las Américas	Medellín	Owned	Hospital	High	361	85%	26(2)	11	31	38
Instituto de Cancerología(1)	Medellín	Owned	Clinic	High	—	—	58	—	—	24
Clínica del Sur	Medellín	Owned	Hospital	High	155	65%	27	5	12	19
Clínica Portoazul	Barranquilla	Owned	Hospital	High	168	91%	8	10	28	54
Clinica IMAT Oncomedica	Montería	Owned	Hospital	High	425	63%	18	5	5	56
Centro Médico Arkadia	Medellín	Owned	Clinic	Low	—	—	28	—	—	46
Centro Médico City Plaza	Envigado	Owned	Clinic	Low	—	—	5	—	—	7
Centro Mastología San Fernando	Medellín	Owned	Clinic	Low	—	—	2	—	—	3
LMLA —San Fernando	Medellín	Owned	Laboratory	Low	—	—	—	—	—	1
LMLA —Platinum	Medellín	Owned	Laboratory	Low	—	—	—	—	—	1
LMLA —Viscaya	Medellín	Leased	Laboratory	Low	—	—	—	—	—	1
LMLA —Laureles	Medellín	Leased	Laboratory	Low	—	—	—	—	—	1
LMLA —Llanogrande	Llanogrande	Leased	Laboratory	Low	—	—	—	—	—	1

(1) Overnight stays for Instituto de Cancerología patients are provided at Clínica Las Américas

(2) Considers Torre Médica (21) and Centro Médico City Plaza (5)

Oncosalud Peru

Healthcare Plans in Peru, Oncosalud, is a vertically integrated healthcare plan platform through which we are both a healthcare payer and a provider of oncology and general healthcare services.

We sell oncology plans that provide healthcare coverage for the prevention, detection and treatment of cancer and provide oncology healthcare services to those covered by our plans as well as patients with other forms of private healthcare coverage, including traditional insurance and other prepaid plans, mostly through our network of Oncosalud-dedicated facilities. Through this vertically integrated model, we offer our plan members a full range of services at an affordable cost.

Oncology plans

We believe that our vertically integrated oncology structure has been very effective at preventing, detecting and treating cancer while also managing the more serious and high-cost medical cases. Although only a small portion of

our plan members are diagnosed with cancer each year, we provide regular screenings under each plan, which allows us to detect cancer at earlier stages and lowers the cost of treatment than if the cancer had been caught later. We treat patients at our facilities in Peru, with some cases of patients being treated at IDC in Colombia due to its expertise in hematological cancer treatments such as leukemias and myelomas, not available in Peru's facilities.

As a result, we have been able to achieve 3-year and 2-year cancer survival rates for the cohort of patients diagnosed between 2016 and 2021 of 79.5% and 82.9%, respectively, while at the same time maintaining MLR levels in our healthcare plans at around 51.2% as of December 31, 2022. Comparatively, the 5-year survival rate in the U.S. between 2007 and 2013 (latest data available) was estimated to be 69% in 2018 by the American Cancer Society; the 5-year survival rate for Medicare PPS-exempt cancer hospitals in the U.S. was estimated to be 53% in 2015 (latest data available) by the Memorial Sloan Kettering Cancer Center; and the U.K.'s National Health Service estimated England's 5-year survival rate at 50% in 2010. The MLR from other integrated healthcare providers in Latin America was reported to be 71.1%, 72.9% and 73.9% by Hapvida Grupo Notre Dame Intermedica and 88.4%, 92.5% and 86.3% by Rede D'Or as of December 31, 2021 and 2022 and June 30, 2023, respectively. Oncosalud's network of oncological facilities is much smaller than the hospital networks evaluated in such studies and only treats a small, relatively wealthy portion of the Peruvian population as compared to the U.S. and U.K. hospital networks evaluated in such studies. Moreover, certain cancers are harder to successfully treat than others and a higher incidence of such cancers in any one of these studies could have impacted the 5-year survival rate disproportionately as compared to the populations evaluated in the other studies. As a result of such factors, Oncosalud's survival rate is not directly comparable to the survival rates presented in such studies. However, we believe that these studies provide some context for Oncosalud's survival rate.

Our oncology plans are prepaid healthcare plans, meaning that plan members pay a fixed amount per year which covers any service covered by the type of plan a member has.

On a combined basis across our eight different oncology plans, we have 940,262 memberships as of June 30, 2023, representing 78.1% of the total number of healthcare plan memberships in Peru. Two of our oncology plans represent 72.9% of our oncology plan membership: (i) OncoPlus, our premium plan with 435,095 plan memberships and (ii) Oncoclásico Pro, our mid-level plan with 250,302 plan memberships. The main coverage details for our principal plans are as follows:

Type of Service	Level of Coverage (%)	
	OncoPlus	Oncoclásico Pro
Outpatient appointments, surgery procedures, home visits and anesthesia	100%	100%
Chemotherapy	100%	100%
Specialized biological therapy, including monoclonal antibodies, white cell stimulants, enzyme inhibitors and immunotherapy	100%	70%
Non-biopsiable invasive cancer treatment.....	100%	100%
Bone marrow transplants	100%	100%
Osteosynthesis	100%	70%
Breast reconstruction	100%	70%
Breast prosthesis	100%	70%
Annual screenings	2 every year	2 every year

Monthly fees for each of our oncology plans differ based on a plan member's age, and as of June 30, 2023 the average age of our oncology plan members was 37.2. The monthly fees for OncoPlus vary from S/41 to S/534, and for Oncoclásico Pro it varies from S/33 to S/487. In 2021, we began offering a lower-cost plan, Oncovital, covering the most common and treatable cancers, which is within the economic reach of a larger segment of Peru's population. Oncovital had 106,284 memberships as of June 30, 2023.

During the six-month period ended June 30, 2023, while 63.8% of Oncosalud's covered oncology plan services were provided at Oncosalud facilities, 31.0% of oncology plan services were provided at other facilities in our Auna Peru network and only 5.2% were provided at third-party facilities.

Oncology healthcare services

We provide healthcare services for the prevention, detection and treatment of cancer through a network of dedicated Oncosalud facilities to those covered by our plans as well as patients with third-party healthcare coverage. We operate two specialized oncology hospitals and three oncology clinics to provide our oncology services to our plan members and patients with third-party healthcare coverage. Our facilities have premier clinical capabilities. We believe Clínica Oncosalud is one of the best radiotherapy centers in Peru, as we are one of the only providers with a private PET scan and cyclotron and one of the only private providers in the country providing intraoperative radiotherapy, all of which has allowed us to obtain a Diamond accreditation from ACI. Supported by some of Peru's best cancer specialists, we treated 6,207 patients at our Oncosalud facilities during the six-month period ended June 30, 2023.

The following table sets forth additional information with respect to our Oncosalud facilities:

Facility	Location	Owned / Leased	Type	Complexity Level	No. of Beds	Occupancy	Outpatient Offices	Surgery Rooms	Emergency Rooms	Specializations
Clinica Oncosalud (1)	Lima	Owned	Hospital	High	75	82%	—	3	3	23
Clinica Guardia Civil	Lima	Leased	Hospital	Medium	34	46%	17	3	8	40
Oncosalud San Borja (1)	Lima	Owned	Clinic	Low	—	—	21	—	—	23
Oncosalud San Isidro (1)	Lima	Owned	Clinic	High	—	—	—	—	—	1
Centro de Bienestar Auna	Lima	Owned	Clinic	Low	—	—	25	—	—	1

(1) Radiotherapy treatments and outpatient consultations for Clínica Oncosalud are provided at Oncosalud San Borja and Oncosalud San Isidro.

We are also one of the few providers in Peru with a dedicated palliative homecare unit, which allows us to remain in close contact with our patients until the very end of the disease's cycle even when that outcome is not remission. This is an integral part of the Oncosalud value proposition, and something that we believe distinguishes us from competing services in the market.

General healthcare plans

In 2020, we began offering general healthcare plans with broader coverage that includes all specialties and services in our hospitals and clinics in Peru. We replicated the integrated model we have for our oncology plans for the general healthcare plans and provide services through our network of facilities, including through our network of Oncosalud-dedicated facilities.

Our general healthcare plans are prepaid healthcare plans, meaning that plan members pay a fixed amount per year which covers any service covered by their plan.

On a combined basis across our six different general healthcare plans, we have 64,286 memberships as of June 30, 2023, representing 5.3% of the total number of healthcare plan memberships. The main coverage details for our principal plans are as follows:

Type of Service	Level of Coverage (%)	
	Salud Classic	Salud Premium
Outpatient appointments.....	75-80%	70-80%
Telemedicine	75-80%	70-80%
Non-accident emergency care	75-80%	70-80%
Accident emergency care	100%	100%
Annual checkup	100%	100%
Hospitalization.....	80%	80%
Maternity care.....	75-80%	70-80%

Type of Service	Level of Coverage (%)	
	Salud Classic	Salud Premium
Internal prosthesis, internal implants and osteosynthesis material	80%	80%

Monthly fees for each of our general healthcare plans differ based on a plan member's age, and as of June 30, 2023 the average age of our general healthcare plan membership was 31.6. The monthly fees for Salud Classic vary from S/101 to S/725, and for Salud Premium it varies from S/167 to S/869.

During the six-month period ended June 30, 2023, while 63.8% of our general healthcare plan covered services were provided at Oncosalud facilities, 31.0% of these services were provided at other facilities in our Auna Peru network and only 5.2% were provided at third-party facilities.

Telemedicine plans

We began offering group plans for telemedicine services on a business-to-business basis in 2020. All of the telemedicine services are provided by our existing network. These plans are designed to introduce customers to our products and services as a way of expanding our reach and deepening existing relationships.

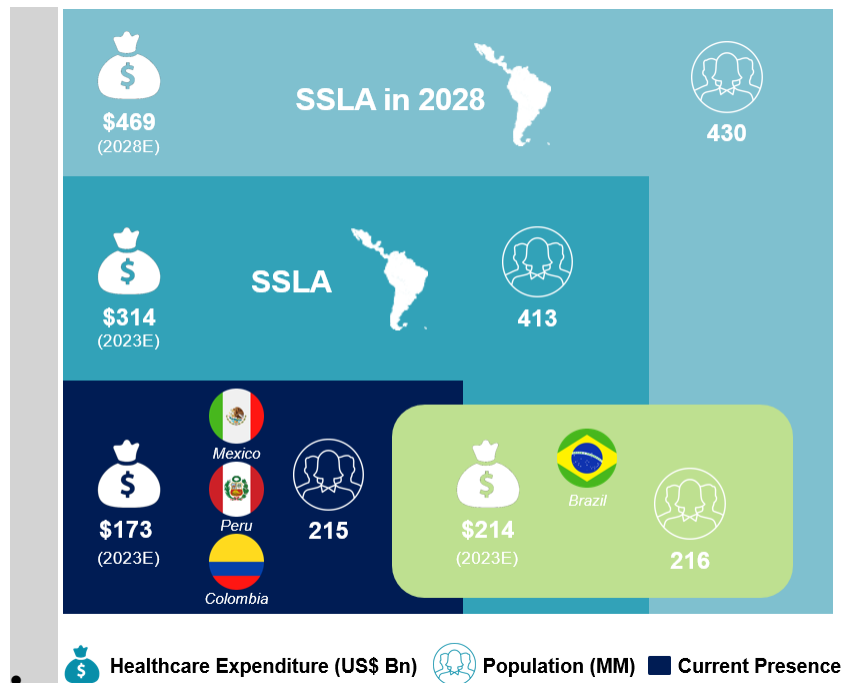
Our telemedicine plans are prepaid group healthcare plans, meaning that employers of the plan members pay a fixed amount of U.S.\$1.3 per month per plan member as of June 30, 2023. Each plan member has access to up to twelve telemedicine consultations per year and discounted access to certain healthcare services in our Auna Peru network. We have 199,492 memberships through our agreements with 15 of employers as of June 30, 2023, representing 16.6% of the total number of healthcare plan memberships.

Our Market

We currently operate in Mexico, Peru, and Colombia, which possess an aggregated gross domestic product ("GDP") of approximately US\$2,000 billion in 2022, a total population above 213 million, and a healthcare services expenditure of over \$140 billion, and collectively account for 49%, and 52% of SSLA's healthcare spending and population, respectively. These countries also have some of the largest groups of young populations in the region, which translates into favorable aging expectations, and have experienced rapid economic growth and improvements in per capita income, growing the middle classes in recent years, which we expect will increase healthcare spending in these markets over time. We also believe that the regulatory frameworks in these countries are conducive to further growth in the private healthcare provider segment for an integrated player like us. We believe that our integrated networks and operational model in each market provide us with a significant competitive advantage to capitalize on this growth. Through our operating model, we strive to achieve regional scale and a high degree of both horizontal and vertical integration in all of the markets where we operate, adapting to the specific characteristics and regulatory framework of each market.

The healthcare market in SSLA has several key characteristics that make it ripe for disruption and significant growth:

- **Lack of access:** According to Fitch Solutions, healthcare spending in SSLA is expected to amount to US\$314 billion in 2023 and reach US\$469 billion by 2028, in a market covering over 400 million people, yet more than 350 million individuals have restricted or no timely access to healthcare services. As a means of comparison, total healthcare spending in the U.S. amounts to more than US\$4,000 billion in a market covering only approximately 330 million people. Average waiting times in SSLA are four to five times those of the U.S. and other advanced markets, while existing beds, outpatient rooms and related infrastructure is significantly below the WHO minimum recommended standards. For example, hospital beds per 1,000 inhabitants reach 1.0, 1.6, and 1.7 in Mexico, Peru, and Colombia compared to the minimum recommended of 3.0 by WHO. The healthcare markets in many regions in SSLA remain significantly underpenetrated as compared to developed economies, despite the SSLA market as a whole growing at 1.2 times the U.S. market, from 2019 to 2022, according to Fitch Solutions.



Notes: Not to scale. Healthcare expenditure excludes pharmaceuticals spending. SSLA countries include: Peru, Colombia, Mexico, Argentina, Uruguay, Venezuela, Paraguay, El Salvador, Ecuador, Costa Rica, Chile, Dominican Republic, Guatemala, Haiti, Honduras, Nicaragua and Panama – as per available information.

- Evolving demographics:** As the region's main economies continue to transition towards becoming middle-income countries aided by improving living standards, the growing populations will feature an increased representation of the elderly segment and this is expected to increase spending on healthcare needs, thus providing favorable tailwinds for the industry. The percentage of the population above 50 years old is expected to increase from 22.6% to 38.4% in Mexico, 21.6% to 34.4% in Peru and 24.5% to 42.1% in Colombia by 2050.
- Deficient public and private healthcare:** Public healthcare systems throughout the region have been negatively impacted by pervasive, long-term lack of investment, leading to deficiencies in infrastructure and care. While private healthcare options exist, they are often unaffordable, making them inaccessible for most of the population and resulting in high out-of-pocket spending across the board. Private healthcare insurance penetration levels in SSLA remain substantially below those of the United States and even Brazil. Healthcare expenditure as a percentage of GDP excluding pharmaceutical sales in 2022 was 6.3%, 5.7% and 8.4% in Mexico, Peru and Colombia compared to 17.9% in the United States and 8.9% in Brazil.
- Lack of transparency:** Throughout the region, conflicts of interest between insurers and providers result in poor client experience: asymmetries of information lead insurers to provide low or no coverage and demand high copayments to minimize costs, while hospitals and doctors frequently perform unnecessary procedures to maximize revenue. Patients thus face opaque cost structures and uncertain outcomes.
- Fragmentation and lack of coordination:** The provider landscapes for healthcare services are often fragmented, with many independently owned hospitals and clinics, independent practitioners and overlapping and uncoordinated diagnostic labs, imaging providers and other services, leading to poor patient experiences, deficient medical outcomes and high costs due to lack of scalability. Patients are

often forced to maneuver through various systems to receive care that could otherwise be provided by one provider. Patients also struggle to receive consistent and reliable healthcare services, as providers typically lack standardized and protocolized practices.

- **Limited investments in technology:** Digital solutions are critical to scaling healthcare delivery in the region, yet they represent only a small fraction of capital invested into emerging technologies in the region. The number of OECD countries that have implemented EMRs has increased over time, where on average, 93% of primary care practices use EMRs across 24 OECD countries in 2021. Additionally, most patients are able to view and interact with their information on EMRs as well as to access to teleconsultations or video-conferencing. In Mexico, the largest country where we operate by GDP, the percentage of primary care practices that use EMRs does not reach more than 40%.
- **Differing regulatory frameworks:** Across the region, multiple frameworks add an additional layer of complexity as they provide private companies with widely different incentives and margins of action. However, we believe that the regulatory frameworks in our markets are conducive to further growth for regional integrated players as they have a similarity of investor-friendly features, welcoming imported best-practices, therefore allowing us to establish standardized protocols and practices that allow us to manage and control costs.

Our Competitive Strengths

Our key strengths closely reflect the Auna Way and include:

Vertical integration in Peru provides first-class patient outcomes and experiences at an affordable cost and empowers our users to be in control of their own health journeys

We believe our vertically integrated approach in Peru allows us to offer access to a large part of the populations we serve with an obsessive focus on healthcare plans (from traditional insurance products to mono-risk coverage of certain complex diseases and to service packages) that produce excellent patient outcomes and foster a seamless patient experience. Given that these plans are integrated to our horizontally integrated network, they result principally in high confidence levels with respect to their patient experience, medical resolution and cost predictability. This is a great competitive advantage, in particular when compared to the standards in the SSILA and other developed markets where the patient confronts fragmentation, wrong incentives and little standardization as the norm.

Through our Oncosalud network in Peru, we operate Latin America's only fully vertically integrated oncology program where coverage and virtually all diagnostic and treatment services are provided by a single company. Oncosalud had over 940,000 memberships and a market share of 29.3% as of June 30, 2023, making it the top healthcare plan operator in Peru, according to SUSALUD, a position it has consistently maintained over the last decade. Our vertical integration has allowed us to be highly efficient and effective, as evidenced by Oncosalud's 49.4% MLR as of June 30, 2023 and 74% 5-year cancer survival rate for the cohort of patients diagnosed between 2016 and 2021. Our plan members include healthcare consumers who do not have any other healthcare coverage, members who are covered by EsSalud but want supplemental coverage for cancer and individuals who have healthcare coverage from another private payer but want access to our leading expertise in oncology and our integrated care platform. We believe our prepaid oncology plans meet an important need in the Peruvian market, where the vast majority of the population either lacks health insurance or is reliant on the public sector for healthcare coverage and the growth in our Oncosalud membership from 266,000 in 2008 to over 940,000 as of June 30, 2023, shows the appeal of our innovative plans.

In 2019, we expanded our portfolio to include selected general healthcare plans aiming to provide first-class services at more competitive prices than traditional insurance plans, leveraging our highly successful oncological model. As of June 30, 2023 we had a total of over 263,000 memberships for our general healthcare plans, which represented a 6.4% market share as of March 30, 2023, according to SUSALUD. Just in the first half of 2023, net additions to our membership base of the selected general healthcare plans reached over 65,000 new memberships or a growth of 33% in just 6 months. We believe we can leverage our deep expertise and extensive know-how developed in Peru across other similarly situated regions, particularly in Mexico.

Horizontally integrated regional healthcare networks provide excellent outcomes, seamless patient experiences and significant network-level efficiencies

We believe our horizontally integrated approach allows us to produce excellent patient outcomes and foster a seamless patient experience. Across our integrated network of facilities, we are able to care for our patients in an efficient and coordinated way. The providers in our healthcare network access the same patient health records and are incentivized to follow the same protocol of standardized services, which allows us to work at any time with the information for each patient, at each stage of their treatments, and enables seamless transitions across sites of care within the Auna network. Our integrated approach also allows us to establish internationally recognized protocols and medical practices to ensure excellent medical outcomes at competitive costs. Given that we are the principal payers for the patients that benefit from this integration, we promote preventative medicine and practice longitudinal population health management. We can closely monitor and anticipate patient health requirements, then offer patients expedited treatment to achieve excellent medical outcomes. By covering all our patients' healthcare needs in a preventative and coordinated manner, we enhance customer satisfaction and clinical outcomes, which drive positive brand awareness, resulting in greater customer loyalty and demand for our services.

In addition to providing high-quality patient outcomes and experiences, our Healthcare Network provides us with multiple network-level efficiencies that we believe would be difficult for competitors to replicate. We operate one of SSILA's largest healthcare platforms, which we believe is the only platform with a truly regional footprint. Due to our high-quality care and scale, we have become a "must carry" provider for major private health insurers in the three countries where we operate, meaning that including our Auna Mexico, Auna Peru and Auna Colombia facilities in their in-network coverage has become important for their plans to be competitive within their markets. This provides increased negotiating power with third-party payers, particularly private insurance companies and other healthcare payers. We also have the ability to reduce costs through the negotiation of favorable rates for the procurement of medicines and medical equipment and through the ability to make long-term investments in technology systems, data analytics and research on a centralized basis. The scale and quality of our network also allows us to attract the best doctors and management talent in the market.

Standardization of best practices across our networks through information sharing and normalized protocols

Our strategy continues to result in the roll-out of standardized protocols across medical, operational and administrative areas of our business. This strategy is further enhanced through our digitalized and integrated information systems. We have developed robust reporting processes to track treatment stages and outcomes across these areas and are able to share best practices across our networks to improve outcomes. We have implemented over 1,300 protocols and over 450 standardized clinical practice guidelines. Our doctors and patients have access to a cross-border, comprehensive network of medical expertise. For example, we are able to share the more than 30 years of experience and know-how that Oncosalud possesses with IDC and Oncomédica in Colombia. Likewise, Oncosalud has greatly benefitted from IDC's and Oncomédica's impeccable track-record as one of the top cancer care institutions in Colombia. These types of collaborations provide us with formidable oncology capabilities in the region.

Premium clinical capabilities at all levels of complexity, with emphasis on high-complexity

We operate 15 hospitals with 2,301 beds and 16 outpatient, prevention and wellness facilities across Mexico, Peru and Colombia, including three hospitals specializing in oncology. While we provide services at all levels, our facilities specialize in medium- and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. We estimate that 62%, 56% and 57% of total revenue from contracts with customers from the Auna Mexico network, Auna Peru network and Auna Colombia network is derived from high-complexity related specialties, respectively. The flagship hospital in our Auna Peru network, Clínica Delgado, which has a Diamond accreditation from ACI, is one of only two private hospitals in the country that are licensed to perform organ transplants and owns a well-equipped neonatal intensive care unit and maternity wards. Our flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín specializing in high-complexity services, including oncology, cardiology and bone-marrow transplants and was ranked as the 10th best hospital in Colombia in América Economía's 2021 Best Hospitals Ranking. Our flagship hospital in our Auna Mexico network, Doctors Hospital, is the leading private hospital in Monterrey specializing in high-complexity services and was ranked as the #1 hospital network for oncology, cardiology, heart surgery and gastrointestinal surgery by Fundación Mexicana para la Salud in 2022. Moreover, our Auna Mexico

hospitals operate the only two cyclotrons available in northern Mexico at present. Our premium clinical capabilities are central to the strength of our reputation and our brand, our “must carry” status with health insurers, our ability to attract the best doctors and, most importantly, our ability to provide high-quality care to our patients and plan members.

Successful inorganic and organic growth with active expansion plans in progress

Establishing scale in each of our markets has been a key component of our success to date and we believe increasing our overall network scale will increase our efficiency and competitiveness in the future. We have built our Healthcare Network through a combination of organic facilities and through acquisitions of other facilities. We have leveraged our deep experience and proven track record to create a replicable “playbook” that we believe we can use to continue to successfully expand our reach. We employ the same strategy – land, expand and integrate – over and over again. When we enter a new market, we focus on targets that allow us to immediately acquire a significant market share, which allows us to have scale in the new markets where we operate, providing significant benefits, such as bargaining power with suppliers and insurance companies.

When we acquire or build new facilities, we invest in standardizing the layout, equipment and operations. We have a dedicated integration team with more than ten years of experience, which works to implement best practices. The successful execution of organic and inorganic initiatives has allowed us to increase the number of beds in our networks on an aggregate basis from 112 in 2012 to 2,301 as of June 30, 2023.

Strong biomedical research and innovation capabilities through our Auna Ideas engine

We are increasingly able to rely on Auna Ideas, which is our biomedical and innovation engine that incubates and accelerates disruptive ideas throughout our regional network and is focused on the integration of the newest technologies available to push and widen Auna’s reach and expand access to more patient-centric health offerings. Auna Ideas currently operates seven accredited clinical research sites in the region, monitors more than 120 active trials within our networks and conducts more than 50 ongoing applied research projects. It is also in the process of establishing itself as an academic powerhouse, having produced more than 100 peer-reviewed publications in high-impact biomedical journals in 2022 and has been distinguished as Peru’s first Oncology Research Center by the CONCYTEC, the country’s leading public scientific research institution. Furthermore, Auna Ideas’ head of biomedical innovation has been awarded the Golden Medal for his pioneering work in data science in radiology by the American College of Radiology. These capabilities are further complemented by the premier research capabilities of our Auna Colombia network oncology-focused hospitals: IDC physicians are regular contributors to some of the medical profession’s top journals, such as The Lancet and the Journal of Clinical Oncology, while Oncomédica has been the recipient of multiple research awards in the recent past distinguishing it as one of the top cancer care institutions in Colombia.

We also utilize Auna Ideas as an online platform for continuous medical education throughout our markets. Auna currently offers laparoscopic surgical training in simulation centers in collaboration with Johnson & Johnson and it has been designed as an International Training Center for Cardiopulmonary Resuscitation by the American Heart Association. We are confident that Auna Ideas will continue to provide us with the necessary research and innovation capabilities to ensure that we provide our patients with the most cutting-edge services available with the best possible medical outcomes.

Comprehensive digital platform with robust data and technology architecture that enables us to deliver immediate, digitally enabled end-to-end patient experiences

We take a technology-intensive approach to healthcare to improve access and affordability. We have built an integrated HIS and HCP Core upon which the operations of our Healthcare Network and Healthcare Plans businesses respectively are run. The HIS and HCP Core systems are composed of commercially available and proprietary modules integrated via a reliable and scalable middleware, providing us with fundamental capabilities to securely exchange data throughout our system, enhance cost-efficiency, monitor and manage our activities, provide interfaces with our healthcare and administrative professionals and, through web enabled and smartphone apps, provide a portal for our patients and plan members. A central element of our HIS is our EMR system, which has been implemented across Peru and is being implemented in Colombia and Mexico. In addition to our core information platforms, we have developed the Auna App, which provides our members and patients in Peru with

secure access to certain information in our system and an immediate, convenient and personalized way to manage all their healthcare needs. The Auna App allows patients and members to purchase healthcare plans, book and pay for medical appointments, check their medical records, receive reminders for upcoming appointments and procedures and obtain medical prevention tips, among other capabilities.

Solid financial growth backed by strong operating fundamentals

We believe that the quality of our services, the scale of our networks and our focus on cost efficiency has allowed us to achieve market-leading financial performance, even as the Peruvian, Colombian and Mexican economies have experienced moderate growth levels as compared to the previous decade. On a consolidated basis giving effect to our acquisitions in Colombia and Mexico, in the six-month period ended June 30, 2023, we generated revenue of S/1,839.8 million (US\$507.1 million), profit of S/22.6 million (US\$6.2 million), profit margin of 1.2%, EBITDA of S/404.3 million (US\$111.4 million) and EBITDA Margin of 22.0% as well as Adjusted EBITDA of S/401.1 million (US\$110.6 million) and Adjusted EBITDA Margin of 21.8%. Revenue and Adjusted EBITDA represented an increase of 75.2% and 152.7%, respectively, compared to the six-month period ended June 30, 2022. We believe our gross margin historically and for the six-month period ended June 30, 2023, solidly places us among the most profitable healthcare network operators in South America, including those in countries with more advanced healthcare systems such as Brazil and Chile, based on gross margins published by other publicly traded healthcare companies in South America.

Management team, board of directors and shareholders with industry know-how and strategic vision

We believe that the combined strengths and proven experience of our management team, board of directors and shareholders have succeeded in making Auna one of the premier companies in the healthcare industry in SSLA. In addition, we believe the track record and depth of knowledge of our management team provide us with a distinct competitive advantage. Together these executives bring a wealth of expertise in our three national markets and provide broad experience to our pan-regional integrated business. Our seasoned board of directors has more than 200 years of cumulative experience, providing us with a set of diverse and complementary capabilities. Our board of directors currently features four independent members with a diverse range of expertise in healthcare, law, investment banking, digital, and sales and marketing. Moreover, Auna has recently announced the implementation of a new organizational structure that will focus on scaling and integrating its established regional capabilities in medical resolution and patient experience.

Our controlling shareholder, Enfoca, is one of Latin America's foremost investment firms and has a proven track record of more than 16 years as an active investor in private equity, contributing to our and other consumer-facing companies' growth in the region. Enfoca has introduced strategic initiatives aimed at accelerating growth, enhancing profitability, fostering innovation, developing talent, increasing efficiencies and implementing best-in-class corporate governance practices that we believe positions us well for sustainable long-term growth. In addition, Enfoca actively participates in many of our management-level committees, including our executive, buy & build, and human talent committees and helps drive the execution of our growth strategy. We believe that our controlling shareholder's continuing support, engagement with management and long-term vision for growth gives us a competitive advantage.

Our Future

To achieve our mission, we rely on the following key strategies, which combine complementary medical, cultural and operational strategies:

Increase, improve and enhance access to our healthcare services, widening the coverage scope and geographic footprint of our health plans and service packages

We believe we have a substantial competitive advantage through the breadth of our healthcare plan offering, as it provides us with unique cost efficiencies and excellent patient outcomes, and we plan to use our extensive expertise managing these populations to enhance our service package effort, tailored to the needs of insurance companies and other payers that are seeking to outsource these capabilities to best serve the populations under their command.

In Healthcare Plans in Peru, we have a long track record of providing oncology plans with a vertically integrated model where we are both insurer/payer and provider of treatment in our own facilities, achieving excellent medical outcomes and also attractively low MLRs. In 2019, we expanded the scope of our Healthcare Plans by launching general healthcare and specialized plans in Peru, which provide our members with more flexibility than traditional insurance programs supported by our high-quality care at accessible prices and have grown our membership base in those plans to over 263,000 as of June 30, 2023. Just in the last six months, our membership base grew 34.2%. We believe there is ample opportunity for additional growth in these plans in Peru.

Through the acquisition of OCA in Mexico, we obtained the leading oncology services provider in the Monterrey area and with the acquisition of Dentegra, we have a platform that will facilitate rolling-out general and specialized healthcare plans in Mexico that can be vertically integrated with our hospitals and other facilities. Dentegra has an ample distribution network and membership base of over 2.6 million, significant regulatory and commercial relationships, and a nationwide health insurance license, which we believe will allow us to accelerate our time-to-market to roll out oncological healthcare plans in the country in 2024. We plan to apply the know-how and experience obtained with Oncosalud to introduce oncology plans to the large and underserved Mexican market, providing the benefits of this specialized and affordable coverage to a broad market and unlocking a substantial growth opportunity to Auna. We have identified a total addressable market of more than 14 million potential memberships and we believe that with plans that are similar to those refined by Oncosalud in Peru over many years, we will be able to capture a significant membership base among the underserved Mexican population and add to Auna Mexico the vertically integrated arm of the business, similar to our operations in Peru. Initially, we will focus on launching in Monterrey, which will allow us to validate patient experience and claims management models for the Mexican market in a region that we have familiarity, and where we have a significant presence and facilities. We plan to launch through hospital sales, telemarketing, digital calls, e-commerce, and B2B. Once Monterrey has been successfully tested, we will focus on rolling out the plans in other major cities and eventually throughout Mexico within an integrated model to capture what we believe is a significant market opportunity.

Focus on being the premier provider of high-complexity services in our regional markets

Through the breadth of our networks, high-end medical equipment and world-class medical staff, we are able to be a one-stop shop for our patients, providing diagnostic laboratory, imaging and pharmacy services within our own network of facilities in addition to our inpatient, outpatient and telehealth services. With our unified technology platform and the standardized information it provides across facilities, we are also able to provide patient care at any of our facilities and to optimize our facilities for different levels and ranges of service capabilities. For example, if a patient typically receives healthcare at one of our lower complexity facilities, but needs a high-complexity service, we can access their medical records at another facility that is able to provide the high-complexity service and involve our higher-complexity facility and staff in ways that range from remote consultation and interpretation of diagnostics and imaging to having the patient travel to our high-complexity facility for specific treatments. This network approach to managing assets and capabilities allows us to cover nearly every medical situation, increase our high-complexity services through low-complexity services and still provide efficient service across our network. We intend to place a greater focus going forward on establishing regional strategic Centers of Excellence, similar to the Oncological Center of Excellence we currently have, for other high-complexity medical specialties and practices and differentiating the role that each of our facilities has within our Healthcare Network. We also plan to orient our flagship facilities, particularly Doctors Hospital in Mexico, Clínica Delgado in Peru, and Clínica Las Américas in Colombia, as well as selected facilities in smaller cities, towards higher levels of utilization for the high-complexity procedures and treatments in which we excel, which we believe will drive margin expansion.

Continue our patient-centric and value-based approach to healthcare delivery

We believe we have a unique patient-centric culture that focuses on proactive interactions with our plan members and patients to promote health objectives, including through innovative uses of technology, with the goal of fostering life-long relationships with them. We support our patients' and members' life journeys of health and diseases, from prevention to early detection, to early treatment, to disease management and recovery. Our patient-centric culture rests on three key elements, (i) proactive and early detection of illnesses, (ii) emphasis on healthy living and health awareness through general and individual communications with our Healthcare Plans members and our Healthcare Network patients and (iii) the integrated digital and in-person delivery of services and information using online and face-to-face tools to improve and streamline our members' and patients' healthcare experiences and

medical outcomes. We intend to continue enhancing the plan member and patient experience using these tools and promoting further adoption of innovative means of interaction in the future.

In our Healthcare Plans segment in Peru, we perform more than 131,216 preventive check-ups on a yearly basis, targeting members we identify as higher risk using our extensive population history and our data analytics capabilities. Early detection and treatment are critical to achieving optimal medical outcomes, particularly with progressive diseases such as cancer. Early treatment also has a much higher rate of success and typically at a lower cost both in monetary terms and in terms of the physical and mental toll that treatment imposes on the patient. Early detection also strengthens our connection with each patient and enhances the likelihood that we will be the provider of choice for that patient for other services over time and for their friends and family. Incorporating best practices learned in over 30 years of experience in Oncosalud, we are also increasing our emphasis on healthy lifestyle habits, regular medical check-ups and other prevention and early detection services in our Auna Mexico, Auna Peru and Auna Colombia Healthcare Networks. Through this approach, we are well-positioned to detect and treat disease early and improve medical outcomes. Oncosalud's industry-leading 5-year survival rate and MLR levels are a testament to the success of our approach.

We complement our preventive medicine efforts by ensuring that we consistently provide a seamless and integrated experience across different services and facilities, offering our patients timely information about their policy through digital means and providing immediate and convenient telehealth solutions, which in addition to improving our patients' experiences, allow us to stand-out against our competition.

Leverage our technology platform and expand the use of digitally enabled solutions to improve our patients' and members' healthcare experiences and medical outcomes while optimizing efficiency and cost control

Our investments in technology allow us to provide standardized information in a timely and accessible manner to our healthcare practitioners which eases the burden on and promotes the effectiveness of our healthcare, management and administrative staff, and in turn enables us to provide efficient service at lower cost. For example, we were the first medical group in Peru to launch an EMR system that is accessible to doctors and staff throughout our network. The EMR system is a core component of our overall HIS, which is now in place in all of our hospitals in Peru and Colombia, and which we plan to implement in Mexico. We intend to expand our HIS to the Auna Colombia and Auna Mexico networks as well.

In addition to HIS and HCP Core, we also have introduced a telehealth platform that provides virtual diagnostic and treatment services, the Auna App that enables our plan members and patients to easily access their medical information, interact with us, schedule and pay for appointments, access their medical records, view results of their diagnostic tests and contact us in a convenient manner. We have also introduced a digital pharmacy, which is interconnected to our digital capabilities and remote appointments.

In addition to reducing administrative burdens and costs, these investments allow us to offer our patients a comprehensive, end-to-end healthcare solution in an immediate and timely manner, reducing waiting times for beds and consultations and seamlessly integrating digital solutions with top-of-the-line in-person services, thus providing a fluid customer experience throughout our network.

We plan to continue investing in technology and promoting digital adoption among our members and patients to enhance their healthcare experience and to strengthen our connection with patients after they have left our direct care.

Expand our networks through organic and inorganic growth

The scale of our integrated healthcare networks in Mexico, Peru and Colombia is central to our success – it increases our brand awareness, allows us to achieve cost and other efficiencies at the network level and improves our bargaining power with third parties, including third-party payers and suppliers of medicines and medical equipment, as well as top-notch medical personnel. As a result, our scale provides us with the resources to continually improve the quality and breadth of our healthcare services. Due to the relatively low penetration of healthcare services in the countries where we operate, deficits in medical capacity and the generally poor quality of most public and many private healthcare alternatives, we believe there is significant room for growth. We intend to continue growing our current business by filling out current available capacity, investing in our business and adding

facilities to each of our networks to address additional market needs and grow our business. Our goal is to have a presence in most or all of the major urban centers in the countries in which we operate and in doing so increase our patient and membership universe. Although we have a well-established presence in Lima and other large cities in Peru, there are several cities in Peru where we do not currently have a presence that have sufficient potential demand to be attractive markets to enter. In Colombia, we currently operate in the Medellín metropolitan area as well as in the northern cities of Barranquilla and Montería and will continue to assess opportunities to establish a presence in several of Colombia's other major cities. In Mexico, we currently operate healthcare network facilities in the Monterrey metropolitan area, the most prosperous city in Mexico. In addition to the significant structural similarities between the Mexican and Peruvian healthcare sectors, Mexico represents a transformative market opportunity for us. Mexico's market is over twice the size of the Peruvian and Colombian markets combined, while being even more underserved. Mexico has attractive demographic and macroeconomic tailwinds that result in significant growth prospects and in particular Monterrey and the north of Mexico, have been strongly benefitting from the ongoing nearshoring, increasing GDP per capita in the region and healthcare demand. We will seek to add facilities to our Mexican network that meet our standards of quality in terms of expertise of available medical staff, modern infrastructure that enables efficient operation and ease of access for patients and plan members in terms of location, both organically and inorganically.

Continue to strengthen our strong clinical and research platform and capabilities and attract and retain top medical professionals

We believe that demand for our services is driven by our ability to offer high quality healthcare services that produce first-class medical outcomes. We are able to achieve this through the combination of top-notch facilities that meet our patients' needs with a strong academic, scientific and clinical research backbone. We plan to continue to expand our intellectual capabilities and practical experiences, and with this, to consistently feed our standardization procedures and protocols, which further improve medical outcomes and increase the demand for our services, closing the loop in a self-learning and scalable cycle of excellence. We will persistently leverage our scale to attract human capital across the whole organization including best-in-class doctors and other medical professionals.

Our intellectual platform is expected to be further strengthened by Auna Ideas, our biomedical and innovation engine that incubates and accelerates disruptive ideas throughout our regional network, which will continue to be a key priority to differentiate from our competitors. Through Auna Ideas we focus on the integration of the newest technologies available to push and widen Auna's reach and expand access to more patient-centric healthcare.

Environmental, Social and Governance

At Auna, we care and take care. We apply this not only to our employees and patients, but also to the communities in which we operate, contributing to their development and well-being while keeping in mind each country's unique environmental, social and governance ("ESG") needs. We are aware that transforming health in Latin America is a challenge that involves the growth of companies in an interdependent manner with society and the environment. We are convinced that the challenge is not limited to taking care of health from a medical and scientific point of view, but also involves contributing to the comprehensive well-being of society, supporting the development of the communities in the regions where we operate and protecting the environment.

In 2023, we took actions to further our commitment to ESG management. For example, we strengthened our sustainability team by adding an ESG manager, ESG analyst and environmental specialists. In addition, we worked with over 80 stakeholders to develop a materiality analysis with respect to a list of the top ESG issues we face in each of the countries in which we operate. We are in the process of developing an internal dashboard that will be used as a monitoring system of key indicators related to the ESG issues we identified, including those related to compliance, anti-bribery procedures, occupational health and safety, data privacy, diversity and inclusion, ESG evaluations of our suppliers, social impact, waste management, carbon footprint measurement and eco-efficiency.

Environmental

We care and take care of our environment. As a healthcare company, we are aware of the effects that climate change can have on the health of our employees, patients, members and communities, and we acknowledge the

crucial role that businesses play in the fight against climate change. Consequently, we are committed to managing our environmental impacts responsibly. In furtherance of that commitment, our sustainability strategy focuses on addressing our environmental governance, carbon footprint, waste management and eco-efficiency. In addition, in 2023, we approved an environmental policy and formed an environmental committee consisting of the environmental teams in Mexico, Peru and Colombia and led by our sustainability manager. Our initiatives include various strategies to reduce our greenhouse gas emissions, energy consumption and water consumption, as well as innovative waste management.

Social and Governance

We care and take care of developing health and promoting well-being in our communities. We promote healthcare and prevention supported by scientific knowledge and medical research to help people live longer and healthier lives.

Auna is also committed to expanding quality access to healthcare in the countries in which we operate. In 2022, we were able to impact over 359,600 individuals through the various social projects we deployed, including by providing blood donations, mammograms, cleft lip and palate surgeries and healthcare education through campaigns, among others. In addition, we are dedicated to helping our communities during public health crises. For example, in response to the COVID-19 pandemic, we joined the Peruvian and Colombian governments' efforts to vaccinate as many people as possible in the shortest amount of time. In total, over 308,800 doses of the COVID-19 vaccine were administered by Auna in Peru and Colombia.

We are also committed to ensuring that all of our employees, patients, members and users are treated with the same degree of respect, empathy and compassion. To this end, we began our diversity initiative in 2022 by laying the groundwork with the approval of our diversity and inclusion policy and the formation of our diversity committee. We have continued our efforts throughout 2023 with different trainings and campaigns covering a wide range of topics such as diversity, inclusion and sexual harassment prevention, which have helped us bring our diversity and inclusion management to life at all levels of our organization.

Employees and Medical Staff

As of June 30, 2023, we had 14,730 employees in Peru, Colombia and Mexico, including 9,320 medical personnel, which includes physicians, nurses and technicians. Approximately 1.0% of our employees were part-time employees, the majority of which are physicians that are hired on a fee-for-service basis. We are subject to various laws that regulate wages, hours, benefits and other terms and conditions relating to employment. As of June 30, 2023, none of our employees were members of labor unions.

Our hospitals and clinics, like most institutions in the industry, have experienced rising labor costs. In Peru, Colombia and Mexico, attracting and retaining qualified medical personnel, in particular nurses, has become a significant operating issue for healthcare providers. See "Risk Factors—Risks Relating to Our Business—Our performance depends on our ability to recruit and retain quality medical professionals, and we face a great deal of competition for these professionals, which may increase our labor costs and negatively impact our results of operations." To address this challenge, we have implemented several initiatives to improve retention, recruiting, compensation programs and productivity, including:

- Flexible and highly competitive compensation mechanisms for physicians;
- A new training and support plan for nurses that includes professional development and wellness courses; and
- A corporate professional growth and development program in Peru called CRESER, which aims to develop talent within our corporate and administrative unit by providing a clear, structured career path for high potential employees.

Our hospitals and clinics are staffed by licensed physicians, including physicians employed by us, physicians working as independent contractors and physicians who are hired through contracts that we have with certain

medical groups or doctors' associations in Peru, Colombia and Mexico. Any licensed physician may apply to be accepted to the medical staff of any of our hospitals or clinics, but each facility's medical staff and the appropriate governing board of such facility, in accordance with established credentialing criteria, must approve the addition of each physician to the staff.

Our Operations

Suppliers

Our primary suppliers are contracted through purchase orders for the provision of the medicine, medical supplies and medical equipment necessary for our services. Although the procurement of medicine and medical supplies for our networks is currently centralized at each country's corporate level, it also benefits from the regional scale of Auna.

We are in the process of establishing systems and procedures that will allow us to coordinate our procurement process across countries. Our Quality Control Committee and, in the case of technology products, our Technology Evaluation Committee prepare an approved list of suppliers and products in Peru, Colombia and Mexico. From this list, our procurement department evaluates potential suppliers and products and selects which suppliers and/or products to use. As of June 30, 2023, we had 191 medicine suppliers in Peru, 196 in Colombia and 57 in Mexico. For the six-month period ended June 30, 2023, we purchased 73%, 63% and 88% of our medicines from our 10 largest suppliers in Peru, Colombia and Mexico, respectively. For more information on our suppliers, see "Risk Factors—Risks Relating to Our Business—We rely on a limited number of suppliers of medical equipment and supplies needed to provide our medical services."

Procurement of medical equipment is also centralized at the corporate level and is principally managed by our Clinical Engineering Department. This department assesses the equipment needs at all of our facilities, evaluates various suppliers and selects which suppliers to purchase from. This department also oversees the installation of all purchased equipment and the ongoing maintenance of such equipment throughout its useful life.

Sales & Marketing Channels

We sell our healthcare plans through a variety of channels, including:

- Our in-house sales force, which we employ directly and accounted for 16.8% of plan sales in the six-month period ended June 30, 2023;
- Telemarketing, which is done by a third-party vendor and accounted for 24.5% of plan sales in the six-month period ended June 30, 2023;
- Corporate channel, as some employers provide coverage to employees, which is done by an in-house team and accounted for 14.2% of plan sales in the six-month period ended June 30, 2023;
- Partnerships with third parties, such as banks, through which plans are sold directly in bank branches and via call-centers, and credit card companies, which accounted for 5.3% of plan sales in the six-month period ended June 30, 2023;
- Independent brokers, which accounted for 34.8% of plan sales in the six-month period ended June 30, 2023; and
- Digital advertising, which accounted for 4.4% of plan sales in the six-month period ended June 30, 2023.

We sell our dental and vision insurance plans through:

- Partnerships with third parties, such as banks, through which plans are sold directly in bank branches and via call-centers, and credit card companies, which accounted for 81% of plan sales in the six-month period ended June 30, 2023; and

- Independent brokers, which accounted for 19% of plan sales in the six-month period ended June 30, 2023.

Approximately 92.6%, 79.4% and 95.8% of the total revenue from contracts with customers in our Healthcare Services in Mexico, Healthcare Services in Peru and Healthcare Services in Colombia segments, respectively, were generated by payments from third-party private insurers during the six-month period ended June 30, 2023. As a result, we focus primarily on negotiating contracts with private insurers to ensure that our hospitals and clinics are on their list of approved facilities. We have a dedicated commercial team to handle negotiations with insurance providers, with the objective of building and maintaining close relationships with them and ensuring that our network of hospitals and clinics is included in all their insurance plans.

As part of our integrated sales and marketing strategy, we focus on optimizing our customer acquisition cost while offering a strong and proven portfolio. As part of this strategy we offer an omnichannel solution portfolio.

Technology

We have a comprehensive platform with robust data and technology architecture that enables us to deliver high-end patient experiences and high-quality medical outcomes. Our platform serves clinical, administrative and operational goals, which benefits patients, members and caregivers. We have leveraged tools from best-in-class vendors to create a scalable platform. Patients, members and caregivers benefit from electronic health records, online appointment scheduling, appointment management, insurance management and membership verification, telehealth services and access to a digital pharmacy.

Our platform is accessible through the Auna App and via desktop. Internally, our technology supports medical insights, medical record management, administrative functions and revenue cycle management. We have also introduced a digital pharmacy, which is connected to our digital capabilities and remote appointments. We believe that by investing in our technology solutions, we can better reach underserved segments of the population and provide accessible, immediate and timely access to healthcare.

In Mexico, we primarily use two systems in the management of our healthcare services: Hospital 3.0, which supports the hospital network; and Sisco, our enterprise resource planning system for administrative and accounting processes. We primarily use two systems in the management of our insurance plans in Mexico: Healthcase, which supports the operation of our insurance plans, and Contpaq, which supports accounting related to our insurance plans.

We use four main IT systems in Peru:

- HIS, a specialized system used at our network of facilities, that, among other features, registers our patients' contact information; manages administrative services, such as hospital admissions and billing; and houses our EMR system;
- SAP, our enterprise resource planning system, that handles all of our accounting and financial processes;
- SAP Insurance, a specialized system responsible for the operation of our healthcare plans, which registers plan members for new plans and manages the ongoing operational tasks associated with existing healthcare plans; and
- Oncosys, a specialized system responsible for managing the administrative processes of our healthcare plans, that, among other features, tracks procedures, schedules and outcomes and processes the contractual documentation of our doctors.

We expect to replace Oncosys with SAP Insurance in the near future as our system for the management of our healthcare plans.

We also rely on two other supporting systems: RIS/PACS, a management system for diagnostic imaging; and LIS, a management system for our clinical laboratories. In addition, we have a patient app, which offers users the possibility of scheduling appointments at any of our seven hospitals in Peru in a convenient and accessible manner and is available at both Apple and Android stores.

In Colombia, we primarily use three systems: HIS, which supports the hospital network; LIS 4D, a management system for our clinical laboratories; and Servintec, our enterprise resource planning insurance system for administrative and accounting processes. We are in the process of replacing Servintec with SAP as our main system in Colombia, which we expect to complete in the first quarter of 2024.

Following our recent acquisitions, we are currently in the process of reevaluating these systems in an effort to optimize company resources, as we intend to expand a uniform HIS throughout all three of our healthcare networks.

We continuously invest in technology as we pursue high-end data and technology assets. We currently manage data from more than 1.5 million users and over more than 30 years of data collection practices, allowing us to structure personalized, preventive and timely medical guidance for each of our patients. We believe that this helps us anticipate patient needs, identify patterns and trends, and predict medical outcomes by leveraging data across multiple medical cases.

Trademarks

In Mexico, ownership of trademarks can be acquired only through a validly approved registration with the *Instituto Mexicano de la Propiedad Industrial*. A trademark registration is granted for a term of 10 years from the date on which the grant becomes enforceable and can be renewed for successive 10-year periods.

As of the date of this Exchange Offer Memorandum, we own 121 valid, registered trademarks in Mexico. The main trademarks we use in our operations are “Doctors Hospital Auna,” “OCA Hospital Auna,” and “Doctors Hospital East Auna.”

In Peru, ownership of trademarks can be acquired only through a validly approved registration with INDECOPI. A trademark registration is granted for a term of 10 years from its grant date and can be renewed for successive 10-year periods.

As of the date of this Exchange Offer Memorandum, we own 273 valid, registered trademarks in Peru. The main trademarks we use in our operations are “Auna,” “Oncosalud” and “Auna Clínica Delgado Pasión por Cuidarte.”

In Colombia, ownership of trademarks can be acquired only through a validly approved registration with the SIC. A trademark registration is granted for a term of 10 years from the date on which the grant becomes enforceable and can be renewed for successive 10-year periods.

As of the date of this Exchange Offer Memorandum, we own 178 valid, registered trademarks in Colombia. The main trademarks we use in our operations are “Clínica Las Américas,” “Clínica Del Sur Las Américas,” “Instituto de Cancerología Las Américas” and “Clínica IMAT Oncomédica Auna.”

Competition

In Mexico and Peru, we face competition primarily from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. Our Auna Colombia network faces competition in Colombia from both public and private healthcare services providers. We face competition from these facilities on key factors such as (1) range of services offered to patients and physicians, (2) level of specialization of medical staff, and (3) reputation in the community.

Our strategy is designed to ensure our business is competitive, by focusing efforts on the quality of care, ability to attract and retain quality physicians, skilled clinical personnel and other health care professionals, location, breadth of services, technology offered, prices charged and our verticalized integrated business model.

The healthcare markets in Mexico, Peru and Colombia have historically been fragmented, and part of our competitive edge has been the reach of our networks. In recent years, new market entrants are seeking to consolidate their positions and increasingly compete with us.

Mexico

In Mexico, we face competition from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. Main players have increased their offerings in recent years mainly through the construction of new facilities. In the same line, their renovation plans aim to add capacity and new technologies to keep up with the competition.

According to Global Health Intelligence, Doctors Hospital and OCA Hospital, two of our three facilities in Mexico, are positioned among the top 10 best-equipped private hospitals ranking in Mexico in 2022.

Our Auna Mexico network faces competition from other high-complexity hospitals in Monterrey. In Nuevo León more specifically, Grupo OCA, with our three healthcare facilities, is positioned as the leader in terms of the number of beds in the private healthcare sector. However our network still faces competition from other high-complexity hospitals in the region, such as Christus Muguerza, Hospital Angeles, TecSalud and Swiss Hospital.

Moreover, we also face competition in the private healthcare plan market. There is a significant concentration in the Mexican private healthcare insurance market with the top 5 providers accounting for more than 95% of health plan providers premiums market in 2022, which includes our Dentegra operations.

Peru

In Peru, we also face competition from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. The market in Peru is generally fragmented. According to SUSALUD, as of December 2022, there were 24,719 healthcare facilities in Peru, which include hospitals, private clinics, medical centers, private consultation facilities and dental hospitals. We are currently one of the few private healthcare networks in the country with broad geographic reach.

Well-established global players such as UnitedHealth and Quirónsalud have strongly positioned themselves through the acquisitions of Clínica San Felipe and Clínica Ricardo Palma, respectively, although Quirónsalud recently announced the sale of its operations in Peru and Colombia, while local groups such as Pacífico (through the Sanna network) and Rímac (through the Clínica Internacional network) have established horizontally integrated operations similar to ours in terms of coverage and structure.

Our flagship hospital, Clínica Delgado, faces competition from other high-complexity hospitals in Lima. Our regional hospitals outside of Lima face competition primarily from Sanna and Clínica Internacional, the hospital networks of Grupo Pacífico and Rímac, respectively.

Peru's capital and most-populated city, Lima, and its metropolitan area, have the highest concentration of individuals with some type of healthcare coverage and is home to most of the country's largest and most sophisticated hospitals.

While we are the only provider of a vertically integrated oncology plan in Peru, Oncosalud also faces competition from companies that offer general healthcare plans covering oncology services, including from traditional insurance providers and other companies offering prepaid plans covering oncology services. We believe Oncosalud's main competitors are Rímac and Pacífico, the two main insurance providers in Peru, both of which have substantial financial resources and provide both specialized oncology plans and general healthcare coverage covering oncology.

There is significant concentration in the private healthcare plan market, with the top 10 providers accounting for more than 98% of the market since 2014. Oncosalud has consistently maintained a strong position in the market, and as of December 2022, it held 29.3% of market share in the industry based on number of total plan members, including Auna's general healthcare plans, which have been growing since 2020, when we expanded our portfolio to offer this kind of plans.

In Peru, we face limited competition from government providers, such as EsSalud and SIS, as a result of capacity limitations and deficiencies related to the standard of care despite their substantial financial resources.

Colombia

In Colombia, the market has seen increasing consolidation in recent years as both global and local players vie to integrate horizontal platforms in a sector where many top institutions are still owned by foundations and non-profit entities. We face competition from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. The infrastructure gap between privately-owned and state-owned facilities is smaller in Colombia compared to Peru and we face competition from state-owned facilities as well.

Clínica Las Américas, our hospital located in Medellín, is positioned within Medellín's premium hospital segment, due to its infrastructure, medical service capabilities and offered specialties.

However, in Medellín, we face competition from other hospital networks with premium facilities, including San Vicente de Paul, Pablo Tobón Uribe and El Rosario. Although they have smaller installed capacity, Clínica IPS Universitaria and Clínica Medellín, operated by Quirónsalud, are also competitors with strong brand awareness in Colombia.

In Monteria, we face competition from other hospital networks with premium facilities, including San Jeronimo and Clinica Monteria. We also face a heightened competitive risk in Monteria as a result of the concentration of control of the market in a few individuals.

In Barranquilla, we also face competition from other hospital networks, including Clínica Iberoamerica (Grupo Keralty/Sanitas), Clínica del Caribe, Organización Clínica General del Norte y Bonnadona. Certain of our competitors may have greater financial resources, be better equipped and offer a broader range of healthcare services than we do.

Material Agreements

Surface Rights Agreement

On July 8, 2009, Medicser entered into an agreement (the "Surface Rights Agreement") for the surface rights of a tract of land with the Peruvian Red Cross Society. Under the Surface Rights Agreement, Medicser has ownership of the buildings on the land and the right to use, enjoy and for certain purposes encumber the surface of the land. The sole and exclusive purpose of the Surface Rights Agreement is the construction of Clínica Delgado and its operation. The Surface Rights Agreement will terminate 40 years after the second anniversary of the registration of the surface rights in the property register by the Peruvian Red Cross Society, which took place on September 2, 2011. The rights are amortized during the forty-year lease period. Pursuant to the Surface Rights Agreement, we are obligated to make monthly payments of US\$7,500 in favor of the Peruvian Red Cross Society until the twentieth month after the execution of the Surface Rights Agreement. From that date onwards, and for a 10-year and four-month period and three 10-year periods, we are obligated to make monthly payments of (i) US\$15,000; (ii) US\$25,000; (iii) US\$35,000; and (iv) US\$45,000, respectively, and in each case, as adjusted by 1.5% annually.

On August 30, 2009, Medicser and the Peruvian Red Cross Society entered into an amendment to the Surface Rights Agreement primarily to amend the area of the land for construction of Clínica Delgado.

Oncosalud San Borja Lease Agreement

On August 28, 2019, Oncocenter entered into a lease agreement with Promotora Asistencial S.A.C. Clínica Limatambo (the "Oncosalud San Borja Lease Agreement") for our hospital, Oncosalud San Borja, located in Lima, Peru. The Oncosalud San Borja Lease Agreement was amended in June 5, 2023. The Oncosalud San Borja Lease Agreement has a 10-year term and includes a right of first refusal in favor of Oncocenter for any offer to purchase the property for the duration of the agreement. Pursuant to the Oncosalud San Borja Lease Agreement, monthly lease payments are US\$120,000 (S/425,244) and increase by US\$10,000 (S/35,437) every six months for the first three years of the agreement. For the remaining six years of the term, monthly lease payments increase annually to reflect increases in Lima's consumer price index.

Legal Proceedings

We are party to a number of legal and administrative proceedings arising in the ordinary course of our business, including medical malpractice and employment and labor lawsuits. We categorize our risk of loss in these

proceedings as probable, possible and remote. We record provisions only for those proceedings that have a risk of loss deemed to be probable. As of June 30, 2023, we had provisions for outstanding claims in the amount of S/113,000 (US\$31,147), which cover all losses resulting from claims filed against us that have a risk of loss deemed to be probable. For more information see note 18 to our audited condensed consolidated financial statements.

Regulation of the Mexican Healthcare Sector

The Mexican healthcare system is a complex mix of public and private services based on the constitutional right to healthcare access. The right to healthcare access is implemented through the *Ley General de Salud* (the “LGS”), which outlines the roles of federal and local authorities as well as of public and private institutions in the provision of healthcare. Below are the key aspects of the Mexican healthcare system:

1. **Health Ministry:** The Health Ministry (“SSA”) is the federal authority in charge of executing and conducting public policy on health services and sanitary matters.
2. **Social Security:** The majority of the population relies on public healthcare services provided by the IMSS and the Institute for Social Security and Services for State Workers (“ISSSTE”), as well as similar state-level institutions that provide social security and healthcare to state and municipal workers.
3. **INSABI and IMSS-Bienestar:** The Health Institute for Wellbeing (“INSABI”) was established to provide healthcare services to the uninsured population and progress towards the goal of universal healthcare coverage. It offers free healthcare services with an emphasis on primary care. However, the implementation and effectiveness of INSABI have faced challenges. INSABI is currently in the process of being integrated into IMSS-Bienestar to centralize public healthcare services to the uninsured population. The Mexican government aims to conclude the transition process from INSABI to IMSS-Bienestar by 2024, while attempting to continue providing uninterrupted healthcare services by the corresponding entity throughout the transition. IMSS-Bienestar originated as a subprogram ran by IMSS, but was later transformed into a public autonomous entity that would eventually take over control of all public healthcare services to the uninsured population.
4. **Private Healthcare:** Mexico has a thriving private healthcare sector, which provides high-quality services to those who can afford them. Many Mexicans have private healthcare plans or pay out-of-pocket for private medical care. The availability and level of specialization of private healthcare overall surpasses the scope of IMSS, ISSSTE and INSABI/IMSS-Bienestar, particularly due to insufficient number of clinics and hospitals to address the needs of the population.
5. **Healthcare Financing:** The healthcare system in Mexico is funded through a combination of contributions from employers, employees, and the government; IMSS and ISSSTE generally struggle to maintain healthy finances due to the number of people covered under the respective institute as well as previous pension programs (for example, in 2022, IMSS had a deficit of US\$895 million dollars). Private healthcare plans and out-of-pocket payments also play a significant role in financing healthcare.

In summary, the Mexican healthcare system is characterized by a dual system of public and private healthcare services, with significant disparities in quality and accessibility. While there have been efforts to expand coverage and improve healthcare access, challenges such as regional disparities and funding issues continue to impact the effectiveness of the system.

Generally, all healthcare facilities in Mexico are subject to a wide range of regulations, as well as permits, licenses, authorizations and concessions, which vary depending on the location of the facility and its level of specialization, scope of services and size.

Pricing and Quality of Services

Pricing. Most healthcare services in Mexico are not subject to price controls. However, there are specific restrictions applicable to the public sector – IMSS and ISSSTE – related to the supply of medicines, medical devices or other equipment to these institutions, which are subject to governmental controls.

Quality. Healthcare services quality is regulated by the SSA and the *Comisión Federal para la Protección contra Riesgos Sanitarios* (“COFEPRIS”) through the relevant licenses and registries, as well as through vigilance of the application of the relevant regulations, as described in the Sanitation Standards section below.

Competition

The *Ley Federal de Competencia Económica* (“LFCE”) and its related regulations regulate free competition, antitrust matters, monopolies and monopolistic practices, and require Mexican Government approval for certain mergers and acquisitions. The LFCE grants the government the authority to establish price controls for products and services of national interest through presidential decree.

On May 23, 2014, a new LFCE was published in the Mexican Official Gazette (*Diario Oficial de la Federación*) and became effective on July 7, 2014. This law was issued in order to implement the recent amendment to article 28 of the Mexican Constitution regarding antitrust matters, whereby the Mexican Government was entitled to establish the COFECE in substitution of the former Comisión Federal de Competencia (Mexican Federal Antitrust Commission), which will have all powers necessary to fulfill its purpose, regulate access to essential materials and order any sale of assets, rights, ownership interests or shares of economic firms, as necessary to eliminate any anti-competitive effects. Mergers and acquisitions and other transactions that may restrain trade or that may result in monopolistic or anti-competitive practices or combinations must be approved by the COFECE.

Data Protection

On July 5, 2010, the *Ley Federal de Protección de Datos Personales en Posesión de los Particulares* (“LFPDP”), was published in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*) and it became effective on the next day. The purpose of the LFPDP is to protect personal data collected, held or provided by individuals, and to enforce controlled and informed processing of personal data in order to ensure data subjects’ privacy and the right to consent with respect to the use or deletion of protected information.

The LFPDP requires companies to inform data subjects about the information being collected, used, disclosed or stored and the purpose of such collection, use, disclosure or storage via a privacy notice and provides special requirements for processing sensitive personal data (which is defined as data relating to race, physical condition, religious, moral or political affiliation, and sexual preferences). The LFPDP gives data subjects the right to: (1) access their data; (2) have inaccuracies in their data corrected or completed; (3) deny transfers of their data; and (4) oppose use of their data or have it deleted from a company’s system (other than in certain circumstances expressly set forth in the LFPDP, such as the exercise of a right or holding information required under applicable law). The LFPDP requires that, if disclosure of data is permitted, the transferee agrees to the same restrictions as those set forth in the documentation permitting the original receipt and subsequent disclosure of information. The LFPDP also provides that data may be disclosed without the consent of the data subject in certain limited circumstances: (1) a law requires or permits disclosure; (2) disclosure is required in connection with medical treatment; or (3) disclosure is required for public policy reasons or in connection with a legal action. The LFPDP requires immediate notice to a data subject, of any security breach that significantly affects his/her property or moral rights.

The recently created *Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales* (“Institute”), will be authorized to monitor and enforce compliance with the LFPDP by private entities processing personal data. Such entities will be held liable for interfering with a data subjects’ exercise of their rights under the LFPDP and for failing to safeguard their personal data. Data subjects who believe that a company is not processing their personal data in accordance with the LFPDP may request an investigation by the Institute. Following an investigation, the Institute may: (i) dismiss the data subject’s claim or (ii) affirm, reject, or modify a company’s answer to a data subject’s claim. Penalties for violating the LFPDP’s provisions include a fine up to the equivalent of 19.1 million Mexican pesos (approximately US\$1.1 million) a prison sentence of up to five years or double the applicable fine or sentence for violations related to sensitive personal data.

Environmental Regulations

The General Law for the Ecologic Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*) sets forth the baseline of all environmental obligations for the development,

construction, and operation of any project in Mexico. Depending on the aspects of any particular project, it may require different permits, licenses, and authorizations to be issued by the *Secretaría de Medio Ambiente y Recursos Naturales* (the “SEMARNAT”), which is the federal authority in charge of environmental policy in Mexico, and/or from local, state-level, environmental authorities, in terms of environmental impact, waste management, wastewater discharge and air emissions, among others. The base permit for the development of a project in Mexico is the environmental impact authorization, which is the initial assessment of all impacts to the environment derived from the construction and operation of any project, and the mitigation measures required to offset any such impacts. In general terms, all health sector projects, such as hospitals and clinics, are subject to securing an environmental impact authorization from the local environmental authority.

Fines and other administrative measures may be applied by federal or local environmental authorities for any identified noncompliance. As a general matter, sanctions may include fines for up to around 5.2 million Mexican pesos (approximately US\$303,000), temporary or permanent, total or partial closure of facilities, revocation of relevant environmental permits, licenses, authorizations, concessions, and/or registries, and/or reparation or compensation of environmental damages caused.

Wastewater Discharge

All wastewater discharges must comply with the relevant Mexican Official Standard (“NOM”) and the concentration of parameters set for therein. As a general matter, wastewater that is discharged into a sewage system operated by a local public utility must be in compliance with NOM-002-SEMARNAT-1996, which establishes the maximum permissible limits of contaminants in the discharges of wastewater into urban or municipal sewage system, whereas wastewater discharged into federal receiving bodies such as rivers, lakes, or the ground, must comply with NOM-001-SEMARNAT-2021, which establishes the permissible limits of contaminants in wastewater discharges into bodies of water owned by the nation.

In addition, discharging wastewater into a federal receiving body requires a wastewater discharge permit issued by the National Waters Commission (*Comisión Nacional del Agua*), whereas discharges into sewage system operated by the local public utility may be subject to different permits, registries or licenses, depending on the particular state and municipality on which the relevant facility is located.

Hazardous Waste Management

The *Ley General para la Prevención y Gestión Integral de los Residuos* (the “LGPGIR”), alongside NOM-052-SEMARNAT-2005, which establishes the characteristics, identification procedure, classification, and lists of hazardous waste, and NOM-087-SEMARNAT-1995, which establishes the requirements for the separation, packaging, storage, collection, transportation, treatment, and final disposal of biological-infectious hazardous waste generated in healthcare facilities, set forth the basic classification of hazardous wastes, which include all wastes with a hazardousness trait (i.e., corrosiveness, toxicity, reactivity, explosiveness, flammability) as well as all wastes from healthcare services (i.e., blood, tissue, biologic samples, used health equipment).

Any facility on which hazardous wastes are generated in an amount greater than 400 kg per year require a hazardous waste generator registry to be filed before SEMARNAT. In addition, facilities that generate at least 10 tons of hazardous wastes per year, as well as those that generate certain hazardous wastes such as used or expired medicines, blood and its components, tissue and organs, sharp tools that have been in contact with humans or animals (i.e., scalpel, syringes), and the strains and cultures of pathogenic agents generated in diagnostic and research procedures, require a hazardous waste handling plan authorization where the facility’s procedures for handling hazardous wastes are described.

Special Management Waste

Wastes that are not considered hazardous, but are listed as special management waste under LGPGIR or NOM-161-SEMARNAT-2011, which establishes the criteria for classifying Special Handling Waste (*Residuo de Manejo Especial*) and determining which ones are subject to a Management Plan (*Plan de Manejo*); the list of such waste, the procedure for inclusion or exclusion from this list, as well as the elements and procedures for the formulation of management plans, including plastic, paper and cardboard in large quantities, metal, electronic wastes, among others, must be covered under a special management waste generator registry filed before the local environmental

authority, as well as under a special management waste handling plan, depending upon the local regulations on special management wastes.

Radioactive Substances

The acquisition, storage, use and disposal of radioactive sources in medical and diagnostic procedures is subject to authorization from the SSA in coordination with the National Nuclear Safety and Safeguards Commission (*Comisión Nacional de Seguridad Nuclear y Salvaguardias*), as well as subject to various NOMs that regulate safety and preventive measures, including NOM-040-NUCL-2016, Radiological Safety Requirements for the Practice of Nuclear Medicine, and NOM-229-SSA1-2002, Environmental Health. Technical Requirements for Facilities, Sanitary Responsibilities, Technical Specifications for X-ray Equipment, and Radiological Protection in Medical Diagnostic X-ray Facilities.

Sanitation Standards

As set forth in the LGS, all hospitals and clinics are subject to various sanitation standards set forth under relevant NOMs such as NOM-016-SSA3-2012, which establishes the minimum infrastructure and equipment characteristics for hospitals and specialized medical care clinics, and must secure the relevant sanitary licenses for each facility.

Construction Licenses

A construction license must be obtained from the applicable municipal authority to develop any healthcare facility. Construction of new healthcare facilities and expansion or major modification of existing healthcare facilities are subject to prior authorization by the municipal authority. In addition, the construction of any hospital or clinic requires a prior review of whether the project is compatible with local zoning regulations, including urban development plans. Specific requirements may vary from municipality to municipality, but are generally focused on reviewing zoning restrictions, and all technical documents detailing the specifics of any project.

Regulation of Mexican Insurance Sector

Healthcare Insurance plan providers in Mexico, such as Dentegra, are regulated and supervised by the *Comision Nacional de Seguros y Finanzas* (“CNSF”). As a result of the interaction of the providers with their clients, the National Commission for the Protection and Defense of the Users of Financial Services (*Comisión Nacional Para la Protección y Defensa de los Usuarios de Servicios Financieros*) also regulate and supervise healthcare plan providers in Mexico.

Some of the most relevant regulations applicable to providers are the *Ley de Instituciones de Seguros y Fianzas*, (“Insurance Law”), (ii) the *Circular Única de Seguros y Fianzas* (“Insurance Regulations”) and (iii) the Insurance Contract Law (*Ley Sobre El Contrato De Seguro*).

Healthcare plan providers have minimum capital requirements required based on the company’s risk and exposure. The Insurance Law and Insurance Regulations set forth the obligation of the insurance companies to carry out stress tests on a regular basis to evaluate their capital adequacy. The results of such tests shall be reviewed by the board of directors of each insurance company and submitted to the CNSF on a regular basis.

The CNSF has the authority to settle regulations defining the form in which the healthcare plan providers will report and provide evidence of compliance with the solvency capital requirements mentioned above, as well as the procedure to provide the CNSF the information regarding the particular technical characteristics of the internal calculation model adopted by the company.

CNSF’s principal activities in regulating and supervising providers in Mexico include reporting obligations. The main obligations of an insurance company vis-à-vis its regulator are divided within two: (i) the financial obligations, specifically the minimum solvency or liquidity ratios and the technical reserves, and (ii) the reporting obligations to the CNSF.

Healthcare plan providers are required to file before the CNSF certain reports on a monthly, quarterly and annual basis.

Healthcare plan providers must file on a monthly basis the rates charged for the basic insurance products offered to their clients.

The main quarterly regulatory reports include: (i) corporate information, (ii) technical reserves, (iii) capital requirements, (iv) assets and investments, (v) reinsurance and underwriting (if applicable), (vi) financial statements, (vii) statistical information and (viii) third-party transactions.

The main annual regulatory reports include: (i) corporate governance, (ii) reinsurance and underwriting (if applicable), (iii) financial statements, (iv) statistical information related to individual and collective medical expenses insurances regarding accidents and illness, (v) statistical information related to annual statistical information by transaction, line of business and type of insurance, together with reinsurance transactions (if applicable) and (vi) third-party transactions.

Regulation of the Peruvian Healthcare Sector

The Peruvian Constitution of 1993 (the “Peruvian Constitution”) recognized a number of rights and guarantees for Peruvian citizens, including, among others, the right to healthcare. The Peruvian Constitution also guaranteed free access to healthcare services through public and private entities. According to the Peruvian Constitution, the government is also responsible for establishing the rules and regulations governing healthcare providers and for supervising the effective functioning of the healthcare system overall. MINSA is the main governmental entity responsible for such oversight.

MINSA primarily carries out such oversight through SUSALUD, a decentralized, technical entity that is a part of MINSA. SUSALUD is responsible for regulating and supervising the activities of all healthcare providers, whether public or private, including IPRESSs and IAFASs.

All IPRESSs must be authorized by the corresponding health direction and then must be registered at SUSALUD to conduct their healthcare services according to complexity level.

All IPRESSs, including Auna’s facilities, must be registered with SUSALUD in the National Registry of IPRESSs. Registrations are valid for a period of three years.

Private IAFASs, such as Oncosalud, must obtain regulatory authorization from SUSALUD for purposes of their corporate organization, which is valid for two years. Once incorporated, private IAFASs must register with and obtain a second regulatory authorization from SUSALUD prior to commencing operations. Such regulatory authorizations are valid for an indefinite term, subject to the recipient’s compliance with the applicable regulations.

Each of the facilities in our Auna Peru and Oncosalud networks is registered as an IPRESS and Oncosalud, as a provider of prepaid oncology plans, is registered as an IAFAS.

SUSALUD’s principal activities in regulating and supervising IPRESSs and IAFASs include:

- Managing the National Registry of IPRESSs and the Registry of IAFASs;
- Providing authorization to IPRESSs and IAFASs to operate;
- Monitoring compliance by IPRESSs and IAFASs with applicable rules and regulations;
- Identifying unfair terms in the contracts and agreements between IAFASs and their plan members;
- Conducting administrative proceedings and issuing sanctions against any IPRESS or IAFAS that is not in compliance with applicable rules and regulations; and
- Instructs the prosecutor’s office to commence civil and/or criminal prosecution of any IPRESS in case of violations of the citizens’ health rights.

In addition to MINSA and SUSALUD, certain other Peruvian authorities have authority over healthcare providers if the activities of such providers fall within their jurisdiction, including regional and local governments in Peru, INDECOPI and the Justice Ministry.

We are subject to extensive laws and regulations, including those related to: the quality and suitability of healthcare facilities and the services provided by healthcare providers; environmental protection and licensing matters; and the protection of personal data and consumer protection, among others, as enacted by various Peruvian authorities.

Quality of Services

IPRESSs. SUSALUD is charged with oversight of IPRESSs and their compliance with legally mandated standards of service and applicable service offering limitations in accordance with their corresponding classification. SUSALUD may also sanction any noncompliant IPRESS. Such sanctions may vary depending on the degree of the infraction and related fines may be up to 500 Tax Units. The applicable Tax Unit for fiscal year 2023 is S/ 4,950. In addition to imposing monetary penalties, SUSALUD may suspend or revoke a noncompliant facility's registration and order its closure.

The *Dirección General de Medicamentos, Insumos y Drogas* ("DIGEMID") under MINSA is charged with oversight of IPRESSs offering pharmaceutical services and their compliance with legally mandated standards of service and obligations to carry certain essential generic medicines. Noncompliant IPRESSs may be sanctioned.

IAFASs. SUSALUD is charged with oversight of IAFASs and their compliance with legally mandated standards of service and obligations under applicable regulations. In addition, SUSALUD may impose sanctions, including fines of up to 500 Tax Units on, and suspend or revoke the regulatory authorization of, any noncompliant IAFAS. SUSALUD may also establish heightened monitoring regimes and recovery plans on noncompliant IAFASs in order to more closely monitor their liquidity levels and encourage the stable management of the funds.

Economic and Financial Related Regulations Applicable to IAFASs

Each IAFAS must comply with the Regulations of Financial Solvency, Technical Obligations and Support Coverage for IAFASs, approved by Superintendence Resolution N° 020-2014-SUSALUD/S. This and other regulations establish various requirements, including minimum capital requirements, investment requirements and limitations on asset allocations and indebtedness, among others, in an effort to protect an IAFAS's assets and financial equilibrium. Under these requirements, Oncosalud must maintain minimum capital reserves of 459 Tax Units. In addition, as of June 30, 2020, Oncosalud is limited from holding more than S/531.9 million (US\$150.1 million) of debt. To monitor compliance with these obligations, SUSALUD requires IAFASs to provide certain relevant information relating thereto, including financial indicators, solvency margins and information on indebtedness, on a monthly, quarterly or annual basis, as applicable.

As of June 30, 2023, Oncosalud is in full compliance with all solvency, capital obligations and reporting requirements as provided by the applicable regulations.

Processing of Personal Data

The Peruvian Personal Data Protection Law, enacted by Law N° 29733, applies to personal data stored or intended to be stored in a public or private personal database processed in Peru.

Under these regulations, health data is considered sensitive information and as such, there are a series of requirements that data controllers must comply with in processing, which includes any procedure that facilitates access to, or the comparison and interconnection of, personal health data. Among others, these requirements include:

- Obtaining the prior written express consent of the individual whose data is being processed;
- Registering their databases containing personal data and reporting cross-border transfers of such data to the Peruvian National Authority for Personal Data Protection. The creation of such databases must be justified by legitimate purposes;

- Adopting technical, organizational and legal measures to protect the security of the personal data they hold, which must be appropriate to the nature and purpose of the personal data involved; and
- Maintaining the confidentiality of the personal data.

Notwithstanding the foregoing, consent of the individual whose data is collected is not required when, under emergency circumstances, the data is processed within the healthcare network for the rendering of healthcare services to such individual, including prevention, diagnosis or appropriate treatment. In addition, such consent is not required when processing is needed for: compelling reasons in the public interest contemplated by law; treatment for public health reasons; or epidemiological or similar studies.

In addition, according to the General Health Law (Law N° 26842) and the Health Records Technical Norms (Ministry Resolution N° 214-2018/MINSA), data related to the provision of healthcare services, including printed or electronic health records, is protected and healthcare facilities and professionals may face administrative, civil or criminal liability for disclosing such information to third parties, subject to certain exceptions. In cases of unauthorized disclosure, the Peruvian National Authority for Personal Data Protection may impose fines against the breaching entity between 0.5 Tax Units and 100 Tax Units depending on the specific violation. In addition, the individual whose data was disclosed may file a claim for damages.

We are in full compliance with personal data protection requirements as provided by the applicable regulations.

Environmental Regulations

Environmental certification

The Law on the National System for Environmental Impact Assessment (Law N° 27446) and its regulation, approved by Supreme Decree N° 019-2009-MINAM, provides that any public or private investment project that may generate negative environmental impacts is required to have an environmental certification from the corresponding governmental authority approving the *Instrumentos de Gestión Ambiental* (“IGAs”) used to mitigate the environmental impacts of such investment project. Healthcare facilities are one of the types of investment projects that must have an environmental certification. MINSA is the governmental authority in charge of evaluating and approving IGAs for investments in healthcare facilities. IGAs available to healthcare facilities are *Estudio Impacto Ambiental semi detallado* (“EIA-sd”) for operations with a considerable environmental impact, or *Declaracion Impacto Ambiental* (“DIA”) for operations with a minimum environmental impact. Under applicable Peruvian law, IGAs must be updated every five years after the start of the project.

Currently, we have DIAs in place for our investment projects subject to Law N° 27446.

Environmental administrative liability

Under Council Resolution N° 006-2018-OEFA-CD, MINSA can impose sanctions for infractions including engaging in development activities without obtaining the approval of the corresponding IGA or that do not comply with a development project’s approved IGAs, among others. Sanctions vary from 10 to 30,000 Tax Units and will depend on the potential or real damage to the environment resulting from these infractions. In addition, MINSA can impose other administrative measures, including the suspension of the development, demolition of the project or requiring an update of the IGA.

Radioactive substances

Article 8 of the Regulations of the Law for the Use of Sources of Ionizing Radiation, approved by Supreme Decree N° 039-2008-EM, provides that IPRESSs that use X-ray equipment need to obtain prior regulatory authorization from the *Oficina Técnica de la Autoridad Nacional*. In addition, under applicable Peruvian law, each employee involved in operating X-ray equipment must have an operator license, radiological officer license and/or physicist license, as applicable, and must comply with the limits and conditions set forth in their licenses, including the applicable norms related to radiation safety, thereunder. As of the date hereof, we are in compliance with all applicable requirements for the operation of X-ray equipment.

Management of solid waste

Article 19 of the Solid Waste Management Law, approved by Legislative Decree N° 1278, modified by Legislative Decree 1501, establishes that *La Dirección General de Salud Ambiental* (“DIGESA”) under MINSA oversees the regulation, supervision and control of solid waste management by IPRESSs.

Solid waste generated in connection with the operations of IPRESSs can be classified according to its composition and characteristics as: (a) Class A—bio contaminated waste (waste generated as a result of medical treatment and scientific investigation); (b) Class B—special waste (waste with corrosive, flammable, toxic, explosive and/or radioactive characteristics) and (c) Class C—common waste (waste which has not been in contact with patients or with contaminated materials or substances). Under current conditions, food remains from patients with COVID-19 are considered biocontaminated waste.

According to the provisions of the Law on Integral Solid Waste Management, Legislative Decree No. 1278, modified by Legislative Decree 1501, and its regulation Supreme Decree No. 014-2017-MINAM and NTS No. 144-MINSA/2018/DIGESA, modified by Ministerial Resolution No. 250-2022-MINSA, “Integral Management and Handling of Solid Waste from Health Facilities, Medical Support Services and Research Centers,” it is up to the solid waste operating company (“EO-RS”) contracted by the generator to provide external collection, transportation and final disposal service.

Under Peruvian law, IPRESSs are required to separate solid waste according to its characteristics and conditions. Additionally, healthcare facilities have to designate appropriate areas for the adequate storage of solid waste and ensure its treatment and final disposal adheres to applicable regulations, including the hiring of authorized waste disposal companies. Failure to comply with these obligations can lead to the imposition of fines, which can range from 1,000 to 1,500 Tax Units.

Each IPRESS also needs to establish a committee for the integrated management of solid waste and develop and document the following:

- Initial diagnostic assessment, including a study of the quantity, characteristics, composition, class and technical conditions of the IPRESS’s management of solid waste;
- Solid waste management plan, which is a part of the IGA and should include actions related to the minimization and management of solid waste;
- Annual declaration certifying the management of solid waste under its responsibility; and
- Hazardous solid waste manifest tracking hazardous waste from the point of generation to ultimate disposal.

Failure to provide these documents to DIGESA can be sanctioned with a fine of up to three Tax Units.

We follow the applicable solid waste management procedures for the collection, transportation and final disposal of each type of solid waste established by DIGESA, including through the hiring of authorized waste disposal companies.

Criminal Liability Under Peruvian Law—Healthcare Service Providers

Under the provisions of Law N° 30424, legal entities can be found criminally liable for certain crimes involving public corruption, influence peddling, money laundering and financing of terrorism, among others, if the crime in question is committed by an employee, administrator or agent of the legal entity acting in such capacity on behalf of the company.

In addition, under Peruvian law, if the individual responsible for the commission of certain other crimes has been sentenced by a criminal court, legal entities playing an instrumental role in such criminal activity can be subject to criminal proceedings if the relevant crime was committed as part of its business activities or if it was used in the furtherance or concealment of the relevant crime.

For example, Peruvian criminal law provides that an individual who deliberately spreads dangerous or contagious diseases may face a penalty of three to 10 years of imprisonment and if such act results in severe injury or death, the penalty is increased to 10 to 20 years of imprisonment. In addition, the deliberate violation of sanitary regulations established by law or by a public authority is punishable by six months to three years of imprisonment and a fine.

If found guilty during criminal proceedings related to crimes under the provision of Law N° 30424, legal entities may be subject to sanctions, including: temporary or permanent closure of the legal entity's business establishments; dissolution and liquidation of the legal entity; suspension of the legal entity's business activities for up to two years; a permanent ban from the business activity related to the applicable crime; and fines.

Construction Licenses

A construction license must be obtained from the applicable local municipal government to build any healthcare facilities. Regulations relating to infrastructure and equipment of healthcare facilities issued by MINSA and the provisions of Chapter A.050 of the National Regulations for Construction, approved by Supreme Decree N° 011-2012-VIVIENDA, as amended, will apply to such process. The applicable requirements vary depending on the type of healthcare facility being built. These requirements generally focus on the location of the proposed facility, including the related risk of natural disasters in the area, adequate architectural design and structure, access to utilities and adequate backup systems, protection systems against fires, floods and power outages, and other factors that may have a negative impact in the provision of healthcare services.

Regulation of the Colombian Healthcare Sector

Law 100 of 1993 established a mandatory healthcare insurance coverage system, the SGSSS.

The SGSSS is governed by MinSalud and supervised by SUPERSALUD. In addition, the following governmental entities have the power to enact regulations applicable to IPSs:

- Congress through the enactment of laws;
- the President of the Republic through the issuance of regulatory decrees;
- MinSalud through the issuance of regulatory decrees, resolutions and circulars; and
- local governmental entities through the issuance of resolutions and circulars.

All IPSs must obtain (i) registration before the Special Registry of Health Services Providers (*Registro Especial de Prestadores de Servicios de Salud*) that is managed by MINSALUD and (ii) clearance (*habilitación*) for the health services they aim to provide. The departmental or municipal government in the jurisdiction in which the IPS is located are the authorities with the authority to grant clearance in compliance with nationally defined standards.

The Special Register of Health Service Providers acts as the operating license for each IPS and must be renewed every 4 years.

MinSalud's Resolution 3100 of 2019 ("Resolution 3100") sets forth the national standards IPSs must comply with. Resolution 3100 includes new requirements for infrastructure of healthcare facilities, medical personnel, minimum solvency ratio and limits on overdue commercial debt and unpaid wages. These new national standards went into effect on May 29, 2020, providing IPSs with a 6-month transition period to be in compliance with Resolution 3100. The last amendment to Resolution 3100 was made by Resolution 648 of 2023, which extended the transition period for IPS.

IPSs are classified based on geographic coverage and the degree of complexity in the healthcare services they provide. Based on geographic coverage, IPSs are classified as:

- Local: applicable to IPSs providing healthcare services at the municipal, district or metropolitan level;
- Sectional: applicable to IPSs providing healthcare services at the departmental level; or

- National: applicable to IPSs providing healthcare services in more than one department.

Based on the degree of complexity in the healthcare services they provide, IPSs are classified as:

- Low: applicable to IPSs providing low-complexity care by general, technical and auxiliary professional medical staff;
- Medium: applicable to IPSs providing medium-complexity care by specialized medical professionals; or
- High: applicable to IPSs providing high-complexity care by specialized and subspecialized medical professionals.

Our facilities in Colombia, as IPSs, are subject to extensive laws and regulations, including those related to: market entry; the quality and suitability of healthcare facilities and the services provided by IPSs; accounting and financial matters; public health matters; and business crisis resolution and market exit, among others.

SUPERSALUD is also responsible for supervising the activities of all IPSs, whether public or private, including our facilities in Colombia. SUPERSALUD has the power to intervene and take possession of the business of the IPS, either with the purpose of administering or liquidating it when:

- it has suspended payment of its obligations;
- it has refused the demand made in due form to submit its files, accounting books and other documents to the inspection of SUPERSALUD;
- it has refused to be interrogated under oath in connection with its business;
- it repeatedly fails to comply with the orders and instructions duly issued by SUPERSALUD;
- it persists in violating its bylaws or any law;
- it persists in handling business in an unauthorized or unsafe manner, and
- its net worth is reduced below 50% of its subscribed capital.

It should be noted that the entry and permanence of IPSs in the SGSSS requires that IPSs comply with certain conditions of equity and financial sufficiency including, among others:

- that the total equity of the IPS be above 50% of the capital stock;
- in the event of non-compliance with mercantile obligations overdue for more than 360 days, the accumulated value of such obligations should not exceed 50% of current liabilities; and
- in the event of non-compliance with labor obligations overdue for more than 360 days, the accumulated value of such obligations must not exceed 50% of the current liabilities.

Pricing and Quality of Services

Pricing. The majority of healthcare services in Colombia are not subject to price controls and IPSs are free to negotiate the prices paid for different services with payers. However, in some cases, such as traffic accidents, natural disasters, terrorist attacks and other catastrophic events, rates are mandated by regulation. Such rates serve as a point of reference for the pricing of healthcare services generally.

In addition, the sale of medicines is subject to price controls under Circular 3 of 2013 of the *Comisión Nacional de Precios de Medicamentos y Dispositivos Médicos* (National Commission for Prices of Medicines and Medical Devices) in Colombia.

Quality. The Colombian regulatory framework also provides incentives for IPS to implement voluntary mechanisms to monitor and supervise the quality of services that they provide, such as audits, an accreditation relating to compliance with scientific, financial and other technical requirements applicable to IPSs and participation in a public database used to provide disclosure about individual IPSs and the SGSSS as a whole. Although implementation of these measures is voluntary, IPSs are incentivized to incorporate them into their operations because applicable regulations provide that they in doing so they will be considered a preferred provider by EPSs when contracting for healthcare services.

Financial Matters and Competition

Financial matters. Any modifications to an IPS's by-laws related to the decrease of capital or expansion of the corporate purpose to activities not related to the provision of health services must be approved by SUPERSALUD. SUPERSALUD also has the authority to force an insolvent IPS into liquidation and apply other measures through forced administrative intervention when such IPS materially fails to comply with the applicable SGSSS regulation or upon an institutional crisis amounting to severe financial or operational consequences threatening the continuity and quality of the healthcare services it provides.

Competition. Article 333 of the Colombian Constitution, Law 155 of 1959, Decree 2153 of 1992, Law 296 of 1996, Law 1340 of 2009 and Resolution SIC No. 2751 of 2021 regulates competition in the Colombian market. In addition to this framework, IPSs are also regulated by Decree 780 of 2016 ("Decree 780"), which regulates competition in the healthcare services market. Pursuant to these laws, IPSs are prohibited from entering into agreements or otherwise acting in a manner that has the purpose or effect of preventing, restricting, or distorting free competition within the healthcare services market. In addition, IPSs are prohibited from abusing a dominant position in the market through predatory pricing, discrimination or bundling. An IPS which has the capacity to unilaterally determine, directly or indirectly, market conditions is deemed to have a dominant position.

Data Protection

IPSs are subject to various personal data protection laws and regulations in Colombia. Law 1581 of 2012 ("Law 1581") includes obligations relating to the collection and processing of personal data. Under Law 1581, IPSs must obtain prior, express and informed consent from individuals whose data is collected and qualified consent for processing sensitive personal data. In addition, under Decree 1074 of 2015, IPSs with total assets above 100,000 Tax Value Units ("TVU") must register their databases in the National Database Registry before the SIC, the national data protection authority in Colombia. The applicable TVU for fiscal year 2023 is COP 42.412 (US\$ 10.6) IPSs must also implement a privacy policy setting guidelines for data processing and ensure all data subjects have access to the policy, adopt internal controls for safekeeping personal data and follow certain guidelines for personal data transfers and transmissions. IPSs are also required to report security breaches when personal information is involved before the SIC.

Law 1266 of 2008 regulates the processing of credit and financial data. It requires data controllers to maintain such data pursuant to strict security measures and confidentiality standards, obtain consent prior to modifications and disclosure of the data and only use data for purposes identified in a privacy policy or notice.

Additionally, in their administration of medical record, IPSs must comply with sector-specific rules for processing health data, including Resolution 839 of 2017, Law 1438 of 2011, Decree 780 and Resolution 1995 of 1999. These include rules related to minimum information requirements for medical records, such as the patient's name and date of birth; limits on when and how such records may be accessed and by whom; and the length of time IPSs must maintain these records. In addition, in an effort to promote the authenticity, integrity, availability and preservation of the data, IPSs are obligated to use a unified electronic medical records system managed by the Colombian government for processing medical records.

Environmental Regulations

IPSs are subject to various international, national and local environmental regulations, including those related to the use of natural resources, radioactive substances, disposal of waste and medicines. Fines and other administrative measures may be imposed on noncompliant IPSs. Depending on the severity of the breach, sanctions may include daily fines of up to 5,000 times the Colombian minimum wage (approximately US\$1.2 million), temporary or

permanent closure of the facility, revocation of the applicable environmental license, authorization, concession, permit or registration, seizure of property used for the environmental breach, community service and/or if applicable, demolition of construction sites.

Management of non-domestic wastewaters

IPSs connected to the public sewage usually discharge their non-domestic wastewaters to the sewage network, which requires physically and chemically treating such waters before they are discharged to the network to be able to comply with the standards set forth in the Resolutions issued by the Ministry of Environment and Sustainable Development. Failure to comply with such standards may trigger the imposition of preventive measures, such as the suspension of the activities relating to the discharges and/or the imposition of sanctions as described above.

Management of hazardous waste

IPSs must comply with regulations establishing procedures for the management and disposal of hazardous wastes generated by its activities. Such regulations include: (i) Law 430 of 1998, which includes provisions regulating the collection, storage, transport and final disposal of hazardous wastes, (ii) Law 1252 of 2008, which provides prohibitive environmental regulations concerning hazardous wastes, (iii) Decree 1076 of 2015, which further regulates the collection, generation, management and disposal of hazardous wastes, and (iv) Resolutions issued by the Ministry of Environment and Sustainable Development, which specify the requirements, times and procedures related to the management of hazardous wastes. Under Colombian law, IPSs may be held liable for environmental damages caused by their improper management, transportation and/or disposal of hazardous wastes. IPSs, as producers of hazardous wastes, must categorize wastes using special laboratories authorized for this purpose by the Colombian government and communicate the category attributable to waste to those responsible for the storage, collection, transportation, treatment or final disposal of such waste. IPSs must also ensure that the third parties they contract to dispose of their hazardous waste are duly authorized to handle and manage the relevant types of waste. Any breach committed by such third parties in connection with the management and/or disposal of the hazardous wastes generated by IPSs may imply the joint liability of the latter.

Environmental liabilities

Law 2327 of 2023 establishes that any person or company will be required to remediate the environmental liabilities it generates. The law defines environmental liabilities as “the environmental impacts caused by anthropic activities, whether directly or indirectly by a person or company, authorized or not, cumulative or not, that can be measured, located and geographically delimited, that generate an unacceptable level of risk to life, human health or the environment, as established by the Ministry of Environment and Sustainable Development and the Ministry of Health, and for whose control there is no environmental or sectoral instrument.” The foregoing regulation in addition to the environmental sanctioning proceedings that the environmental authority may initiate against a company due to the facts that originated the environmental liability.

Radioactive substances

The acquisition, storage, use and disposal of radioactive sources in medical and diagnostic procedures is subject to regulation enacted by the Ministry of Mines and Energy. This includes regulations related to the operation of X-ray equipment and the dosimetry of radioactive substances for medical treatment. As of the date hereof, we are in compliance with all applicable requirements for the operation of X-ray equipment and the dosimetry of radioactive substances for medical treatment.

Sanitation standards

As set forth in Law 9 of 1979, IPSs must comply with sanitation standards provided by the National Health Code. Additionally, Decree 780 sets forth regulations related to public health matters applicable to IPSs in their capacities as actors within the SGSSS, including regulations related to the sterilization of operating rooms and medical instruments.

Failure to comply with the National Health Code and Decree 780 may result in administrative sanctions, including fines and temporary or permanent closure of noncompliant IPSs' facilities.

Construction Licenses

A construction license must be obtained from the applicable local municipal government to build and operate any healthcare facility. The construction of new healthcare facilities and expansion or modifications of existing healthcare facilities (including structural matters and reinforcements) are subject to prior authorization by the applicable local planning office or *Curaduría Urbana* (depending on its location) based on local urban plans and zoning regulation. The applicable requirements vary depending on the local jurisdiction but generally focus on the location of the proposed facility, including zoning restrictions on type of facilities, mitigation measures, mandatory areas for public spaces and adequate architectural design and structure.

MANAGEMENT

Board of Directors

Our business and affairs are managed by our board of directors in accordance with our articles of association and the Luxembourg law of August 10, 1915 on commercial companies, as amended (the “Act”).

As of the date of this Exchange Offer Memorandum, our board of directors consists of eight members. Directors are elected and removed in accordance with the provisions of our articles of association.

The following table presents the current members of our board of directors.

Name	Position
Jesús Zamora León.....	Executive Chairman of the Board
Luis Felipe Pinillos Casabonne	Vice Chairman of the Board
Jorge Basadre Brazzini.....	Director
Leonardo Bacherer Fastoni.....	Director
Robert Oberrender.....	Director
Andrew Soussloff.....	Director
John Wilton	Director
Anasofia Sánchez Juárez	Director

The following is a brief summary of the business experience of each of our directors. The current business addresses for our directors is 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Jesús Zamora León has been a member of our board of directors since 2008 and Executive Chairman since 2022. Mr. Zamora is Co-Founder, Chief Executive Officer and Chairman of the board of directors of Enfoca, one of Latin America’s foremost investment firms founded in 2000, where he is responsible for the investment and management of Enfoca’s funds. He has more than 32 years of investment experience. Prior to founding Enfoca, he held various senior executive positions in banking and asset management, including Banco de Crédito del Perú from 1994 to 1999, BEA Associates from 1992 to 1993, and Salomon Brothers Inc. from 1988 to 1992. Mr. Zamora holds an MBA from Columbia Business School and a bachelor’s degree in Industrial Engineering from Universidad Nacional Autónoma de México.

Luis Felipe Pinillos Casabonne assumed the role of Vice Chairman of our board of directors in 2022 and has been a member of our board of directors since 2009. Mr. Pinillos Casabonne served in various senior roles at the Company since 2002, including as chief executive officer from 2009 to 2015 and from 2019 to 2022 and as executive director from 2015 to 2020. Mr. Pinillos Casabonne has been a member of the board of directors of Oncosalud since 2008 and Textil del Valle, a garment manufacturing company, since 2011. He holds a degree in Business Administration from Universidad de Lima and completed insurance courses at the MAPFRE Foundation in Spain.

Jorge Basadre Brazzini has been a member of our board of directors since 2008. Mr. Basadre is a Co-Founder and Partner of Enfoca, where he is responsible for the investment and management of Enfoca’s funds. He has more than 25 years of investment experience. Prior to founding Enfoca in 2000, he worked in management consulting at Booz & Co. from 1996 to 2000, and in banking at Banco de Crédito del Perú from 1991 to 1993. Mr. Basadre holds an MBA from Harvard Business School and a bachelor’s degree in Business Administration from Universidad del Pacífico in Lima.

Leonardo Bacherer Fastoni has been a member of our board of directors since 2018. Mr. Bacherer serves as Managing Partner at Enfoca since 2023 and previously served in different executive roles since joining the firm in 2015. Prior to joining Enfoca, he served as CEO of Maestro (formerly an Enfoca portfolio company) from 2010 to 2014, deputy CEO during 2009 and CFO from 2007 to 2008. He has more than 18 years of experience in the retail and banking industries. Prior to his role at Maestro, he held several executive positions at Ripley S.A. between 2005 and 2007 and Banco de Crédito del Perú between 2002 and 2005. Mr. Bacherer holds an MBA from the Rotterdam School of Management, a certification in advanced management from The Wharton School of the University of

Pennsylvania and a bachelor's degree in Industrial Engineering from the Military School of Engineering in La Paz, Bolivia.

Robert W. Oberrender has been a member of our board of directors since 2020. Mr. Oberrender has been an independent investor and advisor since September 2018. From 2002 until his retirement in 2018, he served at UnitedHealth Group, Incorporated for 16 years most recently as its Chief Investment Officer and Treasurer and the Chief Executive Officer of its Optum Bank unit from 2016-2017. Prior to that, he was Chief Administrative and Financial Officer at Canadian Imperial Bank of Commerce's Amicus Financial unit, Vice President and Global Treasurer at Sara Lee Corporation and Chief Financial Officer at Metris Companies Inc. He began his career at JP Morgan in the Corporate Finance and Banking Group at the legacy Chemical Bank organization. Mr. Oberrender holds an MBA from the University of Chicago's Booth School of Business and a bachelor's degree in Economics from Hamilton College.

Andrew Soussloff has been a member of our board of directors since 2020. Mr. Soussloff has been a director, investment committee member and senior advisor of Enfoca Investments Ltd. since 2014. Prior to joining Enfoca, he practiced law as a partner of the international law firm Sullivan & Cromwell LLP for more than 30 years, where he focused on capital markets, mergers and acquisitions, financial regulation and corporate governance, and advised businesses and governments in the United States, Latin America, Europe, Canada and Asia. Mr. Soussloff holds a J.D. from the University of Pennsylvania Law School, and a bachelor's degree in History and a master's degree in History from the University of Pennsylvania.

John Wilton has been a member of our board of directors since 2020. He has been the Deputy President of Administration and Finance at the National University of Singapore since 2018. He has also been the CEO of Wilton Strategy Inc. since 2018. He was a senior advisor at McKinsey & Company from 2016 to 2018, Vice Chancellor of Administration and Finance at the University of California, Berkeley from 2011 to 2016 and managing director and head of international research at Farallon Capital Management from 2006 to 2011. He was also a senior advisor to Hellman and Friedman from 2008 to 2011. Before his role at Farallon Capital Management, he served in several positions at The World Bank, in Washington DC, from 1983 to 2006, including as CFO and Vice President for Strategy, Finance and Risk from 2002 to 2006. Mr. Wilton has also been a director and investment committee member of Enfoca Investments Ltd. since 2014 and a member of the board of directors of Leblon Equities, in Brazil, since 2010. Mr. Wilton holds a bachelor's degree in Economics from the University of Cambridge and a master's degree in Economics and Statistics from the University of Sussex.

Anasofía Sánchez Juárez has been a member of our board of directors since 2023. Ms. Sanchez has been Head of Latam at Waze, a community-driven navigation application, since 2018. In 2019 she joined the board of directors at Grupo Hérdez, one of Mexico's largest food conglomerates, and in 2021 at Bank of America Mexico, S.A, a subsidiary of Bank of America. Ms. Sanchez Juarez has over 20 years of experience in digital advertising and sales strategy resulting from assuming roles Facebook (currently Meta Platforms), and at Google and its subsidiaries YouTube and Waze. She holds a Master's degree in Communication, Advertising and Media from the Institute National Supérieur d'Etudes Economiques et Commercial (INSEEC) in France and a Bachelor of Arts degree in Marketing from the Monterrey Institute of Technology and Higher Education (ITESM).

Executive Officers

Our executive officers are responsible for the management and representation of our company. Jesús Zamora León leads an experienced management team designed to focus on line accountability and country responsibility. Many of the members of our management team have worked together as a team for many years. Our executive officers were appointed by our board of directors for an indefinite term.

The following table lists our current executive officers:

Name	Position	Initial Year of Appointment
Jesús Zamora León	President	2023
Gisele Remy	Chief Financial Officer and Executive Vice President	2023
Sven Boes	Country Head of Auna Mexico and Executive Vice President	2023
Marco Roca	Country Head of Auna Peru and Executive Vice President	2021

Name	Position	Initial Year of Appointment
Andrés Ángel.....	Country Head of Auna Colombia and Executive Vice President	2019

The following is a brief summary of the business experience of our executive officers. The current business addresses for our executive officers is 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Jesus Zamora Leon. See”—Board of Directors.”

Gisele Remy has been our Chief Financial Officer and Executive Vice President since 2023. Ms. Remy was previously the managing director of finance and productivity at Alicorp from 2019 to 2023 and served in various roles, including director of corporate strategy and treasury, at Belcorp from 2009 to 2019. She received a bachelor’s degree in Finance from The Wharton School of the University of Pennsylvania in 2003.

Sven Boes joined us in 2022 as Country Head of Auna Mexico and Chief Executive Officer of Auna Mexico after the acquisition of Grupo OCA. He was appointed as Executive Vice President leading Regional Hospital Operations and Mexico in 2023. Mr. Boes has more than 20 years of experience in Mexico’s healthcare sector, where he held several C-level and executive positions. He is the former CEO of TecSalud and founder and managing partner of B Healthworld, a healthcare advisory boutique. Also, Mr. Boes held various executive positions including his last position as COO in Grupo ABC, Mexico’s leading high-complexity premium hospital group, for more than 14 years. Mr. Boes holds an MBA and a bachelor’s degree in business administration from Instituto Tecnológico Autónomo de Mexico

Marco Roca joined us in 2021 as Country Head of Auna Peru and was appointed Executive Vice President leading Regional Insurance Plans and Peru in 2023. Mr. Roca has more than 25 years in corporate strategy, investing and consulting. Mr. Roca held executive roles in national and international companies. He is the founder and former CEO at Krealo, Credicorp’s Open Innovation arm responsible for building, investing, and managing Fintechs. During his time in Krealo, he served as a board member of Culqi, Tempo, Tyba, Lumingo, Wally POS and Yape. At Credicorp, Mr. Roca was also Head of Corporate Strategy and M&A. Previously, Mr. Roca worked for Microsoft-TAG, Itau and McKinsey & Co. in the USA and Brazil. Mr. Roca holds an MBA from Brigham Young University, finance certificates from the Wharton School, and a bachelor’s degree in Engineering from Pontificia Universidad Católica del Peru.

Andrés Ángel joined us in 2019 as Country Head of Auna Colombia and was appointed Executive Vice President leading Regional Performance and Colombia in 2023. Prior to joining Auna, Mr. Ángel held various strategic roles at companies of Grupo Sura from 1995 to 2018. Within his tenure he was Chief Executive Officer at ARL Sura where he oversaw Occupational Risks and was the Vice President of Social Security at Suramericana. He has participated as speaker at various international conferences on the topics of healthcare and safety and is currently a member of the board of several companies and foundations in Colombia, including Yamaha Corp, Clínica Portoazul, Clínica IMAT Oncomédica, Fundación IDEAS and Fundación Las Américas. Mr. Ángel holds a Bachelor’s degree in Business Administration from Escuela de Administración y Finanzas EAFIT, an MBA from Richmond the American International University in London, UK and has completed executive education programs at Kellogg School of Management, Harvard University, MIT and Emory.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Committees of the Board of Directors

Audit and Risk Committee

The audit and risk committee, which consists of Robert Oberrender, Andrew Soussloff and John Wilton, assists the board of directors in overseeing our accounting and financial reporting processes and the audits of our financial statements. In addition, the audit and risk committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm.

Compensation and Talent Committee

The compensation and talent committee, which consists of Jesús Zamora León, Luis Felipe Pinillos Casabonne, Jorge Basadre Brazzini, Leonardo Bacherer Fastoni and John Wilton, assists the board of directors in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The committee reviews the total compensation package for our executive officers and directors, recommends to the board of directors for determination the compensation of each of our directors and executive officers, and periodically reviews and approves any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and benefits plans.

Executive Committee

The executive committee, which consists of Jesús Zamora León, Leonardo Bacherer Fastoni, Jorge Basadre Brazzini and Luis Felipe Pinillos Casabonne, has been delegated by the board of directors the authority to exercise certain functions of the board of directors. The executive committee is also in charge of all general administrative affairs of the Company, subject to any limitations prescribed by the board of directors, the articles of association of the Company or the Act.

Governance Committee

The governance committee, which consists of Andrew Soussloff, Robert Oberrender, Jesús Zamora, and Jorge Basadre, assists the board of directors in reviewing and evaluating the size, composition, function and duties of the board. The governance committee also assists in the selection of candidates, make recommendations as to determinations of director independence and oversees the review of certain policies.

Compensation of Directors and Officers

Director compensation must be approved by a majority of class B shareholders at our annual shareholders' meeting. For the year ended December 31, 2022, the aggregate compensation accrued or paid to the members of our board of directors and our executive officers for services in all capacities was S/109.2 million in the aggregate, including compensation paid by our subsidiaries to directors that serve on our subsidiaries' board of directors.

During 2022, our performance-based compensation programs included cash bonuses based on the individual performance of our executive officers as approved by our board of directors.

Equity Incentive Plan

We have adopted an equity incentive plan (the "Equity Incentive Plan") for the purpose of motivating and rewarding our employees, directors, consultants and advisors to perform at the highest level and to further our best interests and the best interests of our shareholders. The Equity Incentive Plan governs the issuance of equity incentive awards or share equivalents.

Equity incentive awards may be granted to our employees, directors, consultants or advisors, as well as to holders of equity compensation awards granted by a company that is acquired by us in the future. Awards under the Equity Incentive Plan may be granted in the form of options, share appreciation rights, restricted shares, restricted share units, performance awards or other share-based awards, including awards that are settled in cash.

The vesting conditions for grants under the Equity Incentive Plan are determined by the administrator and are set forth in the applicable award documentation. For options and share appreciation rights, the administrator determines the exercise price, the term (which may not exceed 10 years from the date of grant) and the time or times at which the option or a share appreciation right may be exercised in whole or in part. Performance awards are subject to performance conditions as specified by the administrator and are settled in cash, shares or any combination thereof, as determined by the administrator in its discretion, following the end of the relevant performance period.

The Equity Incentive Plan is administered by the Compensation and Talent Committee or such other committee as may be designated by the board of directors.

Indemnification of Directors and Officers

Our articles of association provide that we will indemnify our directors and executive officers. We intend to establish directors' and officers' liability insurance that insures such persons against any liability or loss incurred by them arising out of their position at the company.

Shareholders Agreement

On September 8, 2020, Enfoca, our controlling shareholder, and Luis Felipe Pinillos Casabonne entered into a shareholders agreement (the "Shareholders Agreement"). See "Related Party Transactions—Shareholders Agreement."

Share Ownership by Directors and Officers

See "Principal Shareholders" for a description of the current ownership of our ordinary shares by directors and executive officers.

PRINCIPAL SHAREHOLDERS

The table below sets forth certain information regarding the ownership of our capital structure as of the date of this Exchange Offer Memorandum.

Shareholder	Class A Shares		Class B Shares	
	Number of Shares	Percentage Owned	Number of Shares	Percentage Owned
5% Shareholders				
Entities affiliated with Enfoca(1)	176,158,085	72.9%	1,504	75.2%
Juan Rafael Servan Rocha	14,695,205	6.1%	122	6.1%
Directors and Officers				
Jesús Zamora León(2)	—	*	—	*
Luis Felipe Pinillos Casabonne	22,042,809	9.1%	182	9.1%
Jorge Basadre Brazzini	—	*	—	*
Leonardo Bacherer Fastoni.....	—	*	—	*
Robert Oberrender.....	—	*	—	*
Andrew Soussloff.....	—	*	—	*
John Wilton	—	*	—	*
Anasofía Sánchez Juárez	—	*	—	*
Gisele Remy	—	*	—	*
Sven Boes.....	—	*	—	*
Marco Roca	—	*	—	*
Andrés Ángel.....	—	*	—	*
All directors and officers as a group (12 persons) ..	22,042,809	9.1%	182	9.1%

* Less than 1% ownership.

- (1) Includes: (i) 176,158,085 class A shares collectively held by Enfoca Discovery 2, L.P., Enfoca Descubridor 1, Fondo de Inversión, Enfoca Descubridor 2, Fondo de Inversión and Enfoca Asset Management Ltd. and (ii) 1,504 class B shares held by Enfoca Sociedad Administradora de Fondos de Inversión S.A. In connection with the Sponsor Financing for a capital contribution to us in October 2022, to fund, in part, our purchase of Grupo OCA, Enfoca pledged all of its class A shares and class B shares for the benefit of the lenders under the Sponsor Financing.
- (2) Mr. Zamora León, our President and a member of our board of directors, owns 70% of the shares of Enfoca Investment Ltd. and may be deemed to have voting and dispositive power over the ordinary shares held by the entities affiliated with Enfoca.
- (3) In connection with the Sponsor Financing for a capital contribution to us in October 2022, Mr. Pinillos Casabonne, a member of our board of directors, pledged all of his class A shares and class B shares for the benefit of the lenders under the Sponsor Financing.

RELATED PARTY TRANSACTIONS

In the ordinary course of business, we and our subsidiaries engage in a variety of transactions among ourselves and with certain of our affiliates and related parties on an arm's-length basis. All material transactions between us or our subsidiaries and our other affiliates or related parties are evaluated by our senior management and our board in accordance with specific regulations and internal rules applicable to all related-party transactions. These transactions are subject to prevailing market conditions and transfer pricing regulations, as described below. The internal regulations of our board of directors establishes a review procedure for identifying, approving and accounting for related party transactions.

Related Person Transaction Policy

Pursuant to our related person transaction policy, any related person transaction must be approved or ratified by our audit and risk committee or another designated committee of our board of directors. The related party transaction policy sets out a number of exemptions pursuant to which certain related person transactions will be deemed not to create or involve a material interest and thereby not subject to such approval or ratification requirements. In determining whether to approve or ratify a transaction with a related person, our audit and risk committee or another designated committee of our board of directors will consider all relevant facts and circumstances, including without limitation the commercial reasonableness of the terms of the transaction, the benefit and perceived benefit, or lack thereof, to us, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. Our audit and risk committee or any other designated committee of our board of directors will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

Luxembourg Law Concerning Related Party Transactions

Luxembourg law sets forth certain restrictions and limitations on transactions with related parties.

From a tax standpoint, the value of such related party transactions must be equal to the fair market value assessed under transfer pricing rules, i.e., the value agreed to by non-related parties under the same or similar circumstances.

Management Services

We have reimbursed Enfoca, our controlling shareholder, for administrative expenses for certain management services they provide in the amount of S/2.2 million, S/2.6 million and S/2.4 million for each of 2020, 2021 and 2022, respectively. We have also reimbursed Enfoca for certain consultant fees and travel expenses they have incurred, in the amount of S/0.2 million, S/0.3 million and S/0.9 million for each of 2020, 2021 and 2022, respectively.

Medical Services

Dr. Pinillos and Dr. Carlos Vallejos, the founders of Oncosalud in 1989 and current directors of Oncosalud, are both top physicians that have been providing medical services at our facilities for several years. For their services, they have received customary compensation and benefits commensurate with their expertise and clinical acumen in healthcare coverage and aligned with the compensation paid to other physicians and medical professionals of similar stature employed by us.

During the past three years, we have also reimbursed Dr. Vallejos for certain out-of-pocket expenses, including rent for office space used by Oncosalud for back-office operations and certain property taxes payable by him in connection thereto, as well as *de minimis* phone expenses, the purchase of inexpensive medical literature and minor travel expenses incurred in connection with his attendance at conferences on behalf of Oncosalud. These reimbursements amounted to S/0.3 million, S/0.5 million and S/0.5 million in 2020, 2021 and 2022, respectively.

Shareholders Agreement

On September 8, 2020, Enfoca, our controlling shareholder, and Luis Felipe Pinillos Casabonne entered into the Shareholders Agreement. Among other things, the Shareholders Agreement provides that (i) so long as Mr. Pinillos Casabonne owns shares representing at least 2% of all of our issued and outstanding class A shares, he shall be nominated and elected as a member of our board of directors by Enfoca and as a member of the executive committee of the board of directors; (ii) so long as Mr. Pinillos Casabonne owns shares representing at least 4% of all of our issued and outstanding class A shares, he shall have the right to nominate two independent directors if our board of directors includes at least nine members or one independent director if our board of directors includes less than nine members, in each case subject to the consent of Enfoca; and (iii) so long as Mr. Pinillos Casabonne owns shares representing at least 3% of all of our issued and outstanding class A shares, he shall have the right to nominate one independent director if our board of directors includes at least nine members subject to the consent of Enfoca. Mr. Pinillos Casabonne will not have the right to nominate any independent director if our board of directors includes less than nine members.

In addition, the Shareholders Agreement provides that, if Enfoca intends to privately sell some or all of its shares of our common stock to non-affiliates, in certain cases, they must notify us and Mr. Pinillos Casabonne of the intended sale. In such cases, Mr. Pinillos Casabonne has tag-along rights to participate, on a *pro rata* basis, in such proposed sale at the same price per share and under the same terms and conditions.

Indemnification Agreements

We intend to enter into indemnification agreements with our directors and executive officers that will require us to indemnify our directors and executive officers to the fullest extent permitted by law. See “Management—Indemnification of Directors and Officers.”

DESCRIPTION OF THE NEW NOTES

The Issuer will issue the 10.000% senior secured notes due 2029, which we refer to as the “notes” in this section, under the Indenture to be dated the Settlement Date (the “*Indenture*”) among itself, the Guarantors, Citibank, N.A., as indenture trustee (the “*Indenture Trustee*”), paying agent, transfer agent and a collateral agent. This description of notes is intended to be a useful overview of the material provisions of the notes, the Indenture and the Security Agreements. Since this description of notes is only a summary, it does not contain all of the details found in the full text of, and is qualified in its entirety by the provisions of, the notes, the Indenture and the Security Agreements. You should refer to the Indenture and the Security Agreements for a complete description of the obligations of the Issuer, the Guarantors and your rights. The Issuer will make a copy of the Indenture and the Security Agreements available to the Holders and to prospective investors upon request.

You will find the definitions of capitalized terms used in this description under the heading “—Certain Definitions.” For purposes of this description, unless otherwise indicated or the context otherwise requires, references to the “Issuer” refer only to Auna S.A. and not to its subsidiaries. Certain defined terms used in this description but not defined herein have the meanings assigned to them in the Indenture.

To the extent that the Exchange Offer is extended and the settlement date is changed, the maturity final date, interest payment dates, redemption date and other dates that correspond to the issuance date of the New Notes may be modified accordingly.

General

The notes:

- will be general senior obligations of the Issuer;
- will be secured on a first-priority basis (subject to Permitted Collateral Liens) by the Collateral pursuant to the terms of the Security Agreements;
- will initially be limited to an aggregate principal amount of US\$312,000,000;
- will mature on December 15, 2029, unless redeemed earlier in accordance with their terms, as described under “—Optional Redemption”;
- will be jointly and severally Guaranteed on a senior secured basis by the Guarantors. See “—Note Guarantees”;
- will be issued in denominations of US\$1,000 and integral multiples of US\$1 in excess thereof; and
- will be represented by one or more registered notes in global form, but in certain circumstances may be represented by notes in definitive form. See “Book-Entry, Delivery and Form.”

Interest on the notes will:

- accrue at the rate of 10.000% per annum;
- accrue from the date of original issuance or, if interest has already been paid, from the most recent interest payment date;
- be payable in cash semi-annually in arrears on June 15 and December 15 of each year, commencing on June 15, 2024;
- be payable to the Holders of record at the close of business on June 1 and December 1 (whether or not a Business Day) immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Additional Notes

Subject to the restrictions set forth in the Indenture, including under "—Limitation on Indebtedness", the Issuer may from time to time, without notice or consent of the Holders of the notes, create and issue an unlimited principal amount of additional notes (the "*Additional Notes*") having the same terms and conditions (except for issue date, issue price and, if applicable, the first interest payment date) as, and forming a single series with, the notes initially issued in this offering; *provided* that any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a "qualified reopening" of the notes sold in this offering, are otherwise treated as part of the same "issue" as the notes sold in this offering or are issued with less than a *de minimis* amount of original issue discount, in each case for U.S. federal income tax purposes.

Note Guarantees

Each Initial Guarantor will initially Guarantee the notes and the obligations of the Issuer under the Indenture. The Guarantors will, jointly and severally, irrevocably and unconditionally guarantee, on a senior secured basis, the Issuer's payment obligations under the notes and all payment obligations under the Indenture. The Guarantors will, jointly and severally, agree to pay, in addition to such payment obligations, any and all indemnities, costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Indenture Trustee or the Holders in enforcing or exercising any rights under the Note Guarantees.

The "Initial Guarantors" are Auna Salud S.A.C., Clínica Bellavista S.A.C., Clínica Miraflores S.A., Clínica Vallesur S.A., GSP Inversiones S.A.C., GSP Servicios Comerciales S.A.C., GSP Servicios Generales S.A.C., GSP Trujillo S.A.C., Laboratorio Clínico Inmunológico Cantella S.A.C., Medicser S.A.C., Oncocenter Perú S.A.C., Oncosalud, RyR Patólogos Asociados S.A.C., Servimédicos S.A.C., Auna Colombia S.A.S., Instituto de Cancerología S.A.S., Promotora Médica Las Américas S.A., Las Américas Farma Store S.A.S., Grupo Salud Auna México, S.A. de C.V., Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Tovleja HG, S.A. de C.V. For the twelve months ended June 30, 2023, the Consolidated Adjusted EBITDA of the Issuer and the Guarantors represented approximately 81.6% of our Consolidated Adjusted EBITDA, and as of June 30, 2023, the total assets of the Issuer and the Guarantors represented approximately 89.3% of our consolidated total assets.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. If a Note Guarantee was rendered voidable, it could be subordinated by a court to all other Indebtedness (including Guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such Indebtedness, a Guarantor's liability on its Note Guarantee could be reduced to zero. See "*Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral—Fraudulent conveyance laws may void the New Notes and/or the Guarantees and any related security interests or subordinate the New Notes and/or the Guarantees and any related security interests.*"

The Indenture will provide that each Note Guarantee by a Guarantor will be automatically and unconditionally released and discharged upon:

- (1) (a) the designation of any Guarantor as a Non-Guarantor Restricted Subsidiary in accordance with "—Certain Covenants—Future Guarantors";
- (b) any sale, assignment, transfer, conveyance, exchange or other disposition (by merger, consolidation or otherwise) of the Capital Stock of a Guarantor after which the applicable Guarantor is no longer a Restricted Subsidiary, which sale, assignment, transfer, conveyance, exchange or other disposition is made in compliance with the applicable provisions of the Indenture, including "—Repurchase at the Option of Holders—Asset Sales" and "—Certain Covenants—Merger and Consolidation";
- (c) the designation of any Guarantor as an Unrestricted Subsidiary;
- (d) upon repayment in full of the notes; or

- (e) the Issuer's exercise of its legal defeasance option or covenant defeasance option as described under "—Defeasance," or the satisfaction and discharge of the Issuer's obligations under the Indenture in accordance with the terms of the Indenture; and
- (2) such Guarantor delivering to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction and release have been complied with.

Ranking

The notes and the Note Guarantees will be senior obligations of the Guarantors, secured by the Collateral pursuant to the terms of the Intercreditor Agreement and the Security Agreements (subject to Permitted Collateral Liens), and will:

- (1) rank senior in right of payment to any of the Issuer's and the Guarantors' respective existing and future subordinated indebtedness;
- (2) rank equal in right of payment with all of the Issuer's and the Guarantors' respective existing and future senior indebtedness, including obligations under the New Term Loan and the 2025 Notes;
- (3) rank senior in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a junior basis with the notes;
- (4) rank equal in lien priority as to the Collateral with all of the Issuer's and the Guarantors' respective existing and future indebtedness secured on a *pari passu* basis with the notes, including the New Term Loan;
- (5) rank effectively senior to any of the Issuer's and the Guarantors' respective existing and future senior indebtedness that is unsecured or that is secured by a Lien ranking junior to the Liens on the notes to the extent of the value of the Collateral;
- (6) be effectively subordinated to all of the Issuer's and the Guarantors' respective existing and indebtedness secured by assets not constituting Collateral, to the extent of the value of such assets securing such indebtedness;
- (7) be subordinated to any existing and future obligations of the Issuer and the Guarantors preferred by statute; and
- (8) be structurally subordinated to all existing and future liabilities of any Subsidiaries that do not provide a Note Guarantee.

As of June 30, 2023, as adjusted (i) to include Indebtedness incurred after June 30, 2023 and (ii) to give effect to this offering and the assumed application of the estimated net proceeds therefrom, as described under "Capitalization."

- the total outstanding consolidated Indebtedness of the Issuer would have amounted to S/2,169.0 million (US\$571.8 million); and
- the Issuer's and the Guarantors' outstanding senior Indebtedness would have amounted to S/3,916.7 million (US\$1,032.6 million), S/3,268.0 million (US\$861.7 million) of which was Secured Indebtedness and S/3,032.9 million (US\$799.6 million) of which was Secured *Pari Passu* Indebtedness.

Although the Indenture will limit the amount of Indebtedness that the Issuer and its Restricted Subsidiaries may incur, such Indebtedness may be substantial and a significant portion of such Indebtedness may be Secured Indebtedness or structurally senior to the notes.

As of the Issue Date, each of Consorcio Trecca S.A.C. and Operador Estrategico S.A.C. will be an Unrestricted Subsidiary. Consorcio Trecca S.A.C. and Operador Estrategico S.A.C. had no Indebtedness and represented approximately 0.6% of our consolidated total assets as of September 30, 2023 and is a pre-operating subsidiary.

The Collateral

General

Each Holder, the Issuer and the Guarantors authorize and instruct the applicable Collateral Agent or the Collateral Trustee (i) to enter into (or cause an agent or grant such powers of attorney to enter into) such documents as are necessary or desirable in order to create and maintain the security interest of the applicable Collateral Agent or the Collateral Trustee (evidenced by a written instruction from the Issuer and/or a legal opinion, in each case satisfactory to the applicable Collateral Agent or the Collateral Trustee) for the benefit of the Secured Parties, (ii) to grant such powers of attorney and to do or cause to be done all such acts and things as are necessary or desirable (evidenced by a written instruction from Issuer and/or a legal opinion, in each case satisfactory to the applicable Collateral Agent or the Collateral Trustee) to create and maintain the security interest of the Secured Parties in such Collateral, (iii) to act in accordance with the provisions of the applicable Security Agreements and the Intercreditor Agreement, including with respect to accepting and holding the security interest in the applicable Collateral, and (v) to grant powers in favor of an attorney to execute an accession or other public deed before any notary public accepting the security interest in the Collateral, if so required to perfect the security interest granted thereby to the applicable Collateral Agent or the Collateral Trustee, for the benefit of the Secured Parties.

The obligations of the Issuer and the Guarantors under the notes and the Note Guarantees will be secured by Liens on the following assets (collectively, the “*Collateral*”):

- (1) All of the shares of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Togleja HG, S.A. de C.V. (the “OCA Entities”), pursuant to a Mexican law-governed irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) and share pledge agreement in favor of or in which the beneficiary will be, as applicable, the Mexican Collateral Agent;
- (2) The real estate in Mexico owned by such OCA Entities, pursuant to a Mexican law-governed irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*);
- (3) (i) all of the shares of Oncomédica S.A.S. beneficially owned by Auna Colombia (of which the current holder of record is Patrimonio Autónomo Oncomédica (“*PA Oncomédica*”)); (ii) all of the shares of Auna Colombia (approximately 90% of which is, as of the date hereof, held of record by Patrimonio Autónomo Auna Colombia 1 (“*PA Auna Colombia 1*”)), (iii) all of the shares of Las Americas (of which the current holder of record is PA Auna Colombia 1 and Patrimonio Autónomo Auna Colombia 2 (“*PA Auna Colombia 2*” and, together with PA Oncomédica and PA Auna Colombia 1, the “*Existing Colombian Share Trust Arrangements*”)); and (iv) all of the shares of Clínica Portoazul S.A. beneficially owned by Auna Colombia and Las Americas (of which the current holder of record is PA Auna Colombia 1 and PA Auna Colombia 2); in each case, pursuant to a Colombian law-governed share pledge agreement;
- (4) the commercial establishments denominated (i) “Promotora Médica las Américas” with registration number 21-202703-02 of the Chamber of Commerce of Medellín, (ii) “Clínica las Américas” with registration number 21-226323-03 of the Chamber of Commerce of Medellín; and (iii) “Centro Médico las Américas – Sede City Plaza” with registration number 159880 of the Chamber of Commerce of Aburrá Sur, each owned by Las Americas, to a Colombian law-governed commercial establishment pledge agreement;
- (5) the real estate of Clínica del Sur, owned by Las Americas, located in Medellín Colombia, pursuant to a Colombian law-governed trust agreement;
- (6) all of the shares of Oncocenter Peru S.A.C. and Medic Ser S.A.C., pursuant to two (2) Peruvian law governed pledge agreements; and

- (7) subject to specific conditions, certain real estate assets in Peru, pursuant to a Peruvian law governed mortgage to be entered into by the relevant parties after the Settlement Date and within the time periods set forth in the Indenture;

and in each case, the proceeds thereof.

On the Issue Date, the Liens on the Collateral shall be created for the benefit of the Holders. However, as set forth below, not all of the security interests in the Collateral will be perfected on the Issue Date.

Pursuant to the Intercreditor Agreement, the Holders and the lenders under the New Term Loan will rank equally in priority over the rights to the pledge of the Collateral under the Security Agreements; *provided* that each of the Indenture Trustee (acting at the written direction of a majority of the outstanding principal amount of Notes) and the administrative agent for the New Term Loan (the “Administrative Agent”) will each have the right to instruct the Intercreditor Agent to instruct the Collateral Agents or the Collateral Trustee to enforce the Collateral following an Event of Default.

On the Issue Date, the notes and the Note Guarantees will not be secured by any other assets of the Issuer, the Guarantors or any other Subsidiary of the Issuer. See “*Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral.*”

No appraisals of the Collateral have been prepared in connection with the offering of the notes or otherwise. The value of the Collateral at any time will depend on, among other things, market and other economic conditions, including the availability of suitable buyers for the Collateral, and the aggregate amount of liabilities of the issuers of the Collateral. In the event of a foreclosure, liquidation, bankruptcy, or similar proceeding, no assurance can be given that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay any of the Issuer’s obligations under the notes and the Indenture or the Guarantors’ obligations under the Guarantees and the Indenture, in full or at all. In addition, the Intercreditor Agreement will place limitations on the ability of the Collateral Agents or the Collateral Trustee to enforce the Liens on the Collateral. Each Holder will be deemed to have irrevocably appointed the Intercreditor Agent, each Collateral Agent and the Collateral Trustee to act as its agent and security agent, as applicable, under the Intercreditor Agreement and the Security Agreements.

Perfection of the Share Pledges

The pledges of the Pledged Shares will be made pursuant to the Share Pledge Agreements, which will be governed by the laws of Mexico, Peru and Colombia, respectively.

Mexico

In order to effect the perfection of the pledges of the Pledged Shares of the OCA Entities, on or before the Issue Date, Mexican pledgors shall (i) enter into the corresponding pledge agreement; (ii) register such pledge in the share register ledgers of the OCA Entities; and (iii) endorse the shares as collateral (*endoso en garantía*) in favor of the Mexican Collateral Agent, to create a first priority Lien over such Pledged Shares of OCA Entities, as applicable, to secure the obligations of the Issuer and the Guarantors under the notes, the Note Guarantees, the Indenture and, on a *pari passu* basis, the New Term Loan. The pledge agreement shall be registered before the Sole Movable Property Registry (*Registro Único de Garantías Mobiliarias*) to be enforceable against the tax authorities and for that purposes, it shall be ratified before a notary public in Mexico. Simultaneously with the execution of the pledge agreement, the current share pledge agreement upon the Mexican Pledged Shares must be cancelled through: (a) execution of a termination agreement of such share pledge agreement and ratified before notary public in Mexico, (b) record the termination of the existing share pledge agreement in the corresponding share register ledgers, (c) record the termination of the share pledge agreement at the Sole Movable Property Registry (*Registro Único de Garantías Mobiliarias*), and (d) cancellation of endorsement as collateral on the relevant shares. For the avoidance of doubt, the Mexican Pledgors shall perfect the Liens created by the Mexican Share Pledge Agreements on or before the Issue Date.

Peru

In order to effect the perfection of the pledges of the Pledged Shares of Oncocenter Peru S.A.C. and Medic Ser S.A.C. pursuant to the Peruvian Pledge Agreements: (i) on the Issue Date Oncosalud S.A.C., Auna Salud S.A.C., Luis Felipe Pinillos Casabonne and Jesus Antonio Zamora Leon, as the pledgors of such Pledged Shares (the “*Peruvian Pledgors*”), Oncocenter Peru S.A.C. and Medic Ser S.A.C., and the Peruvian Collateral Agent shall enter into the applicable Peruvian Pledge Agreements as private and public deeds before a Peruvian notary public, pursuant to which the Pledged Shares of Oncocenter Peru S.A.C. and Medic Ser S.A.C. shall be subject to a Peruvian law first priority pre-constituted pledge provided further that such pre-constituted Lien shall become a fully perfected Lien upon their release from the existing Peruvian collateral trust agreement and the corresponding execution of the Peruvian Pledge Confirmation Agreement, (ii) on the Issue Date or the immediately succeeding two (2) Business Days (a) the trustee under the existing Peruvian collateral trust agreement and all necessary signors shall enter into the applicable public deed before a Peruvian notary public releasing the Pledged Shares of Oncocenter Peru S.A.C. and Medic Ser S.A.C. from the existing Peruvian collateral trust agreement, (b) the Peruvian Pledgors, Oncocenter Peru S.A.C. and Medic Ser S.A.C., and the Peruvian Collateral Agent shall enter into the applicable Peruvian Pledge Confirmation Agreements private and public deeds before a Peruvian notary public, (c) the public deeds referred to in (i), (ii)(a) and (ii)(b) shall be filed in the applicable public registry in Peru, and (d) the Peruvian Collateral Agent shall have received originals or certificated copies (as required under the Peruvian Pledge Agreements) of the shares certificates representing the Pledged Shares that are subject to the Peruvian Pledge Agreements and share ledgers of Oncocenter Peru S.A.C. and Medic Ser S.A.C., incorporating the notations required under the Peruvian Pledge Agreements, and (iii) within 60 days following the Issue Date (a) the release of the Pledged Shares that are subject to the Peruvian Pledge Agreements, and (b) the first priority liens established over the Pledged Shares pursuant to the Peruvian Pledge Agreements (including the Peruvian Pledge Confirmation Agreement), shall be duly registered in the applicable public registries in Peru. For purposes of (iii) above, such 60-day period shall be automatically extended for an additional 30-day period, to the effect that the Peruvian Pledgors have received and are addressing observations from the applicable public registries in Peru.

Colombia

In order to effect the perfection of the pledge of the Pledged Shares of Auna Colombia, Las Americas, Oncomedica and Clínica Portoazul (the “*Colombian Pledged Companies*”), on or about the Issue Date, (i) Oncosalud, Auna Colombia, Las Americas and the Issuer (the “*Colombian Pledgors*”), the applicable Colombian Pledged Company and the Colombian Collateral Agent shall execute the corresponding Colombian Share Pledge Agreement, (ii) the applicable Colombian Pledgors shall give irrevocable instructions to the applicable Colombian Pledged Company to register such pledge in the share ledger of each Colombian Pledged Company upon the transfer of such Pledged Shares from the applicable Existing Colombian Share Trust Arrangement to the applicable Colombian Pledgor (as further described in the following paragraph) and (iii) the Colombian Collateral Agent will register the Share Pledge Agreements relating to such Pledged Shares in the *Registro de Garantías Mobiliarias* managed by the *Confederación de Cámaras de Comercio* in Colombia to create (subject to the following paragraph) a Lien over the Pledged Shares of each of the Colombian Pledged Companies, to secure the obligations of the Issuer and the Guarantors under the notes, the Note Guarantees and the Indenture.

Contingent upon (i) with respect to all Colombian Pledged Companies, (1) the transfer of the Pledged Shares of each such Colombian Pledge Company from the applicable Existing Colombian Share Trust Arrangement to each applicable Colombian Pledgor, including any applicable registrations in each Colombian Pledged Company’s share ledger and the cancellation of existing share certificates and issuance of new share certificates to each applicable Colombian Pledgor, (2) the cancellation of the existing registry of the Existing Colombian Share Trust Arrangements at the *Registro de Garantías Mobiliarias* managed by the *Confederación de Cámaras de Comercio*; and (ii) with respect to Oncomedica and Clínica Portoazul, (1) the release of the Pledged Shares of Oncomedica and Clínica Portoazul from the existing share pledge agreement, (ii) the cancellation of the existing registry of such existing share pledge agreement at the *Registro de Garantías Mobiliarias* managed by the *Confederación de Cámaras de Comercio* and (iii) the cancellation of the existing registry of such existing share pledge agreement in the share ledger of Oncomedica and Clínica Portoazul, then, the pledge of the Pledged Shares of the Colombian Pledged Companies under the applicable Colombian Share Pledge Agreements, created as a second priority Lien, will automatically become a first priority Lien over the Pledged Shares of the Colombian Pledged Companies, as applicable, to secure the obligations of the Issuer and the Guarantors under the Indenture and the notes. For the avoidance of doubt, the Colombian Pledgors shall perfect the Liens created by the Colombian Share Pledge Agreements on all of the Colombian Share Pledges within five (5) Business Days after the Issue Date.

Perfection of the Commercial Establishment Pledges

Colombia

In order to effect the perfection of the pledges over commercial establishments with respect to the commercial establishments denominated (i) “Promotora Médica las Américas” with registration number 21-202703-02 of the Chamber of Commerce of Medellín, (ii) “Clínica las Américas” with registration number 21-226323-03 of the Chamber of Commerce of Medellín; and (iii) “Centro Médico las Américas – Sede City Plaza” with registration number 159880 of the Chamber of Commerce of Aburrá Sur, on or before the Issue Date, Las Americas and the Colombian Collateral Agent shall execute the Colombian Commercial Establishment Pledge Agreement and (ii) the Colombian Collateral Agent will register the Colombian Commercial Establishment Pledge Agreement in the Registro de Garantías Mobiliarias managed by the Confederación de Cámaras de Comercio in Colombia to create a Lien over such commercial establishments, subject to existing liens, to secure the obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees and the Indenture.

Contingent upon (i) the release of the commercial establishments from the existing pledges over commercial establishment and (ii) the cancellation of the existing registry of such existing pledges over commercial establishment at the Registro de Garantías Mobiliarias managed by the Confederación de Cámaras de Comercio, then, the pledge of such commercial establishments under the applicable Colombian Commercial Establishment Pledge Agreement will automatically become a Lien over such commercial establishments, subject to the existing annotation of lawsuits, to secure the obligations of the Issuer and the Guarantors under the Indenture and the notes. For the avoidance of doubt, Las Americas shall perfect the Liens created by the Colombian Commercial Establishment Pledge Agreement on such commercial establishments within two (2) Business Days after the Issue Date .

Security Trusts and Real Estate Collateral

Mexico

On April 11, 2023 the OCA Entities and Grupo Salud Auna México, S.A. de C.V., as settlors (*fideicomitentes*) and TMF Mexico Business Process, S. de R.L. de C.V., as beneficiary in first place (*fideicomisario en primer lugar*), among others, entered into an amendment and restatement to the irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) identified with number 5422 (as amended and restated from time to time), with Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, acting as trustee (*fiduciario*) (the “Collateral Trustee”). Pursuant to such irrevocable guarantee trust agreement, we have transferred to the Collateral Trustee approximately 99% of the shares of the OCA Entities and all the real estate properties the OCA Entities own, and once the irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) is amended and restated before a notary public in Mexico to, among other things, appoint the Mexican Collateral Agent as new beneficiary in first place (*fideicomisario en primer lugar*) under such trust, it will constitute a first priority Lien in favor of the Mexican Collateral Agent for the benefit of the Secured Parties and enforceable against third parties upon its registration before the corresponding Public Real Estate Registry (*Registro Público de la Propiedad*) and the Sole Movable Property Registry (*Registro Único de Garantías Mobiliarias*). For the avoidance of doubt, record of the amendment and restatement to the irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) before (i) the Public Real Estate Registry (*Registro Público de la Propiedad*) shall be carried out within 150 days after the Issue Date and (ii) the Sole Movable Property Registry (*Registro Único de Garantías Mobiliarias*) shall be carried out within 3 business days following the Issue Date.

Upon any default under our Secured Pari Passu Indebtedness, the Mexican Collateral Agent may enforce the Lien created in its favor, for the benefit of the Secured Parties, in accordance with and subject to the provisions of the Intercreditor Agreement and the irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*).

Peru

Subject to certain third party consents being obtained on commercially reasonable efforts within ninety (90) days of the Issue Date, the Issuer shall cause its applicable Subsidiaries to enter into the Peruvian Real Estate Mortgage Agreement, establishing a first priority Lien in favor of the Peruvian Collateral Agent for the benefit of the Secured Parties over up to 21 real estate assets owned by Peruvian subsidiaries of the Issuer, with an estimated market value of \$66,443,822.

The Peruvian Real Estate Mortgage Agreement shall be entered into as a public deed before a Peruvian notary public and duly registered in the applicable public registries in Peru, within 90 days following the execution of the applicable public deed. Such period shall be automatically extended for an additional 60-day period; *provided* that the applicable Subsidiaries have received and are addressing comments from the applicable public registries in Peru. For the avoidance of doubt, the Liens on the Collateral granted under the Peruvian Real Estate Mortgage Agreement will immediately and automatically, without the need for any further action by any Person, be released, terminated and discharged following the first day the Issuer has a rating equal to or higher than BB rating by at least one Rating Agency.

Upon any default under our Secured Pari Passu Indebtedness, the Peruvian Collateral Agent may enforce the Lien created in its favor, for the benefit of the Secured Parties, in accordance with and subject to the provisions of the Intercreditor Agreement.

Colombia

With respect to the Clínica del Sur real estate owned by Las Americas (the “*CliSur Pledged Real Estate*”), after the Issue Date, Las Americas, as settlor, and the Colombian Collateral Agent, shall enter into the Colombian Security Trust, with Fiduciaria Scotiabank Colpatría S.A., as security trustee (the “*Colombian Security Trust Trustee*”). Pursuant to the Colombian Security Trust, we will assign to the Colombian Security Trustee all of our rights to the CliSur Pledged Real Estate and, upon registration by the Colombian Collateral Agent of the Colombian Security Trust at the *Registro de Garantías Mobiliarias* managed by the *Confederación de Cámaras de Comercio*, and upon registration of the Trustee Assignment Agreement before the Public Instruments Registration Office (*Oficina de Registro de Instrumentos Públicos*) will create a first priority Lien in favor of the Colombian Collateral Agent for the benefit of the Secured Parties. For the avoidance of doubt, Las Americas shall perfect the Liens created by the Colombian Security Trust on all of the CliSur Pledged Real Estate within four (4) Business Days after the Issue Date.

Upon any default under our Secured Pari Passu Indebtedness, the Colombian Collateral Agent may enforce the Lien created in its favor, for the benefit of the Secured Parties, in accordance with and subject to the provisions of the Intercreditor Agreement.

After-Acquired Collateral

From and after the Issue Date, and subject to certain limitations and exceptions, (i) if the Issuer or any Guarantor transfer any property or rights constituting Collateral to the Issuer or a Restricted Subsidiary, (ii) as required under “—Repurchase at the Option of Holders—Asset Sales” and (iii) if additional shares are issued by Pledged Subsidiaries, the Issuer and/or the applicable Subsidiary, as applicable, will be required to execute and deliver such documents as are necessary or desirable in order to create and maintain the security interest of the applicable Collateral Agent and/or the Collateral Trustee for the benefit of the Secured Parties (subject to Permitted Liens) in such Collateral and to take such actions to add such after-acquired collateral to the Collateral within the time periods specified in the Indenture and the Security Agreements, and thereupon all provisions of the Indenture and the Security Agreements relating to the applicable Collateral shall be deemed to relate to such after-acquired Collateral to the same extent and with the same force and effect.

Intercreditor Agreement

On the Issue Date, the Indenture Trustee, acting on behalf of the Holders, will become a party to the Intercreditor Agreement, among the Issuer, the Colombian Pledgors, the Mexican Pledgors, the Peruvian Pledgors,

the Indenture Trustee, the Administrative Agent, the Intercreditor Agent, the Collateral Trustee, and the applicable Collateral Agents (the “*Intercreditor Agreement*”). The notes are subject to the terms of the Intercreditor Agreement, which will govern, among other things, the rights and obligations of the Holders and the lenders under the New Term Loan with respect to payments, security and recoveries of the Secured Indebtedness.

The Indenture will also provide that each Holder, by accepting any notes, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement and to have directed the Indenture Trustee to enter into such agreement and appoint the Intercreditor Agent and to instruct the Intercreditor Agent to appoint the Collateral Agents and the Collateral Trustee on behalf of the Holders. By accepting any notes, each Holder will be deemed to have irrevocably authorized (1) the Intercreditor Agent to perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, and (2) the Collateral Agents and the Collateral Trustee to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to them under the Intercreditor Agreement or the Collateral Documents, and (ii) execute each Collateral Document, waiver, modification, amendment, renewal or replacement expressed to be executed by a Collateral Agent or the Collateral Trustee on its behalf.

Exercise of Remedies under the Collateral Agreements and Priority of Payments upon Foreclosure on the Collateral

So long as no Event of Default has occurred and is continuing and the Indenture Trustee, acting at the written direction of the Holders, has not delivered notice to the Issuer of the exercise of any remedy in accordance with the Intercreditor Agreement, the Issuer will have the right to remain in possession and retain exclusive control of the Collateral, to freely operate the Collateral and to collect, invest and dispose of any income therefrom, subject to the conditions and limitations set forth in the Financing Documents. In respect of the Pledged Shares, the Issuer will be entitled to receive all cash dividends and other payments made upon or with respect to the Pledged Shares and to exercise any voting and other consensual rights pertaining to the Pledged Shares, subject to restrictions and limitations that are required by law.

The Intercreditor Agreement will provide that the Indenture Trustee, the Intercreditor Agent, each applicable Collateral Agent and the Collateral Trustee agree that the security interests of the Holders and the lenders under the New Term Loan shall be of equal priority; *provided* that each of the Indenture Trustee (acting at the written direction of a majority of the outstanding principal amount of notes) and the Administrative Agent will have the right to instruct the Intercreditor Agent to instruct the applicable Collateral Agents and/or the Collateral Trustee to enforce the Collateral following an Event of Default.

If (i) the Intercreditor Agent, any Collateral Agent or the Collateral Trustee, acting on the instructions of the Intercreditor Agent, the Indenture Trustee or the Administrative Agent is taking action to enforce rights or exercise remedies in respect of any Collateral in accordance with the terms of the Intercreditor Agreement, (ii) any distribution is made in respect of any Collateral in any insolvency or liquidation proceeding of any Issuer or any Guarantor (including any “adequate protection” payment during such proceeding other than in accordance with the Intercreditor Agreement) or (iii) the Intercreditor Agent, any Collateral Agent, the Collateral Trustee or any such secured party receives any payment with respect to any Collateral (other than pursuant to the Intercreditor Agreement), then the proceeds of any sale, collection or other liquidation of any Collateral obtained by such Collateral Agent, the Collateral Trustee or any such secured party in respect of any obligations under the notes or the New Term Loan on account of such enforcement of rights or exercise of remedies, and any such distributions or payments received by such Collateral Agent, the Collateral Trustee or any such secured party in respect of any obligations under the notes or the New Term Loan shall be applied as follows:

(1) *first*, (a) to the payment of all amounts owing to the Indenture Trustee pursuant to the terms of the Indenture, the Intercreditor Agreement or the Security Agreements, as applicable, including for payment of fees and expenses incurred in connection with the enforcement of rights or exercise of remedies and to the payment of all compensation, indemnities, costs and expenses payable to the Indenture Trustee under the terms of the of the Intercreditor Agreement, the Indenture or any other Financing Documents (including, without limitation, the documented fees and expenses of its counsel);

(2) *second*, on a *pro rata* basis, to the payment of all amounts owing to the Administrative Agent, the Intercreditor Agent and such Collateral Agent or the Collateral Trustee (in its capacity as such) pursuant to the terms of the Intercreditor Agreement, the loan agreement for the New Term Loan, the Indenture any other Financing Documents including for payment of fees and expenses incurred in connection with the enforcement of rights or exercise of remedies and to the payment of compensation, all indemnities, costs and expenses payable to the Administrative Agent, the Indenture Trustee, the Intercreditor Agent, such Collateral Agent or the Collateral Trustee, under the terms of the of the Intercreditor Agreement, the loan agreement for the New Term Loan, the Indenture any other Financing Documents (including, without limitation, the documented fees and expenses of their respective counsel);

(3) *third*, (i) pay all amounts due (including accrued and unpaid interest (including default interest) and any other additional amounts due (other than principal) in respect of the outstanding Notes and (ii) pay all amounts due (including accrued and unpaid interest (including default interest) and any other additional amounts due (other than principal) in respect of Loans outstanding under the New Term Loan;

(4) *fourth*, to pay (i) the principal on the outstanding Notes and (ii) the principal amount on any Loans outstanding under the New Term Loan;

(5) *fifth*, to the payment in full of any other Secured Obligations at the time due and payable;

provided that payments made in accordance with any of the foregoing shall be made in the order of priority set forth above and on a *pro rata* basis based on the respective amounts outstanding in respect of the Notes and the New Term Loan in respect of which payment is to be made; and

(6) *sixth*, to the Issuer and the Guarantors or their successors or assigns or as a court of competent jurisdiction may direct.

The Intercreditor Agreement will provide that if, in any insolvency or liquidation proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization, the provisions of the Intercreditor Agreement will survive such distribution and will apply with like effect to the Liens securing the obligations under the New Term Loan and the notes. The Intercreditor Agreement will also provide that in furtherance of the provisions thereof, no Holder may (directly or indirectly, in the capacity of a secured or unsecured creditor) propose, support, vote in favor of, or otherwise agree to any non-conforming plan of reorganization.

Subject to the foregoing, upon the occurrence and continuation of an Event of Default, upon notice to the Issuer and subject to the limitations set forth above and the terms and conditions of the Intercreditor Agreement, each Collateral Agent and the Collateral Trustee will have the right to:

(1) receive its ratable share of cash dividends and other payments made upon or with respect to the applicable Collateral;

(2) exercise its voting or other consensual rights pertaining to the applicable Collateral; and

(3) commence proceedings to foreclose on the applicable Collateral.

Subject to the foregoing, the Holders of a majority in principal amount of the Notes will have the right to direct the Indenture Trustee to instruct the Intercreditor Agent to instruct the Collateral Agents and the Collateral Trustee, subject to the rights of the Indenture Trustee, the Intercreditor Agent, the Collateral Agents and the Collateral Trustee, including the right to be indemnified and/or receive security to its satisfaction before following any such direction, following the occurrence of an Event of Default under the Indenture, to foreclose on, or exercise its other rights with respect to, the Collateral (or exercise other remedies with respect to the Collateral). Any action taken or not taken following approval by Holders of a majority in principal amount of the notes but without the vote of any particular Holder will nevertheless be binding on such non-voting Holder.

If the maturity of the notes has been accelerated and if the Collateral Agents and/or the Collateral Trustee foreclose on or sell substantially all of the Collateral at any time pursuant to the terms of the Indenture, the Security Agreements and the Intercreditor Agreement, all proceeds realized in connection therewith must be applied to pay the holders of the notes for the notes and other required amounts in accordance with the priority set forth in the Indenture, the Security Agreements and the Intercreditor Agreement, irrespective of whether such proceeds are sufficient to pay all amounts then due under the notes but excluding, for the avoidance of doubt, application of any such proceeds to the payment of any premium.

The right of the Collateral Agents and the Collateral Trustee to repossess and dispose of or otherwise exercise remedies in respect of the Collateral upon the occurrence of an Event of Default under and as defined in the Indenture may be impaired by U.S. bankruptcy and applicable foreign insolvency laws if a bankruptcy or foreign insolvency proceeding were to be commenced by or against the Issuer or any pledgor of Collateral in an applicable jurisdiction prior to a Collateral Agent or the Collateral Trustee having repossessed and disposed of the Collateral or otherwise completed the exercise of its remedies with respect to the Collateral. See *“Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral—In the event of a U.S. bankruptcy, the ability of secured parties to realize upon the Collateral will be subject to certain U.S. bankruptcy law limitations.”* and *“Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral—Fraudulent conveyance laws may void the New Notes and/or the Guarantees and any related security interests or subordinate the New Notes and/or the Guarantees and any related security interests.”*

The Collateral Agents’ and the Collateral Trustee’s ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, permitted liens, limitations on enforcement remedies and practical problems associated with the realization of the Collateral Agents’ and the Collateral Trustee’s Liens on the Collateral. See *“Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral—You may have difficulty enforcing your rights against us and our directors and executive officers and the Guarantors.”* and *“Risk Factors—Risk Factors Relating to the New Notes, the Guarantees and the Collateral—Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.”*

Release of Liens

The Issuer and the Guarantors will be entitled to releases of the Collateral from the Liens securing the notes and the Note Guarantees under any one or more of the following circumstances, and such Liens on such Collateral shall immediately and automatically, without the need for any further action by any Person, be released, terminated and discharged in part, as to any Collateral that is sold, assigned, transferred, conveyed or otherwise disposed of by the Issuer, the Colombian Pledgors, the Mexican Pledgors or the Peruvian Pledgors, or any of their respective direct or indirect parent entities, to a Person other than the Issuer in a transaction permitted under the covenants described under *“—Repurchase at the Option of Holders—Asset Sales”* and *“—Certain Covenants—Merger and Consolidation”* in accordance with the Intercreditor Agreement, which will permit the release of any Collateral with the consent of the Indenture Trustee acting at the written direction of the Holders as set forth below under *“—Amendments and Waivers”* and (ii) the Administrative Agent under the New Term Loan for so long as the Credit Facility remains outstanding.

The Liens on the Collateral that secure the Issuer’s and the Guarantors’ obligations under the notes, the Note Guarantees and the Indenture also will automatically, without the need for any further action by any Person, be released, terminated and discharged in whole:

- (1) upon legal defeasance or covenant defeasance of the Indenture as described under *“—Legal Defeasance and Covenant Defeasance”*;
- (2) to enable the Issuer and/or Guarantors to consummate the disposition of property or assets to the extent not prohibited by the Indenture and the Security Agreements;
- (3) in the case of a Guarantor that is released from its Guarantee with respect to the notes in accordance with the terms of the Indenture, the release of the property and assets of such Guarantor;

- (4) for so long as the New Term Loan is outstanding, in respect of the property and assets of a Guarantor that at any time is not subject to a Lien securing the New Term Loan;
- (5) as described under “—Amendments and Waivers” below;
- (6) upon such property or other asset being released in respect of the Liens securing the New Term Loan (excluding in the case of the repayment in full thereof);
- (7) as required by the terms of the Intercreditor Agreement;
- (8) upon payment in full of the principal of, accrued and unpaid interest and premium, if any, on the notes; and
- (9) as described under “—Security Trusts and Real Estate Collateral—Peru”.

The Intercreditor Agreement will provide that the Intercreditor Agent, the Collateral Agents and the Collateral Trustee will execute, upon written request and at the Issuer’s expense, any documents, instruments, agreements or filings reasonably requested by the Issuer to evidence the release of the Collateral in accordance with the foregoing.

The Indenture Trustee will take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement in any applicable jurisdiction, to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications.

Delayed Perfection of the Collateral

In the event that we fail to create first-priority perfected Liens on the Pledged Shares or on the assets in the Security Trusts on or before the date that is established under “—The Collateral—Perfection of the Shares Pledges” and “—The Collateral—Security Trusts and Real Estate Collateral”, such event is required to be reported on an officer’s certificate, as applicable, the interest rate otherwise payable on the notes shall increase by an amount equal to 2.0% per annum (the “Step-Up”). The Step-Up will continue to apply only on each subsequent day that we have not provided an officer’s certificate to the Indenture Trustee, the Intercreditor Agent, the Collateral Agent and the Collateral Trustee in accordance with the Indenture certifying that we have created and perfected all Liens on the Collateral (as described below) and attaching evidence of such perfection as described in the following paragraph (a “Perfection Notice”). The Step-Up will be payable as an increase in the interest rate payable on the notes for each relevant semi-annual period in the manner described under “—Principal and Interest”. From and including the date that a Perfection Notice is duly given, the Step-Up shall no longer apply and interest on the notes for the remainder of such semi-annual period, and subsequently through the maturity date of the notes, will accrue at the Initial Interest Rate. None of the Indenture Trustee, the Intercreditor Agent, the Collateral Agent or the Collateral Trustee shall have any duty to determine the validity of any documents or statements included in a Perfection Notice or to monitor the obligations of the Issuer or any Guarantor as to the Collateral. If we do not create and perfect the first-priority Liens on the Pledged Shares to be pledged on the Issue Date within the time periods set forth in the Indenture and the Collateral Documents it will result in an Event of Default under the Indenture. See “—Events of Default”.

We shall deliver to the Indenture Trustee, the Intercreditor Agent, the Collateral Agents and the Collateral Trustee upon creation and perfection of all Liens on the Collateral a Perfection Notice, which shall include copies of each of the relevant Security Agreements, duly executed, together with copies of the documents evidencing registration of each of the Security Agreements, if any, and a written opinion of recognized independent counsel that all Liens on the Collateral have been created and perfected in accordance with the laws of the applicable jurisdiction, as the case may be. Immediately upon delivery of the above, any applicable Step-Up will cease to be in effect.

Payments on the Notes; Transfer and Exchange

The Issuer will pay, or cause to be paid, the principal of, premium, if any, and interest on the notes in definitive, non-global form at the office or agency designated by the Issuer, except that the Issuer may, at its option, pay interest

on the notes in definitive, non-global form by wire transfer of immediately available funds to the accounts specified by the Holders at their registered address set forth in the registrar's books.

The Issuer will pay principal of, premium, if any, and interest on notes in global form registered in the name of or held by The Depository Trust Company ("*DTC*") or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered Holder of such global note.

For the avoidance of doubt, the Issuer shall calculate the applicable premium and the Indenture Trustee shall have no duty to confirm or verify any such calculation (and the Trustee shall not have any responsibility for such calculations). The Issuer will make all calculations in good faith, and, absent manifest error, its calculations will be final and binding on all Holders.

The Issuer has initially designated the corporate trust office of the Indenture Trustee to act as a paying agent ("*Paying Agent*"), a transfer agent ("*Transfer Agent*") and the registrar (the "*Registrar*"). The Issuer may, however, change any Paying Agent, Transfer Agent or Registrar without prior notice to the Holders, and the Issuer or any of its Restricted Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

A Holder may transfer or exchange notes in accordance with the Indenture. The Registrar and the Transfer Agent may require a Holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the Issuer, the Registrar, the Indenture Trustee or the Transfer Agent for any registration of transfer or exchange of notes, but the Issuer, the Registrar, the Indenture Trustee or the Transfer Agent may require a Holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The Issuer, the Registrar, the Indenture Trustee or the Transfer Agent are not required to transfer or exchange any note selected for redemption. Also, the Issuer is not required to transfer or exchange any note for a period of 15 days before the day of any selection of notes to be redeemed.

The registered Holder of a note will be treated as the owner of it for all purposes.

Additional Amounts

All payments in respect of the notes (including any payments made pursuant to a Note Guarantee) made by the Issuer, any Guarantor or Subsidiary of the Issuer pursuant to the Indenture and/or the Security Agreements (each, a "Payor") will be made free and clear of and without any withholding or deduction for or on account of any present or future Taxes (as defined below), unless the withholding or deduction of such Taxes is required by law or by the administration thereof. If the applicable withholding agent is so required by any law of any Taxing Jurisdiction (as defined below) to withhold or deduct any Taxes from or in respect of any sum payable in respect of the notes, the Payor will (a) pay such additional amounts ("*Additional Amounts*") as may be necessary in order that the net amounts receivable by Holders (or beneficial owners) of any notes after such withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) equals the respective amounts which would have been receivable by such Holders (or beneficial owners) in the absence of such withholding or deduction, (b) make such withholding or deduction, and (c) pay the full amount withheld or deducted to the relevant tax or other authority in accordance with applicable law, except that no such Additional Amounts will be payable in respect of any note:

- (a) to the extent that such Taxes are imposed or levied by reason of such Holder (or the beneficial owner) having some connection with the Taxing Jurisdiction other than the mere holding (or beneficial ownership) of such note or receiving payments in respect of the note (including any payments made pursuant to a Note Guarantee) or enforcing its rights thereunder (including, but not limited to, citizenship, nationality, residence, domicile, or existence of a business, permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Taxing Jurisdiction);
- (b) to the extent that any Tax is imposed other than by deduction or withholding from payments in respect of the note (including any payments made pursuant to a Note Guarantee or a Security Agreement);

- (c) in respect of any Taxes that would not have been so deducted or withheld but for the failure by the Holder (or beneficial owner) to comply with any certification, identification or other reporting requirement concerning such Holder's (or beneficial owner's) nationality, residence, identity or connection with the Taxing Jurisdiction if (1) compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or part of the Taxes, (2) the Holder (or beneficial owner) is able to comply with these requirements without undue hardship and (3) the Payor has given the Holders (or beneficial owners) at least 30 calendar days prior notice that they will be required to comply with such requirement;
- (d) in the event that the Holder fails to surrender (where surrender is required) its note for payment within 30 days after the Payor has made available a payment of principal or interest, *provided* that the Payor will pay Additional Amounts to which a Holder (or beneficial owner) would have been entitled had the note been surrendered on the last day of such 30 day period;
- (e) to the extent that such Taxes are estate, inheritance, gift, personal property, excise, transfer, use or sales or any similar Taxes;
- (f) where such Taxes are imposed on or in respect of any note pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or successor law or regulation implementing or complying with, or introduced in order to conform to, such sections (to the extent such successor law or regulation is not materially more onerous than such sections as enacted on such date) or any intergovernmental agreement or any agreement entered into pursuant to section 1471(b)(1) of the Code (or any law implementing such an intergovernmental agreement);
- (g) to the extent that such Taxes are imposed or withheld in connection with the presentation of any note for payment by or on behalf of a holder or beneficial owner of such notes who would have been able to avoid such Taxes by presenting the relevant note to, or accepting payment from, another Paying Agent;
- (h) where such Taxes are imposed on or in respect of any note pursuant to the Luxembourg law of December 23, 2005 (the so-called "*RELIBI Law*"), as amended; or
- (i) any combination of items (a) through (h) above.

Furthermore, no Additional Amounts will be paid to a Holder that is a fiduciary or a partnership or not the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or such beneficial owner would not have been entitled to receive the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder. For the avoidance of doubt, the Indenture Trustee in any of its capacities under the Indenture, including, without limitation, as Paying Agent, is not a "Payor" for purposes hereof or under the Indenture.

"*Taxes*" means, with respect to payments on the notes, all taxes, withholdings, duties, assessments or governmental charges in the nature of a tax (including all related penalties, interest, liabilities and additions thereto) imposed or levied by or on behalf of Mexico, Peru, Colombia, Luxembourg or any jurisdiction in which the Issuer, any present or future Guarantor or any present or future Paying Agent (or, in each case, any successor thereto) is or becomes organized or otherwise resident for tax purposes or through which payments are made in respect of the notes or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (each, a "*Taxing Jurisdiction*").

The Issuer will provide the Indenture Trustee with the official acknowledgment of the relevant Taxing Jurisdiction (or, if such acknowledgment is not available, other reasonable documentation) evidencing the payment of any Taxes withheld or deducted from a payment in respect of the notes by or on behalf of the Payor. Copies of such documentation will be made available to the Holders or beneficial owners of the notes or the Paying Agent, as applicable, upon written request therefor.

In addition, the Payor will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, imposed by a Taxing Jurisdiction in respect of the creation, issue, delivery, registration and offering of the notes or the execution of the notes, the Note Guarantees, the Security Agreements, the Indenture or any other related document or instrument. The Payor will also pay and indemnify the Indenture Trustee, the Holders and beneficial owners from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the Indenture Trustee, the Holders and beneficial owners to enforce the Payor's obligations under the notes. Notwithstanding the above, this provision will not apply to: (i) any Luxembourg registration duty (*droits d'enregistrement*) due to a voluntary registration in respect of the creation, issue, delivery, registration, submission, filing and offering of the notes or the execution of the notes, the Note Guarantees, the Security Agreements, the Indenture or any other related document or instrument by the Holder where such voluntary registration is or was not required to maintain, preserve or enforce the rights of the Holder under the notes, the Note Guarantees, the Security Agreements, the Indenture or any other related document or instrument and (ii) any stamp duty, registration and other similar Tax payable in respect of any assignment, sub-participation or transfer by a Holder of any of its rights and/or obligations under the notes, the Note Guarantees, the Security Agreements, the Indenture or any other related document or instrument.

All references in this offering memorandum to principal, premium, if any, and interest on the notes will include any Additional Amounts payable in respect of such principal, premium, if any, and interest.

Optional Redemption

The notes will not be redeemable prior to maturity, except as described below.

Optional Make-Whole Redemption

Prior to December 15, 2026, the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on December 15, 2026) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after December 15, 2026, the Issuer may redeem the notes, in whole or in part, at any time and from time to time, at the following redemption prices (expressed as a percentage of principal amount of the notes being redeemed), plus accrued and unpaid interest thereon to the redemption date, if redeemed during the 12-month period commencing on December 15 of the years set forth below:

Twelve-month period commencing in year	Redemption price
2026.....	105.0%
2027.....	102.5%
2028 and thereafter.....	100.0%

"Treasury Rate" means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication)

(“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the “*Remaining Life*”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 TCM is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Issuer’s actions and determinations in determining the redemption price shall be conclusive and binding on the Holders for all purposes, absent manifest error. The Issuer will be responsible for making all calculations with respect to the redemption price. The Trustee is entitled to rely conclusively upon the accuracy of such calculations without independent verification (and the Trustee will not have any responsibility for such calculations).

Optional Redemption Upon Equity Offerings

At any time, or from time to time, on or prior to December 15, 2026, the Issuer may, at its option, redeem up to 35% of the outstanding aggregate principal amount of the notes (calculated after giving effect to any issuance of Additional Notes) with the Net Cash Proceeds of one or more Equity Offerings at a redemption price equal to 110% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the applicable redemption date; *provided that*:

- (1) at least 65% of the aggregate principal amount of the notes (calculated after giving effect to any issuance of Additional Notes) remains outstanding after each such redemption; and
- (2) such redemption occurs within ninety (90) days after the closing of such Equity Offering.

Optional Redemption Upon Tax Event

The Issuer may redeem the notes, in whole but not in part, at 100% of their outstanding principal amount plus accrued and unpaid interest to the redemption date and any Additional Amounts payable with respect thereto, only if:

- (1) on the next interest payment date the Issuer or applicable Guarantor would be obligated to pay increased Additional Amounts in respect of interest on the notes or Note Guarantee, as a result of any change in, or amendment to, the laws or regulations of any Taxing Jurisdiction, or any change in, or a pronouncement by competent authorities of the relevant Taxing Jurisdiction with respect to, the official application or official interpretation of such laws or regulations, which change, amendment or

pronouncement occurs after the Issue Date (or, in the case of any withholding taxes imposed by a jurisdiction that becomes a Taxing Jurisdiction after the Issue Date, after the date such jurisdiction becomes a Taxing Jurisdiction); and

- (2) such obligation cannot be avoided by the Issuer or applicable Guarantor taking reasonable measures available to it; *provided* that for this purpose reasonable measures shall not include any change in the Issuer's jurisdiction of organization or location of its principal executive office. For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of a Paying Agent; *provided* that such change shall not require the Issuer to incur material additional costs or legal or regulatory burdens.

No notice of redemption pursuant to the preceding paragraph will be given earlier than sixty (60) days prior to the earliest date on which the Issuer or applicable Guarantor would be obligated to pay such Additional Amounts if a payment in respect of the notes or Note Guarantees were then due.

Prior to the giving of any such notice of redemption of the notes as described under “—Notices,” the Issuer must deliver to the Indenture Trustee an Officer's Certificate confirming that it is entitled to exercise such right of redemption. The Issuer will also deliver to the Indenture Trustee an Opinion of Counsel external to the Issuer stating that it (or an applicable Guarantor) would be obligated to pay such Additional Amounts due to the changes in tax laws or regulations or changes in, or pronouncements with respect to, the official application or official interpretation of such laws or regulations. The Indenture Trustee will accept this certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it will be conclusive and binding on the Holders.

Redemption Procedures

The Issuer will give a notice of redemption to each Holder (which, in the case of global notes, will be DTC) in accordance with the procedures described under “—Notices” at least ten (10) days and not more than sixty (60) days prior to the redemption date. Any redemption and notice thereof pursuant to the Indenture may, in the Issuer's discretion, be subject to the satisfaction of any condition precedent specified therein.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the notes called for redemption on and after the redemption date.

In the case of any partial redemption, selection of the notes for redemption will be made by the Indenture Trustee in compliance with the requirements of the Singapore Stock Exchange, if any, for so long as the notes are listed on the Singapore Stock Exchange, or, if the notes are not listed to the extent permitted under applicable law, on a *pro rata* basis or by lot (in each case, subject to the procedures of DTC in the case of global notes). No notes of US\$1,000 in principal amount or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption relating to such note will state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original note.

Mandatory Redemption; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the notes. However, under certain circumstances, the Issuer may be required to offer to purchase the notes as described under the caption “—Repurchase at the Option of Holders.”

The Issuer may acquire notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with all applicable laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Repurchase at the Option of Holders

Change of Control

If a Change of Control Event occurs, unless the Issuer has exercised its right to redeem all of the notes as described under “—Optional Redemption” prior to the Change of Control Event, the Issuer will make an offer to purchase all of

the notes (the “*Change of Control Offer*”) at a purchase price in cash equal to 101% of the principal amount of the notes plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (the “*Change of Control Payment*”).

Within thirty (30) days following any Change of Control Event, unless the Issuer has exercised its right to redeem all of the notes as described under “—Optional Redemption” prior to the Change of Control Event, the Issuer will give a notice of such Change of Control Offer to each Holder or otherwise give notice in accordance with the applicable procedures of DTC, with a copy to the Indenture Trustee, stating:

- (1) that a Change of Control Offer is being made and that all notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by the Issuer at a purchase price in cash equal to 101% of the principal amount of such notes plus accrued and unpaid interest, if any, to, but excluding, the date of purchase;
- (2) the purchase date (which shall be no earlier than ten (10) days nor later than sixty (60) days from the date such notice is given) (the “*Change of Control Payment Date*”); and
- (3) the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its notes repurchased.

On the Business Day immediately preceding the Change of Control Payment Date, the Issuer will, to the extent lawful, deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes so tendered.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all notes or portions of notes (of US\$1,000 or larger integral multiples of US\$1 in excess thereof) properly tendered pursuant to the Change of Control Offer; and
- (2) deliver or cause to be delivered to the Indenture Trustee for cancellation the notes so accepted together with an Officer’s Certificate stating the aggregate principal amount of notes or portions of notes being purchased by the Issuer in accordance with the terms of this covenant.

The Paying Agent will promptly deliver to each Holder of notes so tendered the Change of Control Payment for such notes, and, if only a portion of the notes is purchased pursuant to a Change of Control Offer, upon delivery to it of an authentication order from the Issuer, the Indenture Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new note equal in principal amount to any unpurchased portion of the notes surrendered upon cancellation of the original note (or appropriate adjustments to the amount and beneficial interest in a global note will be made, as appropriate); *provided* that each such new note will be in a principal amount of US\$1,000 or integral multiples of US\$1 in excess thereof.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the relevant interest payment date to the Person in whose name a note is registered at the close of business on such record date.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Event, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction.

Other existing and future Indebtedness of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control Event or require that Indebtedness be repurchased upon a Change of Control Event.

Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the notes upon a Change of Control Event could cause a default under such Indebtedness even if the Change of Control Event itself does not.

If a Change of Control Offer occurs, the Issuer may not have available funds sufficient to make the Change of Control Payment for all the notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Issuer is required to purchase outstanding notes pursuant to a Change of Control Offer, the Issuer expects that it would seek third party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations it may have. However, the Issuer cannot assure you that it would be able to obtain necessary financing, and the terms of the Indenture or other existing and future Indebtedness of the Issuer may restrict the ability of the Issuer to obtain such financing.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given with respect to all of the notes pursuant to the Indenture prior to the related Change of Control Event as described above under “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue of the conflict or such compliance.

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Issuer by increasing the capital required to effectuate such transactions. The definition of “Change of Control” includes a disposition of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to any Person (other than Permitted Holders). Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the notes as described above as a result of a Change of Control Event.

Except as otherwise stated under “—Amendments and Waivers,” certain provisions under the Indenture relating to the Issuer’s obligation to make an offer to repurchase the notes as a result of a Change of Control Event may be waived or modified at any time with the written consent of the Holders of a majority in principal amount of the notes.

The New Term Loan contains, and other existing and future Indebtedness of the Issuer may contain, prohibitions on the occurrence of events that would constitute a Change of Control Event or require that Indebtedness be repurchased upon a Change of Control Event.

Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make any Asset Disposition *unless*:

- (1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the assets or Capital Stock subject to such Asset Disposition;
- (2) at least 75% of the consideration from such Asset Disposition received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of (a) cash or Cash Equivalents at the time of such Asset Disposition, (b) Additional Assets transferred in an Asset Swap or (c) a combination of (a) and (b); and
- (3) (a) to the extent Net Available Cash is from an Asset Disposition of assets that do not constitute Collateral, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer or such Restricted Subsidiary, as the case may be, within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, as follows:

- (i) to permanently reduce (and permanently reduce commitments with respect thereto) Secured Indebtedness of the Issuer (other than any Disqualified Stock or Subordinated Obligations) or Secured Indebtedness of a Restricted Subsidiary (other than any Disqualified Stock or Guarantor Subordinated Obligations), in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;
 - (ii) to permanently reduce Pari Passu Indebtedness (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer);
 - (iii) to permanently reduce Indebtedness of a Restricted Subsidiary that is not a Guarantor (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer);
 - (iv) to invest in Additional Assets; or
 - (v) any combination of the foregoing;
- (b) to the extent Net Available Cash is from an Asset Disposition of Collateral, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer or such Restricted Subsidiary, as the case may be, within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, as follows:

- (i) to permanently reduce (and permanently reduce commitments with respect thereto) Secured Pari Passu Indebtedness of the Issuer (other than any Disqualified Stock or Subordinated Obligations) or Secured Pari Passu Indebtedness of a Restricted Subsidiary (other than any Disqualified Stock or Guarantor Subordinated Obligations), in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;
- (ii) to permanently reduce Indebtedness of a Restricted Subsidiary (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer);
- (iii) to invest in Additional Assets, *provided* that (unless, for so long as the New Term Loan is outstanding, such Additional Assets are not pledged to secure the New Term Loan) such Additional Assets shall be pledged as Collateral; or
- (iv) any combination of the foregoing;

provided that pending the final application of any such Net Available Cash in accordance with clause (3) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture; and *provided, further*, that in the case of clause (c), a binding, written commitment to invest in Additional Assets shall be treated as a permitted application of the Net Available Cash from the date of such commitment so long as the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment within 12 months of such commitment (an “*Acceptable Commitment*”) and such Net Available Cash is actually applied in such manner within 12 months from the date of the Acceptable Commitment, it being understood that if the Acceptable Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash not so applied shall constitute Excess Proceeds.

For the purposes of clause (2) above and for no other purpose, the following will be deemed to be cash:

- (1) any liabilities (as shown on the Issuer’s or such Restricted Subsidiary’s most recent balance sheet) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the notes or the Note Guarantees) that are assumed by the transferee of any such assets and from which the Issuer and all Restricted Subsidiaries have been validly released by all creditors in writing; and

- (2) any securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 90 days following the closing of such Asset Disposition.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding clause (3) will be deemed to constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds US\$25.0 million, the Issuer will be required to, within 30 days thereafter, make an offer (“*Asset Disposition Offer*”) to all Holders and, to the extent required by the terms of any outstanding Secured Pari Passu Indebtedness, to all holders of such Secured Pari Passu Indebtedness, or, so long as the Excess Proceeds are with respect to assets not constituting Collateral, other Pari Passu Indebtedness to purchase the maximum aggregate principal amount of notes and any such Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of Holders of the notes of record on a record date to receive interest on the relevant interest payment date), in accordance with the procedures set forth in the Indenture or the agreements governing the Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, in each case in denominations of US\$1,000 and integral multiples of US\$1 in excess thereof. The Issuer shall commence an Asset Disposition Offer with respect to Excess Proceeds by giving the notice of the Asset Disposition Offer required pursuant to the terms of the Indenture, with a copy to the Indenture Trustee. To the extent that the aggregate amount of notes and Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes in any manner not otherwise prohibited by the Indenture. If the aggregate principal amount of notes surrendered by Holders thereof and other Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Issuer shall select the notes and Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, to be purchased on a *pro rata* basis on the basis of the aggregate accreted value or principal amount of tendered notes and Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

No later than five Business Days after the termination of the Asset Disposition Offer (the “*Asset Disposition Purchase Date*”), the Issuer will apply all Excess Proceeds to the purchase of the aggregate principal amount of notes and, if applicable, Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, (on a *pro rata* basis, if applicable) required to be purchased pursuant to this covenant (the “*Asset Disposition Offer Amount*”) or, if less than the Asset Disposition Offer Amount of notes (and, if applicable, Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable) has been so validly tendered, all notes and Secured Pari Passu Indebtedness or other Pari Passu Indebtedness, as applicable, validly tendered in response to the Asset Disposition Offer. Payment for any notes so purchased will be made in the same manner as interest payments are made.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to, but excluding, the Asset Disposition Purchase Date will be paid to the Person in whose name a note is registered at the close of business on such record date.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of notes or portions thereof validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all notes so tendered, in the case of the notes in integral multiples of US\$1; *provided* that if, following repurchase of a portion of a note, the remaining principal amount of such note outstanding immediately after such repurchase would be less than US\$1,000, then the portion of such note so repurchased shall be reduced so that the remaining principal amount of such note outstanding immediately after such repurchase is US\$1,000. The Issuer will deliver, or cause to be delivered, to the Indenture Trustee the notes so accepted and an Officer’s Certificate stating the aggregate principal amount of notes or portions thereof so accepted and that such notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer will promptly, but in no event later than five Business Days after termination of the Asset Disposition Offer, mail or deliver to each tendering Holder an amount equal to the purchase price of the notes so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new note, and the Indenture Trustee, upon delivery to it of an

authentication order from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new note to such Holder in a principal amount equal to any unpurchased portion of the note surrendered; *provided* that each such new note will be in a principal amount of US\$1,000 or an integral multiple of US\$1 in excess thereof. Any note not so accepted will be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Certain Covenants

The Indenture provides that the following restrictive covenants will be applicable to the Issuer and its Restricted Subsidiaries.

Effectiveness of Covenants

Following the first day:

- (a) the notes have an Investment Grade Rating from at least two Rating Agencies and
- (b) no Default or Event of Default has occurred and is continuing under the Indenture,

the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the headings below:

- “—Repurchase at the Option of Holders—Asset Sales,”
- “—Limitation on Indebtedness,”
- “—Limitation on Restricted Payments,”
- “—Limitation on Restrictions on Distributions from Restricted Subsidiaries,”
- “—Limitation on Affiliate Transactions,” and
- Clause (4) of the first paragraph of “—Merger and Consolidation.”

(collectively, the “*Suspended Covenants*”). If at any time the notes’ credit rating is downgraded from an Investment Grade Rating by any of such Rating Agencies, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the “*Reinstatement Date*”) and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the notes subsequently attain an Investment Grade Rating from at least two Rating Agencies (in which event the Suspended Covenants shall no longer be in effect for such time that the notes maintain an Investment Grade Rating from at least two Rating Agencies); *provided* that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Issuer or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period (as defined below), regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reinstatement Date is referred to as the “*Suspension Period*.”

On the Reinstatement Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to clause (2) of the second paragraph of “—Limitation on Indebtedness.” Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under “—Limitation on Restricted Payments” will be made as though the covenant described under “—Limitation on Restricted Payments” had been in

effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of “—Limitation on Restricted Payments.”

During any period when the Suspended Covenants are suspended, the Board of Directors of the Issuer may not designate any of the Issuer’s Subsidiaries as Unrestricted Subsidiaries pursuant to the Indenture.

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness; *provided* that the Issuer and its Restricted Subsidiaries may Incur Indebtedness if, on the date thereof and immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and any other Indebtedness Incurred since the end of the Latest Completed Quarter and the application of the net proceeds therefrom,

- (1) the Net Leverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is less than
 - (i) 4:75 to 1:00, if such Incurrence of Indebtedness occurs before the first anniversary of the Issue Date;
 - (ii) 4:25 to 1:00, if such Incurrence of Indebtedness occurs on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date; and
 - (iii) 3:75 to 1:00, if such Incurrence of Indebtedness occurs on or after the second anniversary of the Issue Date; and
- (2) the Interest Coverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is at least
 - (i) 1.50 to 1.00, if such Incurrence of Indebtedness occurs on or before September 30, 2024;
 - (ii) 1.75 to 1.00, if such Incurrence of Indebtedness occurs on or before September 30, 2025; and
 - (iii) 2.25 to 1.00, if such Incurrence of Indebtedness occurs after September 30, 2025; and
- (3) no Default or Event of Default will have occurred or be continuing or would occur as a consequence of Incurring the Indebtedness or entering into the transactions relating to such Incurrence.

The foregoing paragraphs of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness represented by the notes (including any Note Guarantee) (other than any Additional Notes) or incurred under the New Term Loan as in effect on the Issue Date;
- (2) Indebtedness of the Issuer and its Restricted Subsidiaries in existence on the Issue Date;
- (3) Guarantees by the Issuer or Guarantors of Indebtedness permitted to be Incurred by the Issuer or a Guarantor in accordance with the provisions of the Indenture; *provided* that in the event such Indebtedness that is being Guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the related Guarantee shall be subordinated in right of payment to the notes or the Note Guarantee, as the case may be;
- (4) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any other Restricted Subsidiary; *provided* that
 - (a) if the Issuer is the obligor on Indebtedness owing to a Non-Guarantor Subsidiary, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the notes;
 - (b) if a Guarantor is the obligor on such Indebtedness and a Non-Guarantor Subsidiary is the obligee, such Indebtedness is expressly subordinated in right of payment to the Note Guarantee of such Guarantor; and
 - (c)
 - (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and
 - (ii) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer

shall be deemed, in each case under this clause (4)(c), to constitute an Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be;

- (5) (a) Indebtedness of Persons Incurred and outstanding on the date on which such Person became a Restricted Subsidiary or was acquired by, or merged into, the Issuer or any Restricted Subsidiary or (b) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with any such acquisition or merger; *provided* that in either case, (i) the Issuer would have been able to Incur US\$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5), or (ii) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5), the Net Leverage Ratio of the Issuer and its Restricted Subsidiaries is lower than such ratio immediately prior to such acquisition or merger;
- (6) Indebtedness Incurred by the Issuer or its Restricted Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, surety and similar bonds and completion Guarantees (not for borrowed money) provided in the ordinary course of business;
- (7) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business or assets of the Issuer or any business, assets or Capital Stock of a Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; *provided* that:
 - (a) the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to subsequent changes in value) actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition; and
 - (b) such Indebtedness is not reflected on the balance sheet of the Issuer or any of its Restricted Subsidiaries (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (7));
- (8) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was Incurred) drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five (5) Business Days of Incurrence;
- (9) Indebtedness of the Issuer or any of its Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the notes in full or deposited to defease or discharge the notes, in each case in accordance with the Indenture;
- (10) Indebtedness under Hedging Obligations that are Incurred for hedging purposes in the ordinary course of business (and not for speculative purposes);
- (11) the Incurrence or issuance by the Issuer or any Restricted Subsidiary of Refinancing Indebtedness that serves to refund or refinance any Indebtedness Incurred as permitted under the first paragraph of this covenant and clauses (1), (2), (5) or (11) of this second paragraph of this covenant or any Indebtedness issued to so refund or refinance such Indebtedness, including additional Indebtedness Incurred to pay premiums (including reasonable, as determined in good faith by the Issuer, tender premiums), defeasance costs, accrued interest and fees and expenses in connection therewith;
- (12) Indebtedness (including Capitalized Lease Obligations) of the Issuer or a Restricted Subsidiary Incurred to finance the purchase, lease, construction or improvement of any property, plant or equipment used or to be used in the business of the Issuer or such Restricted Subsidiary through the direct purchase of such property, plant or equipment, and any Indebtedness of a Restricted Subsidiary which serves to refund or

refinance any Indebtedness Incurred pursuant to this clause (12), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed the greater of US\$25.0 million or 5.0% of Total Assets at any time outstanding;

- (13) short-term Indebtedness of the Issuer or any Restricted Subsidiary Incurred under a Debt Facility in the ordinary course of business, for working capital purposes and in an aggregate amount not to exceed the greater of US\$25.0 million or 5.0% of Total Assets at any time outstanding; and
- (14) in addition to the items referred to in clauses (1) through (13) above, Indebtedness of the Issuer and the Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (14) and then outstanding, will not exceed the greater of US\$50.0 million or 10.0% of Total Assets at any time outstanding.

The Issuer will not Incur any Indebtedness under the preceding paragraph if the proceeds thereof are used, directly or indirectly, to refinance any Subordinated Obligations of the Issuer unless such Indebtedness will be subordinated to the notes to at least the same extent as such Subordinated Obligations. No Guarantor will Incur any Indebtedness under the preceding paragraph if the proceeds thereof are used, directly or indirectly, to refinance any Guarantor Subordinated Obligations of such Guarantor unless such Indebtedness will be subordinated to the obligations of such Guarantor under its Note Guarantee to at least the same extent as such Guarantor Subordinated Obligations. No Restricted Subsidiary (other than a Guarantor) may Incur any Indebtedness if the proceeds are used to refinance Indebtedness of the Issuer or a Guarantor.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) the outstanding principal amount of any item of Indebtedness will be counted only once;
- (2) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the second paragraph of this covenant, the Issuer, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and may later reclassify such item of Indebtedness in any manner that complies with the second paragraph of this covenant and will be entitled to divide the amount and type of such Indebtedness among more than one of such clauses under the second paragraph of this covenant;
- (3) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Non-Guarantor Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and
- (5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness.

Accrual of interest, accrual of dividends, the accretion of accreted value, the amortization of debt discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be (i) the aggregate principal amount outstanding, in the case of Indebtedness issued with interest payable in-kind and any Indebtedness issued with original issue discount, and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness, in all cases as determined in accordance with IFRS.

In addition, the Issuer will not permit any of its Unrestricted Subsidiaries to Incur any Indebtedness or issue any Disqualified Stock, other than Non-Recourse Debt. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this “—Limitation on Indebtedness” covenant, the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in Peruvian Soles, Colombian pesos, Mexican pesos or any other foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that, if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any other payment or distribution (whether made in cash, securities or other property) on or in respect of its or any of its Restricted Subsidiaries’ Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) other than:
 - (a) dividends, payments or distributions payable solely in Capital Stock of the Issuer (other than Disqualified Stock); and
 - (b) dividends, payments or distributions by a Restricted Subsidiary, so long as, in the case of any dividend, payment or distribution payable on or in respect of any Capital Stock issued by a Restricted Subsidiary that is not a Wholly-Owned Subsidiary, the Issuer or the Restricted Subsidiary holding such Capital Stock receives at least its *pro rata* share of such dividend, payment or distribution;
- (2) purchase, redeem, retire or otherwise acquire for value, including in connection with any merger or consolidation, any Capital Stock of the Issuer or any direct or indirect parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));
- (3) make any payment on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled repayment, scheduled sinking fund payment or scheduled maturity, any Subordinated Obligations or Guarantor Subordinated Obligations, other than Indebtedness of the Issuer owing to and held by any Guarantor or Indebtedness of a Guarantor owing to and held by the Issuer or any other Guarantor permitted under clause (3) of the second paragraph of the covenant “Limitation on Indebtedness”; or
- (4) make any Restricted Investment

(all such payments and other actions referred to in clauses (1) through (4) above shall be referred to as a “*Restricted Payment*”), unless, at the time of and after giving effect to such Restricted Payment:

- (a) no Default or Event of Default shall have occurred and be continuing (or would result therefrom);
 - (b) immediately after giving effect to such transaction on a *pro forma* basis, the Issuer could Incur US\$1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under “—Limitation on Indebtedness”; and
 - (c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date would not exceed the sum of (without duplication):
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from October 1, 2023 to the end of the Latest Completed Quarter ending prior to the date of such Restricted Payment (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit); plus
 - (ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities or other property received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Issue Date, other than:
 - (x) Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of the Issuer or to an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination; and
 - (y) Net Cash Proceeds received by the Issuer from the issue and sale of its Capital Stock or capital contributions to the extent applied to redeem notes in compliance with the provisions set forth under “—Optional Redemption—Optional Redemption Upon Equity Offerings”; plus
 - (iii) the amount by which Indebtedness of the Issuer or its Restricted Subsidiaries is reduced on the Issuer’s consolidated balance sheet upon the conversion or exchange (other than debt held by a Subsidiary of the Issuer) subsequent to the Issue Date of any Indebtedness of the Issuer or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Issuer (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Issuer upon such conversion or exchange); plus
 - (iv) the amount equal to the net reduction in Restricted Investments made by the Issuer or any of its Restricted Subsidiaries in any Person resulting from:
 - (x) repurchases or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Issuer any Restricted Subsidiary (other than for reimbursement of tax payments); or
 - (y) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries or the merger or consolidation of an Unrestricted Subsidiary with and into the Issuer or any of its Restricted Subsidiaries (valued in each case as provided in the definition of “Investment”) not to exceed the amount of Investments previously made by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary,
- which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; *provided* that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income.

The provisions of the preceding paragraph will not prohibit:

- (1) any (A) purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock or Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of, or (B) the payment of dividends or any distribution on the Capital Stock of the Issuer in the case of this clause (B) in connection with the repayment of the Sponsor Financing from, the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination); *provided* that the Net Cash Proceeds from such sale of Capital Stock will be excluded from clause (c)(ii) of the preceding paragraph;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Issuer or any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Guarantor Subordinated Obligations of any Guarantor made by exchange for or out of the proceeds of the substantially concurrent sale of Guarantor Subordinated Obligations of a Guarantor so long as such refinancing Subordinated Obligations or Guarantor Subordinated Obligations are permitted to be Incurred pursuant to the covenant described under “—Limitation on Indebtedness” and constitute Refinancing Indebtedness;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Issuer or such Restricted Subsidiary, as the case may be, so long as such refinancing Disqualified Stock is permitted to be Incurred pursuant to the covenant described under “—Limitation on Indebtedness” and constitutes Refinancing Indebtedness;
- (4) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (a) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to the “—Repurchase at the Option of Holders—Change of Control” covenant or (b) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the “—Repurchase at the Option of Holders—Asset Sales” covenant; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the notes and has completed the repurchase or redemption of all notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer;
- (5) any purchase or redemption of Subordinated Obligations or Guarantor Subordinated Obligations from Net Available Cash to the extent permitted under “—Repurchase at the Option of Holders—Asset Sales”;
- (6) dividends paid within sixty (60) days after the date of declaration if at such date of declaration such dividend would have complied with this provision;
- (7) the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock or equity appreciation rights of the Issuer or any direct or indirect parent of the Issuer held by any existing or former employees or management of the Issuer or any Subsidiary of the Issuer or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees approved by the Board of Directors of the Issuer; *provided* that such Capital Stock or equity appreciation rights were received for services related to, or for the benefit of, the Issuer and its Restricted Subsidiaries; and *provided, further*, that such redemptions or repurchases pursuant to this clause (7) will not exceed (i) US\$4.0 million in the aggregate during any calendar year and (ii) US\$7.0 million in the aggregate since the Issue Date;

- (8) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants, other rights to purchase Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise price thereof, and Restricted Payments by the Issuer to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock;
- (9) other Restricted Payments in an aggregate amount, when taken together with all other Restricted Payments made pursuant to this clause (9), not to exceed US\$20.0 million in the aggregate since the Issue Date; and
- (10) the payment of dividends or any distribution in an aggregate amount not to exceed U.S.\$4.0 million during any fiscal year of the Issuer; *provided* that the proceeds of such dividend payments and/or other distributions shall be used solely for the payment of any withholding tax payable by Heredia Investments in connection with the Sponsor Financing;

provided that at the time of and after giving effect to, any Restricted Payment permitted under clauses (1) (solely to the extent related to the payment of dividends and distributions), (5) and (9), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

Restricted Payments permitted pursuant to clauses (2), (3), (4), (5), (7), (8) and (9) will not be included in making the aggregate Restricted Payment calculations under clause (c) of the first paragraph of this “Limitation on Restricted Payments” covenant.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of such Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment; *provided* that such determination of the Fair Market Value of a Restricted Payment or any such assets or securities shall be based upon an opinion or appraisal issued by an Independent Financial Advisor if such Fair Market Value is estimated in good faith by the Board of Directors of the Issuer or an authorized committee thereof to exceed US\$25.0 million. The amount of all Restricted Payments paid in cash shall be its face amount.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) permitted pursuant to this covenant or a Permitted Investment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described above or one or more clauses of the definition of “Permitted Investment,” the Issuer shall be permitted to classify such Restricted Payment or Permitted Investment (or any portion thereof) on the date it is made, or later reclassify all or any portion of such Restricted Payment or Permitted Investment, in any manner that complies with this covenant, and such Restricted Payment or Permitted Investment (or portion thereof) shall be treated as having been made pursuant to only one of such clauses of this covenant or of the definition of Permitted Investment.

Notwithstanding any other provision contained in the Indenture, Auna and/or any of its Subsidiaries shall be permitted to use the proceeds of the substantially concurrent sale of the Capital Stock of the Issuer (other than Disqualified Stock) to repay obligations under the Sponsor Financing (in whole or in part), plus any premiums, accrued interest and fees and expenses in connection therewith; *provided*, that no Default or Event of Default has occurred and is continuing.

As of the Issue Date, each of Consorcio Trecca S.A.C. and Operador Estrategico S.A.C. will be an Unrestricted Subsidiary. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of “Unrestricted Subsidiary.” For purposes of designating any Restricted Subsidiary (other than the Issuer) as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the definition of “Investment.” Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

Limitation on Liens

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) against or upon any of their respective properties or assets (including Capital Stock of Subsidiaries), or any proceeds therefrom, or assign or convey any right to receive proceeds therefrom, whether owned on the Issue Date or acquired after the Issue Date, which Lien is securing any Indebtedness, unless contemporaneously with the Incurrence of such Liens:

- (1) in the case of Liens securing Subordinated Obligations or Guarantor Subordinated Obligations, the notes and related Note Guarantees and all other amounts due under the Indenture are secured by a Lien on such properties, assets or proceeds that is senior in priority to such Liens; or
- (2) in all other cases, the notes and related Note Guarantees and all other amounts due under the Indenture are equally and ratably secured or are secured by a Lien on such properties, assets or proceeds that is senior in priority to such Liens,

provided that, notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries will not, and will cause its Restricted Subsidiaries not to, incur or suffer to exist any Lien (including Permitted Liens) upon the Collateral other than Permitted Collateral Liens.

Any Lien created for the benefit of Holders pursuant to this covenant shall be automatically and unconditionally released and discharged upon the termination or cessation of the circumstances which required the granting of such Liens.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary (other than a Guarantor) to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary (other than a Guarantor) to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;
- (2) make any loans or advances to the Issuer or any Restricted Subsidiary; or
- (3) sell, lease or transfer any of its properties or assets to the Issuer or any Restricted Subsidiary.

The preceding provisions will not prohibit encumbrances or restrictions existing under or by reason of:

- (a) contractual encumbrances or restrictions pursuant to agreements or instruments in effect as of the Issue Date;
- (b) the Indenture, the notes, the Security Agreements or the Note Guarantees;
- (c) any agreement or other instrument of a Person acquired by the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the properties or assets of the Person and its Subsidiaries, so acquired (including after acquired property);
- (d) any amendment, restatement, modification, renewal, supplement, refunding, replacement or refinancing of an agreement referred to in clauses (a), (b) or (c) of this paragraph or this clause (d); *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive than the encumbrances and restrictions contained in the agreements referred to in clauses (a), (b) or (c) of this paragraph on the Issue Date or the date such Restricted Subsidiary became a Restricted Subsidiary or was merged into a Restricted Subsidiary, whichever is applicable;

- (e) in the case of clause (3) of the first paragraph of this covenant, Liens permitted to be Incurred under the provisions of the covenant described under “—Limitation on Liens” that limit the right of the debtor to dispose of the assets securing such Indebtedness;
- (f) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations permitted under the Indenture, in each case that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;
- (g) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or a portion of the Capital Stock or assets of such Subsidiary;
- (h) any customary provisions in joint venture agreements relating to joint ventures that are not Restricted Subsidiaries and other similar agreements entered into in the ordinary course of business and with the approval of the Board of Directors;
- (i) customary non-assignment provisions in leases, subleases or licenses and other similar agreements entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;
- (j) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order; and
- (k) contained in the terms governing any Indebtedness if (as determined in good faith by the Issuer) (i) the encumbrances or restrictions are ordinary and customary for a financing of that type and (ii) the encumbrances or restrictions either (x) would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer or any Guarantor to make payments on the notes or (y) in the case of any Refinancing Indebtedness, are, taken as a whole, no less favorable in any material respect to the Holders of the notes than those contained in the agreements governing the Indebtedness being refinanced.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (an “*Affiliate Transaction*”), unless:

- (1) the terms of such Affiliate Transaction are no less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to have been obtained by the Issuer or such Restricted Subsidiary in a comparable transaction at the time of such transaction on an arms’ length basis with a Person that is not an Affiliate of the Issuer;
- (2) in the event such Affiliate Transaction or series of related Affiliate Transactions involves an aggregate consideration in excess of US\$10.0 million (or the equivalent in other currencies), the terms of such transaction or series of transactions have been approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the disinterested members thereof, if any), the approval to be evidenced by a Board Resolution stating that the Board of Directors has determined that such Affiliate Transaction or series of related Affiliate Transactions satisfies the criteria in clause (1) above; and
- (3) in the event such Affiliate Transaction or series of related Affiliate Transactions involves an aggregate consideration in excess of US\$25.0 million, the Issuer will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Affiliate Transaction or series of related Affiliate Transactions to the Issuer and any such Restricted Subsidiary, if any, from a financial point of view from an Independent Financial Advisor and deliver the same to the Indenture Trustee.

The preceding paragraph will not apply to:

- (1) any transaction between the Issuer and a Restricted Subsidiary or between Restricted Subsidiaries, and any Guarantees issued by the Issuer or a Restricted Subsidiary for the benefit of the Issuer or a Restricted Subsidiary, as the case may be, in accordance with “—Limitation on Indebtedness”;
- (2) any Restricted Payment permitted to be made pursuant to the covenant described under “—Limitation on Restricted Payments” and the definition of “Permitted Investments” (other than pursuant to clause (2) thereof);
- (3) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or as the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of the Issuer, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees in the ordinary course of business and approved by the Board of Directors of the Issuer;
- (4) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors or officers of the Issuer or any Restricted Subsidiary;
- (5) loans or advances to employees, officers or directors of the Issuer or any Restricted Subsidiary in the ordinary course of business consistent with past practices, in an aggregate amount not in excess of US\$2.0 million (without giving effect to the forgiveness of any such loan);
- (6) the entering into of a customary agreement providing registration rights to the shareholders of the Issuer and the performance of such agreements;
- (7) any agreement as in effect as of the Issue Date (including lease agreements), as these agreements may be amended, modified, supplemented, extended or renewed from time to time, so long as any such amendment, modification, supplement, extension or renewal is not more disadvantageous to the Holders in any material respect in the good faith judgment of the Board of Directors of the Issuer, when taken as a whole, than the terms of the agreements in effect on the Issue Date;
- (8) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Issuer or a Restricted Subsidiary; *provided* that such agreement was not entered into in contemplation of such acquisition or merger, and any amendment thereto (so long as any such amendment is not disadvantageous to the Holders in the good faith judgment of the Board of Directors of the Issuer, when taken as a whole, as compared to the applicable agreement as in effect on the date of such acquisition or merger);
- (9) transactions with customers, clients, suppliers, lessors, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of the business of the Issuer and its Restricted Subsidiaries and otherwise in compliance with the terms of the Indenture; *provided* that, in the reasonable determination of the members of the Board of Directors or Senior Management of the Issuer, such transactions are on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that could reasonably be expected to have been obtained at the time of such transactions in a comparable transaction on an arm’s length basis by the Issuer or such Restricted Subsidiary with an unrelated Person;
- (10) any issuance or sale of Capital Stock (other than Disqualified Stock) to Affiliates of the Issuer and the granting and performance of registration and other customary rights in connection therewith; and
- (11) transactions among the Issuer and any of its Affiliates with respect to the provisions of any management services by any such Affiliate, in an aggregate amount not to exceed during any fiscal year of the Issuer, U.S.\$3.0 million (or its foreign currency equivalent).

Reports

To the extent the same shall not have been made publicly available by filing with the SEC, and so long as any notes are outstanding, the Issuer will furnish or cause to be furnished to the Indenture Trustee:

- (a) within 120 days following the end of each fiscal year of the Issuer, audited consolidated income statements, balance sheets, statements of shareholders equity and cash flow statements and the related notes thereto for the Issuer on a consolidated basis for the two most recent fiscal years in accordance with IFRS, together with an audit report thereon by the Issuer's independent auditors, and together with a summary discussion and analysis by management of the Issuer regarding the financial condition and results of operations of the Issuer on a consolidated basis for such fiscal years; and
- (b) within 60 days following the end of each of the three fiscal quarters ending on March 31, June 30 and September 30 in each of the Issuer's fiscal years quarterly reports containing unaudited consolidated balance sheets, statements of income and the related notes thereto for the Issuer on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with IFRS, together with a summary discussion and analysis by management of the Issuer regarding the financial condition and results of operations of the Issuer on a consolidated basis for such quarterly period.

In addition, the Issuer will furnish to the Holders of the notes and to prospective investors, upon the requests of such Holders or prospective investors, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the notes are not freely transferable under the Exchange Act by Persons who are not "affiliates" under the Securities Act.

The information required to be furnished pursuant to the first paragraph shall be furnished in the English language. The Issuer may fulfill the reporting obligations provided in the first paragraph by notifying the Indenture Trustee in writing of the posting on its public website the information required thereby.

Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only, and the Indenture Trustee's receipt thereof shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indenture (as to which the Indenture Trustee is entitled to certificates). The Indenture Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer's compliance with the covenants or with respect to any reports or other documents filed with the SEC or any website under the Indenture.

Limitation on Activities of Issuer and its Restricted Subsidiaries

The Issuer and its Restricted Subsidiaries will not engage in any business other than a Similar Business.

Maintenance of Properties

The Issuer will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Issuer may be necessary so that the business of the Issuer and its Restricted Subsidiaries may be properly conducted at all times; *provided* that nothing in this paragraph prevents the Issuer or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Issuer, desirable in the conduct of the business of the Issuer or any of its Restricted Subsidiaries.

Listing

The Issuer will apply to list the notes on the Singapore Stock Exchange. In the event that the notes are listed for trading on the Singapore Stock Exchange, the Issuer will use its best efforts to maintain such listing; *provided* that if the admission of the notes on the Singapore Stock Exchange would, in the future, require the Issuer to publish financial information either more regularly than it would otherwise be required to, or requires the Issuer or the Guarantors to

publish separate financial information, or if the listing, in the judgment of the Issuer, is unduly burdensome, the Issuer may seek an alternative admission to listing, trading and/or quotation for the notes by another listing authority, stock exchange and/or quotation system. If such alternative admission to listing, trading and/or quotation of the notes is not available to the Issuer or is, in the Issuer's commercially reasonable judgment, unduly burdensome, an alternative admission to listing, trading and/or quotation of the notes may not be obtained.

Further Assurances; No Impairment of Liens

The Issuer will, at its sole cost and expense, (a) execute and deliver all such agreements and instruments as the Indenture Trustee, the Intercreditor Agent, a Collateral Agent and/or the Collateral Trustee shall reasonably request from time to time and (b) file any such notice filings or other agreements or instruments as may be reasonably necessary under applicable law to perfect (and maintain the perfection and priority) the Liens created by the Security Agreements (subject to Permitted Liens); *provided* that for so long as the New Term Loan is outstanding, the Issuer shall not be required to take any actions with respect to the perfection of the security interests in the Collateral to the extent such actions are not required by the New Term Loan. Notwithstanding the foregoing, none of the Indenture Trustee, the Intercreditor Agent, any Collateral Agent or the Collateral Trustee shall have any responsibility for the validity, perfection, priority, continuation or enforceability of any Lien or security interest under the Security Agreements and shall have no obligation to take any action to procure or maintain such validity, perfection, priority, continuation or enforceability.

The Issuer will not, and will not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing any Collateral for the benefit of the Indenture Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee and/or the Holders, and the Issuer will not, and will not permit any Restricted Subsidiary to, grant to any Person other than the Indenture Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee and/or the Holders and the other beneficiaries described in the Intercreditor Agreement, as applicable, any interest whatsoever in any of the Collateral, except that (a) the Collateral may be discharged and released in accordance with the Indenture, the Security Agreements and the Intercreditor Agreement, as applicable, and (b) the Issuer and any Restricted Subsidiary may consummate any other transaction permitted under the Indenture.

Merger and Consolidation

The Issuer will not consolidate with or merge with or into or wind up into (whether or not the Issuer is the surviving corporation), or sell, assign, convey, transfer, lease or otherwise dispose of (or cause or permit any Restricted Subsidiary to sell, assign, convey, transfer, lease or otherwise dispose of) all or substantially all of its properties and assets, in one or more related transactions, to any Person unless:

- (1) the resulting, surviving or transferee Person (the "*Successor Company*") is a Person (other than an individual) organized and validly existing under the laws of a Permitted Jurisdiction;
- (2) the Successor Company (if other than the Issuer) expressly assumes all of the obligations of the Issuer under the notes and the Indenture (including the obligation to pay Additional Amounts, if any) pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Indenture Trustee;
- (3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;
- (4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four quarter period;
 - (a) the Successor Company would be able to Incur at least US\$1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Indebtedness," or
 - (b) the Net Leverage Ratio for the Successor Company and its Restricted Subsidiaries on a consolidated basis would not be higher than such ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis immediately prior to such transaction and (ii) the Interest Coverage Ratio for the

Successor Company and its Restricted Subsidiaries on a consolidated basis would be the same or higher than such ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis immediately prior to such transaction;

- (5) each Guarantor (unless it is the other party to the transactions above, in which case clause (1) of the following paragraph shall apply) shall have by supplemental indenture confirmed that its Note Guarantee (including the obligation to pay Additional Amounts, if any) shall apply to such Successor Company's obligations under the Indenture and the notes; and
- (6) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, winding up, sale, assignment, conveyance, transfer, lease, or disposition, and such supplemental indenture, if any, comply with the Indenture.

Subject to certain limitations, the Successor Company will succeed to, and be substituted for, the Issuer under the Indenture and the notes.

Notwithstanding clauses (4) and (5) of the second preceding paragraph,

- (1) any Restricted Subsidiary may consolidate with, merge with or into or transfer all or part of its properties and assets to the Issuer so long as no Capital Stock of the Restricted Subsidiary is distributed to any Person other than the Issuer; *provided* that, in the case of a Restricted Subsidiary that merges into the Issuer, the Issuer will not be required to comply with clause (6) of the preceding paragraph; and
- (2) any Non-Guarantor Subsidiary may consolidate with or merge into or transfer all or part of its properties and assets to the Issuer or a Guarantor.

In addition, the Issuer will not permit any Guarantor to consolidate with or merge with or into or wind up into (whether or not such Guarantor is the surviving corporation), or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets, in one or more related transactions, to any Person (other than to the Issuer or another Guarantor) unless:

- (1) if such entity remains a Guarantor, the resulting, surviving or transferee Person (the "*Successor Guarantor*") is a Person (other than an individual) organized and validly existing under the laws of a Permitted Jurisdiction;
- (2) the Successor Guarantor, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under (a) the Indenture and its Note Guarantee (including the obligation to pay Additional Amounts, if any) and, (b) if the predecessor Guarantor was also a Grantor pursuant to the Security Agreements, the Security Agreements, pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Indenture Trustee;
- (3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
- (4) the Issuer will have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, winding up or disposition and such supplemental indenture (if any) comply with the Indenture.

Subject to certain limitations described in the Indenture, the Successor Guarantor will succeed to, and be substituted for, such Guarantor under the Indenture and the Note Guarantee of such Guarantor.

Notwithstanding the foregoing, any Guarantor may merge with or into or transfer all or part of its properties and assets to a Guarantor or the Issuer or merge with a Restricted Subsidiary of the Issuer solely for the purpose of reincorporating the Guarantor in the jurisdiction of such Guarantor, or a Permitted Jurisdiction, so long as the amount of Indebtedness of such Guarantor and its Restricted Subsidiaries is not increased thereby, and the resulting entity remains or becomes a Guarantor.

For purposes of this covenant, the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, will be deemed to be the disposition of all or substantially all of the properties and assets of the Issuer.

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The Issuer and a Guarantor, as the case may be, will be released from its obligations under the Indenture, the notes and its Note Guarantee, as the case may be, and the Successor Company and the Successor Guarantor, as the case may be, will succeed to, and be substituted for, and may exercise every right and power of, the Issuer or a Guarantor, as the case may be, under the Indenture, the notes and such Note Guarantee; *provided* that, in the case of a lease of all or substantially all its assets, the Issuer will not be released from the obligation to pay the principal of and interest on the notes, and a Guarantor will not be released from its obligations under its Note Guarantee.

Future Guarantors

The Issuer will cause any Restricted Subsidiary (other than an Excluded Subsidiary) of the Issuer that:

- (1) (A) as of the last day of any fiscal quarter and with respect to the Issuer and its Restricted Subsidiaries, individually represents at least 10% of the Total Assets of the Issuer and its Restricted Subsidiaries as determined in accordance with IFRS, or (B) for the preceding twelve-month period measured as of the end of a fiscal quarter, individually represents at least 10% of the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries;
- (2) is or becomes a Grantor under the Security Agreements; or
- (3) is or becomes a guarantor under any Indebtedness secured by a Lien on the Collateral, including the Credit Facility

to become a Guarantor and execute a supplemental indenture and a supplement or joinder to the Security Agreements or new Security Agreements and takes all actions required thereunder to perfect the Liens created thereunder; and deliver an Opinion of Counsel; *provided* that, notwithstanding the foregoing, any Subsidiary that is a Grantor shall be a Guarantor notwithstanding that it is an Excluded Subsidiary, *provided, further*, that if (i) with respect to (1)(A) above, as of the last day of the relevant fiscal quarter, the Issuer and the then existing Guarantors collectively represent at least 90% of the Total Assets of the Issuer and its Restricted Subsidiaries, then such Restricted Subsidiary will not be required to become a Guarantor pursuant to the preceding sentence, and (ii) with respect to (1)(B) above, for the relevant twelve-month period, the Issuer and the then existing Guarantors collectively represent at least 90% of the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries, then such Restricted Subsidiary will not be required to become a Guarantor. The Issuer will cause each a Restricted Subsidiary required to become a Guarantor to execute and deliver to the Indenture Trustee a supplemental indenture and to the applicable Collateral Agent and/or Collateral Trustee, a supplement or joinder to the Security Agreements or new Security Agreements, promptly and in any event within 90 days after each fiscal quarter (or 120 days after each fiscal year in the case of the last fiscal quarter of each fiscal year), pursuant to which such Restricted Subsidiaries will irrevocably and unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest in respect of the notes and all other obligations under the Indenture on a secured, senior basis. So long as (x) the Issuer is, and would be after such designation, in compliance with this paragraph and (y) no Default or Event of Default has occurred and is continuing, the Issuer may designate any Restricted Subsidiary as a Non-Guarantor Subsidiary (including without limitation any entity referred to in the proviso to the first sentence of this paragraph). All designations of Non-Guarantor Subsidiaries must be evidenced by resolutions of the Issuer’s Board of Directors and an Officer’s Certificate, delivered to the Indenture Trustee certifying compliance with this paragraph; *provided* that all Restricted Subsidiaries which are not Initial Guarantors as of the Issue Date shall initially be deemed Non-Guarantor Subsidiaries without such designation requirements. Any designation shall be automatically revoked if such Restricted Subsidiary provides a Note Guarantee as provided in this paragraph.

The obligations of each Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

Each Note Guarantee shall be released in accordance with the provisions of the Indenture described under "—Note Guarantees."

Anti-Layering

Neither the Issuer nor any Guarantor may Incur any Indebtedness that is subordinate in right of payment to other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also subordinate in right of payment to the notes or the relevant Note Guarantee on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Events of Default

Each of the following is an "*Event of Default*":

- (1) default in any payment of interest (including any related Additional Amounts) on any note when due and such default continues for 30 days;
- (2) default in the payment of principal of, or premium, if any, on any note (including, in each case, any related Additional Amounts) when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer or any Guarantor to comply with its obligations under "—Certain Covenants—Merger and Consolidation";
- (4) failure by the Issuer or any Guarantor for thirty (30) days to comply with its obligations under "—Certain Covenants—Repurchase at the Option of Holders";
- (5) failure by the Issuer or any Guarantor for sixty (60) days to comply with any other covenant or agreement contained in the Indenture or the notes (other than as described under clauses (1), (2), (3) and (4) above, which are covered by such clauses) after notice by the Indenture Trustee or Holders of 25% or more in principal amount of the then outstanding notes;
- (6) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:
 - (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness ("*payment default*"); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates US\$20.0 million or more (or its foreign currency equivalent);

- (7) failure by the Issuer or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of US\$20.0 million (or its foreign currency equivalent) (net

- of any amounts that a reputable and creditworthy insurance company have agreed to pay), which judgments are not paid, discharged or stayed for a period of 60 days or more after such judgment becomes final;
- (8) the entering of a decree or order by a court (or equivalent authority) having jurisdiction adjudging the Issuer or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of or by the Issuer or any of its Significant Subsidiaries, and such decree or order continuing to be undischarged or unstayed for a period of 60 days; the entering of a decree or order of a court (or equivalent authority) having jurisdiction for the appointment of a receiver or liquidator or for the liquidation or dissolution of the Issuer or any of its Significant Subsidiaries, and such decree or order continuing to be undischarged and unstayed for a period of 60 days; the institution by the Issuer or any of its Significant Subsidiaries of any proceeding to be adjudicated as voluntary bankrupt, liquidated or dissolved, or their respective consent to the filing of a bankruptcy, liquidation or dissolution proceeding against any of them, or the filing of a petition or answer or consent seeking reorganization, or the consent to the filing of any such petition or appointment of a receiver or liquidator or trustee or assignee in bankruptcy, liquidation, dissolution or insolvency of the Issuer or any of its Restricted Subsidiaries or of any substantial part of their respective property;
 - (9) except as permitted by the Indenture, any Note Guarantee of any Significant Subsidiary or group of Guarantors that, taken together, would constitute a Significant Subsidiary is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any such Guarantor or group of Guarantors denies or disaffirms its obligations under its Note Guarantee;
 - (10) the Liens created by the Security Agreements shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Security Agreements) other than (A) in accordance with the terms of the relevant Security Agreement and the Indenture, (B) the satisfaction in full of all obligations under the Indenture or (C) any loss of perfection that results from the failure of the applicable Collateral Agent to maintain possession of certificates delivered to it representing securities pledged under the Security Agreements and (ii) such default continues for 30 days after receipt of written notice given by the Indenture Trustee or the Holders of not less than 25% in aggregate principal amount of the then outstanding notes; or
 - (11) failure by the Issuer or any Guarantor to perfect the Liens created by the Security Agreements on the Collateral within 180 days after the Issue Date.

If an Event of Default (other than an Event of Default described in clause (8) above) occurs and is continuing, the Indenture Trustee by written notice to the Issuer, specifying the Event of Default, or the Holders of at least 25% in principal amount of the then outstanding notes by notice to the Issuer and the Indenture Trustee, may declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all the notes to be due and payable. Upon such a declaration, such principal, premium, if any, and accrued and unpaid interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the notes because an Event of Default described in clause (6) under “—Events of Default” has occurred and is continuing, the declaration of acceleration of the notes shall be automatically annulled if the default triggering such Event of Default pursuant to clause (6) shall be remedied or cured by the Issuer or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 20 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium, if any, or interest on the notes that became due solely because of the acceleration of the notes, have been cured or waived.

If an Event of Default described in clause (8) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, if any, on all the notes will become and be immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any Holders. The Holders of a majority in principal amount of the outstanding notes may waive all past defaults (except with respect to nonpayment of principal, premium or interest) and rescind any such acceleration with respect to the notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the notes that have become due solely by such declaration of acceleration, have been cured or waived.

Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no Holder may pursue any remedy with respect to the Indenture or the notes unless:

- (1) such Holder has previously given the Indenture Trustee notice that an Event of Default is continuing;
- (2) Holders of at least 25% in principal amount of the then outstanding notes have requested the Indenture Trustee to pursue the remedy;
- (3) such Holders have offered the Indenture Trustee security and/or indemnity satisfactory to the Indenture Trustee against any loss, liability or expense;
- (4) the Indenture Trustee has not complied with such request within sixty (60) days after the receipt of the request and the offer of security or and/or indemnity; and
- (5) the Holders of a majority in principal amount of the then outstanding notes have not given the Indenture Trustee a direction that, in the opinion of the Indenture Trustee, is inconsistent with such request within such sixty (60) day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the then outstanding notes may direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or of exercising any trust or power conferred on the Indenture Trustee. The Indenture provides that in the event an Event of Default has occurred and is continuing, and of which a responsible officer of the Indenture Trustee has actual knowledge in accordance with the terms of the Indenture, the Indenture Trustee will be required in the exercise of its powers under the Indenture to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. The Indenture Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture, the notes or any Note Guarantee, or that the Indenture Trustee determines in good faith is unduly prejudicial to the rights of any other Holder (*provided* that the Indenture Trustee shall have no obligation to determine whether a direction is unduly prejudicial to the rights of any Holder) or that would involve the Indenture Trustee in personal liability.

If an Event of Default occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of the rights or powers under the Indenture, the notes and the Note Guarantees at the request or direction of any of the Holders unless such Holders have offered to the Indenture Trustee indemnity and/or security satisfactory to it against any loss, liability or expense.

The Indenture provides that if a Default occurs and is continuing and is known to a responsible officer of the Indenture Trustee, the Indenture Trustee will give to each Holder notice of the Default within 90 days after a responsible officer has received written notice thereof unless it determines that it would be in the best interest of the Holders as a whole to not provide such notice. Except in the case of a Default in the payment of principal of, premium, if any, or interest on any note, the Indenture Trustee may withhold from the Holders notice of any continuing Default if the Indenture Trustee determines in good faith that withholding the notice is in the interests of the Holders. In addition, the Issuer is required to deliver to the Indenture Trustee, within 120 days after the end of each fiscal year ending after the Issue Date (which fiscal year ends December 31), an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Indenture Trustee, within five (5) Business Days after the occurrence thereof, written notice of any events which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposing to take in respect thereof.

Amendments and Waivers

Except as provided in the next three succeeding paragraphs, the Indenture, the notes, the Note Guarantees and the Security Agreements may be amended or supplemented by the Issuer, the Guarantors, the Indenture Trustee, the Intercreditor Agent and the applicable Collateral Agent or the Collateral Trustee, as applicable, with the consent of the Holders of a majority in principal amount of the notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes) and subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the Holders of a majority in principal amount of the notes then outstanding (including, without limitation, consents obtained in

connection with a purchase of, or tender offer or exchange offer for, notes). However, without the consent of each Holder of an outstanding note affected, no amendment, supplement or waiver may:

- (1) reduce the principal amount of notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the stated rate of interest or change or have the effect of changing the stated time for payment of interest on any note (for the avoidance of doubt, changing the period provided for any repurchase or redemption notice under the Indenture and the notes is not limited by this clause);
- (3) reduce the principal amount of or change or have the effect of changing the Stated Maturity of any note;
- (4) waive a Default or Event of Default in the payment of principal of, premium, if any, or interest on the notes (except a rescission of acceleration of the notes by the Holders of at least a majority in aggregate principal amount of the then outstanding notes with respect to a nonpayment default and a waiver of the payment default that resulted from such acceleration);
- (5) reduce the premium payable upon the redemption or repurchase of any note or change the time at which any note may be redeemed or repurchased as described above under “—Optional Redemption,” “—Repurchase at the Option of Holders—Change of Control” or “—Repurchase at the Option of Holders—Asset Sales” whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (for the avoidance of doubt, changing the period provided for any repurchase or redemption notice under the Indenture and the notes is not limited by this clause);
- (6) make any note payable in money other than that stated in the note;
- (7) impair the right of any Holder to receive payment of principal of, premium, if any, or interest on such Holder’s notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder’s notes;
- (8) make any change in the amendment or waiver provisions which require each Holder’s consent;
- (9) make any change in the provisions of the Indenture described under “—Additional Amounts” that adversely affects the rights of Holders (or beneficial owners) or amend the terms of the notes in a way that would result in a loss of exemption from or reduction in any applicable taxes; or
- (10) modify the Note Guarantees or Security Agreements in any manner adverse to the Holders.

Without the consent of any Holder, from time to time the Issuer, the Guarantors and the Indenture Trustee and the applicable Collateral Agent or the Collateral Trustee may amend the Indenture, the notes, the Note Guarantees (*provided* that the Issuer and the existing Guarantors need not execute any supplemental indenture whereby any new Guarantor will provide a Note Guarantee), and Security Agreements to:

- (1) cure any ambiguity, omission, defect or inconsistency in a manner that is not adverse to the interests of the Holders of the notes;
- (2) provide for the assumption by a successor of the obligations of the Issuer or any Guarantor under the Indenture, the notes, the Note Guarantees and the Security Agreements in accordance with “—Certain Covenants—Merger and Consolidation”;
- (3) add Guarantors with respect to the notes or release a Guarantor from its obligations under its Note Guarantee or the Indenture in accordance with the applicable provisions of the Indenture;
- (4) add or release Collateral from, the Liens when permitted or required by the Indenture, the notes, the Note Guarantees and the Security Agreements;

- (5) add covenants of Issuer and its Restricted Subsidiaries or Events of Default for the benefit of Holders or to make changes that would provide additional rights to the Holders or to surrender any right or power conferred upon the Issuer or any Guarantor;
- (6) evidence the replacement of the Indenture Trustee as provided for in the Indenture;
- (7) make any change that does not adversely affect the rights under the Indenture of any Holder in any material respect;
- (8) conform the text of the Indenture, the notes, the Security Agreements or the Note Guarantees to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of the Indenture, the notes, the Security Agreements or the Note Guarantees;
- (9) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture, *provided* that any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a “qualified reopening” of the notes sold in this offering, are otherwise treated as part of the same “issue” as the notes sold in this offering or are issued with less than a de minimis amount of original issue discount, in each case for U.S. federal income tax purposes; or
- (10) to secure additional Secured Pari Passu Indebtedness and add additional secured creditors holding other Secured Pari Passu Indebtedness so long as such Secured Pari Passu Indebtedness is not prohibited by the provisions of the Indenture, the notes, the Note Guarantees or the Security Agreements.

The Intercreditor Agreement and the Security Agreements may be amended without notice to or the consent of any holder, the Indenture Trustee, the applicable Collateral Agent or the Collateral Trustee, or the consent of the Intercreditor Agent, in connection with the entry into the Intercreditor Agreement or any other intercreditor agreement or any such Security Agreements of any class of additional secured creditors holding other Secured Pari Passu Indebtedness in a transaction permitted under the Indenture; *provided* that the Intercreditor Agent shall receive notice thereof.

Notwithstanding the aforementioned, the Indenture, the notes, the Note Guarantees and the Security Agreements may not be amended or supplemented by the Issuer, the Guarantors, the Grantors and the Indenture Trustee to release any Liens over the Collateral without the consent of Holders of at least 66 2/3% of the principal amount of the outstanding Notes (in addition to any required vote of the Credit Facility).

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment or supplement. A consent to any amendment, supplement or waiver under the Indenture by any Holder given in connection with a tender of such Holder’s notes will not be rendered invalid by such tender. After an amendment, supplement or waiver under the Indenture becomes effective, the Issuer is required to give to the Holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the amendment, supplement or waiver.

In connection with any amendment, supplement or waiver, the Indenture Trustee shall be entitled to receive an Officer’s Certificate and an Opinion of Counsel, each stating that all covenants and conditions precedent to such amendment, supplement or waiver have been satisfied, that such amendment, supplement or waiver is authorized or permitted by the Indenture and, with respect to such Opinion of Counsel, that such amendment, supplement or waiver the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms.

Defeasance

The Issuer may, at its option and at any time, elect to have all of its obligations and the obligations of the Guarantors discharged with respect to the outstanding notes issued under the Indenture (“*legal defeasance*”), except for:

- (1) the rights of Holders to receive payments in respect of the principal of, premium, if any, or interest on such notes when such payments are due, solely out of the trust referred to below;
- (2) the Issuer’s obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for note payments held in trust;
- (3) the rights, powers, trusts, duties, protections, exculpations and immunities of the Indenture Trustee, and the obligations of the Issuer and the Guarantors in connection therewith; and
- (4) the legal defeasance provisions of the Indenture.

If the Issuer exercises the legal defeasance option, the Note Guarantees in effect at such time will terminate except with respect to surviving obligations relating to the Indenture Trustee.

The Issuer, at its option and at any time, may terminate the obligations of the Issuer and its Restricted Subsidiaries described under “—Repurchase at the Option of Holders” and under the covenants described under “—Certain Covenants” (other than “—Merger and Consolidation”) and clause (5) under “—Certain Covenants—Merger and Consolidation” above (“*covenant defeasance*”).

If the Issuer exercises the covenant defeasance option, the Note Guarantees in effect at such time will terminate, except with respect to surviving obligations relating to the Indenture Trustee.

The Issuer, at its option and at any time, may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect to the notes. If the Issuer exercises its covenant defeasance option, payment of the notes may not be accelerated because of an Event of Default specified in clause (3) (only with respect to the failure of the Issuer to comply with clause (5) under “—Certain Covenants—Merger and Consolidation” above), (4) (only with respect to covenants that are released as a result of such covenant defeasance), (5), (6), (7), (8) or (9) under “—Events of Default” above.

In order to exercise either legal defeasance or covenant defeasance under the Indenture:

- (1) the Issuer must irrevocably deposit with the Indenture Trustee, in trust, for the benefit of the Holders, (a) cash in U.S. dollars, (b) U.S. Government Securities, or (c) a combination thereof, in amounts as will be sufficient (in the written opinion of a nationally recognized firm of independent public accountants delivered to the Indenture Trustee; *provided* that such written opinion will not be required if the Issuer has irrevocably deposited with the Indenture Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars) without consideration of any reinvestment of interest, to pay the principal of, and premium, if any, and interest due on the outstanding notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of legal defeasance, the Issuer has delivered to the Indenture Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to the Indenture Trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such

legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

- (3) in the case of covenant defeasance, the Issuer has delivered to the Indenture Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to the Indenture Trustee confirming that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- (4) the Issuer has delivered to the Indenture Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to the Indenture Trustee confirming that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the notes will not recognize income, gain or loss for Peruvian income tax purposes as a result of such legal defeasance or covenant defeasance, as the case may be, and will be subject to Peruvian income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance or covenant defeasance, as the case may be, had not occurred;
- (5) such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;
- (6) no Default or Event of Default has occurred and is continuing on the date of the deposit pursuant to clause (1) of this paragraph or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) and the deposit will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument (other than the Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (7) the Issuer has delivered to the Indenture Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer, any Guarantor or others;
- (8) the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the legal defeasance or the covenant defeasance, as the case may be, have been complied with; and
- (9) the Issuer has delivered irrevocable instructions to the Indenture Trustee to apply the deposited money toward the payment of the notes at maturity or the redemption date, as the case may be (which instructions may be contained in the Officer's Certificate referred to in clause (8) above).

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all notes issued thereunder, when:

- (1) either:
 - (a) all notes that have been authenticated (except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Indenture Trustee for cancellation; or

- (b) all notes not theretofore delivered to the Indenture Trustee for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Indenture Trustee for the giving of notice of redemption by the Indenture Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Indenture Trustee, as trust funds in trust solely for the benefit of the Holders, (a) cash in U.S. dollars, (b) U.S. Government Securities, or (c) a combination thereof, in such amounts as will be sufficient (in the written opinion of a nationally recognized firm of independent public accountants delivered to the Indenture Trustee; *provided* that such written opinion will not be required if the Issuer has irrevocably deposited with the Indenture Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars in an amount sufficient), without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the notes not theretofore delivered to the Indenture Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;
- (2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit (other than a Default or an Event of Default resulting from borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and in each case the granting of any Lien in connection therewith), and the deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;
- (3) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Indenture Trustee to apply the deposited money toward the payment of the notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Indenture Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, officer, employee, trustee, incorporator, member, partner, controlling person or stockholder of the Issuer or any Guarantor shall have any liability for any obligations of the Issuer or any Guarantor under the notes, the Note Guarantees, the Security Agreements or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities law of the United States.

Notices

Notices to Holders of non-global notes will be mailed to them at their registered addresses. For so long as notes in global form are outstanding, notices to Holders of global notes will be given to DTC in accordance with its applicable procedures as in effect from time to time.

For so long as any notes are listed on the Singapore Stock Exchange and in accordance with the rules and regulations of the Singapore Stock Exchange, the Issuer will publish all notices to holders in a newspaper with general circulation in Singapore, which is expected to be the Business Times, Singapore Edition. Any such notice shall be deemed to have been delivered on the date of first publication.

Notices will be deemed to have been given on the date of delivery to DTC or mailing, as applicable, or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Indenture Trustee

Citibank, N.A. is the Indenture Trustee under the indenture. The principal corporate trust office of the Indenture Trustee is 388 Greenwich Street, New York, New York 10013.

The Indenture will contain provisions for the indemnification of the Indenture Trustee and for its relief from responsibility. The obligations of the Indenture Trustee to any Holder are subject to such immunities and rights as set forth in the Indenture. The Indenture Trustee shall not be responsible for making any calculation with respect to any matter under the Indenture.

Governing Law; Jurisdiction

The Indenture will provide that it, the notes and any Note Guarantee will be governed by, and construed in accordance with, the laws of the State of New York. The Security Agreements will be governed by the laws of Mexico, Colombia and Peru, as applicable. For the avoidance of doubt, the provisions of Article 470-1 to 470-19 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended, are not applicable to the notes or their issuance.

Each of the Issuer and the Guarantors will irrevocably submit to the jurisdiction of, and consent to and waive to the fullest extent permitted by law objection to venue in, the U.S. federal and New York state courts located in the Borough of Manhattan in New York City on account of each party's present or future place of residence or domicile and will appoint an agent for service of process with respect to any actions brought in these courts arising out of or based on the Indenture, the notes and the Note Guarantees.

According to the laws of the State of New York, claims against the Issuer for the payment of principal of and premium, if any, and interest on the notes must be made within six years from the due date for payment thereof.

Currency Indemnity

The Issuer and each Guarantor will pay all sums payable under the Indenture, the notes, the Note Guarantees or the Security Agreements solely in U.S. dollars. Any amount that you or the Indenture Trustee receive or recover in a currency other than U.S. dollars in respect of any sum expressed to be due to you or the Indenture Trustee from the Issuer or any Guarantor will only constitute a discharge to the Issuer and the Guarantors, to the greatest extent permitted under applicable law, to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount received or recovered in that other currency on the date of the receipt or recovery or, if it is not practicable to make the purchase on that date, on the first date on which the recipient is able to do so. If the U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under the Indenture, any note, Security Agreement or any Note Guarantee to the greatest extent permitted under applicable law, the Issuer and the Guarantors will jointly and severally indemnify the recipient against any loss the recipient sustains as a result. In any event, the Issuer and the Guarantors will jointly and severally indemnify the recipient against the cost of making any purchase of U.S. dollars. For the purposes of this paragraph, it will be sufficient for you or the Indenture Trustee to certify in a satisfactory manner that the recipient would have suffered a loss had an actual purchase of U.S. dollars been made with the amount received in that other currency on the date of receipt or recovery or, if it was not practicable to make the purchase on that date, on the first date on which the recipient were able to do so. In addition, you will also be required to certify in a satisfactory manner the need for a change of the purchase date.

The indemnities described above: (i) constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantors; (ii) will give rise to a separate and independent cause of action; (iii) will apply irrespective of any indulgence granted by any Holder or the Indenture Trustee; and (iv) will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Indenture, any note, Security Agreement or any Note Guarantee.

Waiver of Immunity

To the extent that the Issuer or the Guarantors or any of their respective properties, assets or revenues may have or may hereafter become entitled to, or have attributed to Issuer, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim from the jurisdiction of any Peruvian, Colombian, Mexican, New York State or U.S. federal or other applicable court, from service of process, from attachment upon or prior to judgment,

from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Issuer or the Guarantors, or any other matter under or arising out of or in connection with, the notes, the Note Guarantees, the Security Agreements or the Indenture, the Issuer and each of the Guarantors, to the extent permitted by applicable law, irrevocably and unconditionally waives or will waive such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

Certain Definitions

“*2025 Notes*” means the Issuer’s existing 6.500% senior notes due 2025.

“*2028 Notes*” means the Issuer’s existing senior notes due 2028.

“*Additional Assets*” means:

- (1) any property, plant, equipment or other asset (excluding working capital or current assets) to be used by the Issuer or a Restricted Subsidiary in a Similar Business;
- (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided that, in the case of clauses (2) and (3), such Restricted Subsidiary is primarily engaged in a Similar Business.

“*Affiliate*” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “*control*” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”) when used with respect to any Person means possession, directly or indirectly, of the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “*controlling*” and “*controlled*” have meanings correlative to the foregoing.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance, or other disposition (including a Sale/Leaseback Transaction), or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “*disposition*”) by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition of assets by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) the disposition of cash or Cash Equivalents in the ordinary course of business;
- (3) the disposition by the Issuer or any Restricted Subsidiary in the ordinary course of business of (i) cash management investments, (ii) inventory and other assets acquired and held for resale, (iii) damaged, worn out or obsolete assets, (iv) rights granted to others pursuant to leases or licenses, (v) any property, rights or assets upon expiration in accordance with the terms of any concession or (vi) property, plant or equipment that is no longer used or useful in the business of the Issuer or a Restricted Subsidiary, except in each case for Collateral;
- (4) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;

- (5) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to “—Certain Covenants—Merger and Consolidation” or any disposition that constitutes a Change of Control pursuant to the Indenture;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to a Wholly-Owned Subsidiary, provided that if the issuer is a Pledged Subsidiary, the stock is contemporaneously pledged pursuant to a Security Agreement;
- (7) the issuance of Capital Stock by Auna Salud S.A.C. in connection with a merger with Heredia Investments; *provided* that concurrently with such merger or immediately after giving effect thereto, any Indebtedness of Heredia Investments shall be repaid in full;
- (8) for purposes of “—Repurchase at the Option of Holders—Asset Sales” only, the making of a Permitted Investment (other than a Permitted Investment to the extent such transaction results in the receipt of cash or Cash Equivalents by the Issuer or its Restricted Subsidiaries) or a disposition subject to “—Certain Covenants—Limitation on Restricted Payments”;
- (9) dispositions of assets in a single transaction or a series of related transactions with an aggregate Fair Market Value in any fiscal year no greater than US\$10.0 million (or the equivalent in other currencies);
- (10) the creation of a Permitted Lien and dispositions in connection with Permitted Liens;
- (11) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy, liquidation, dissolution or similar proceedings and exclusive of factoring or similar arrangements;
- (12) the issuance of Disqualified or Preferred Stock pursuant to “—Certain covenants—Limitation on Indebtedness;”
- (13) (i) the licensing or sublicensing of intellectual property or other general intangibles in the ordinary course of business and (ii) the abandonment or other disposition of intellectual property that is, in the reasonable judgment of management of the Issuer or the relevant Restricted Subsidiary, no longer economically convenient to maintain or useful in the conduct of the business of the Issuer or the relevant Restricted Subsidiaries;
- (14) the lease, assignment, licensing or sub lease or sub licensing of any real or personal property in the ordinary course of business;
- (15) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims; and
- (16) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary.

“*Asset Swap*” means an exchange (or concurrent purchase and sale) of property, plant, equipment or other assets (excluding working capital or current assets) of the Issuer or any of its Restricted Subsidiaries for Additional Assets of another Person.

“*Attributable Indebtedness*” in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the Sale/Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with IFRS; *provided* that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capitalized Lease Obligations.”

“*Auna Colombia*” means Auna Colombia S.A.S., a simplified stock corporation (*sociedad por acciones simplificada*) incorporated and existing under the laws of Colombia.

“*Board of Directors*” means with respect to any Person, the board of directors or similar governing body of such Person serving a similar function or any duly authorized committee thereof.

“*Board Resolution*” means, with respect to any Person, a copy of a resolution certified by the Secretary, an Assistant Secretary or any other individual authorized on behalf of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Indenture Trustee.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, Mexico City, Mexico or New York City, United States are authorized or required by law to close.

“*Capital Stock*” of any Person means any and all shares, interests, rights to purchase, warrants, options, certificates of participation, participations or other equivalents of or interests in (however designated and whether or not having voting rights) equity of such Person, including each class of Common Stock, Preferred Stock and limited liability interests or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

“*Capitalized Lease Obligations*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS, except for any lease that would have been considered an operating lease under IFRS as in effect immediately prior to the adoption of IFRS 16 (Leases). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

- (1) U.S. dollars, Peruvian soles, Colombian pesos, Mexican pesos or other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business;
- (2) securities issued or directly and fully Guaranteed or insured by the United States government or any agency or instrumentality of the United States (*provided* that the full faith and credit of the United States is pledged in support thereof), having maturities of not more than one year from the date of acquisition;
- (3) marketable obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having a credit rating of “A” or better from either S&P or Moody’s, or carrying an equivalent rating by an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments;
- (4) marketable general obligations issued by, or unconditionally Guaranteed by, the government or any political subdivision or public instrumentality of any jurisdiction in which the Issuer and its Restricted Subsidiaries have substantial operations or issued by any agency thereof and backed by the full faith and credit of such government and maturing within one year (or if the securities described in this clause (4) are held by Dentegra or Oncosalud, three years) from the date of acquisition thereof;
- (5) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by (i) any U.S. commercial bank the long-term debt of which is rated at the time of acquisition thereof at least “A” or the equivalent thereof by S&P, or “A” or the equivalent thereof by Moody’s, or carrying an equivalent rating by an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments, and having combined capital and surplus in excess of US\$500.0 million, or (ii) with respect to any such deposits or instruments in a non U.S. jurisdiction, any commercial bank in such jurisdiction having one of the four highest international or local ratings obtainable from S&P, Fitch or Moody’s (or their respective local affiliates), or carrying an equivalent rating by a Rating Agency, if any of such named Rating Agencies cease publishing ratings of investments;

- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2), (3), (4) and (5) entered into with any bank meeting the qualifications specified in clause (5) above;
- (7) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s, or carrying an equivalent rating by an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and
- (8) interests in any investment company or money market fund which invests 90% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

“*Change of Control*” means the occurrence of one or more of the following events:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any “person” or “group” (as such terms are used in Sections 13(d)(3) and 14(d) of the Exchange Act or any successor provisions to other of the foregoing)) other than to one or more Permitted Holders;
- (2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a Permitted Holder) becomes the “beneficial owner” (as such term is used in Section 13(d) and 14(d) of the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Issuer, measured by voting power rather than number of shares; or
- (3) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

“*Change of Control Event*” means the occurrence of both a Change of Control and a Ratings Decline in respect thereof.

“*Collateral Agents*” means the Colombian Collateral Agent, the Mexican Collateral Agent and the Peruvian Collateral Agent.

“*Collateral Trustee*” means Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver.

“*Colombia*” means the Republic of Colombia.

“*Colombian Collateral Agent*” means TMF Group New York, LLC, acting directly or through its affiliate, TMF Colombia Ltda.

“*Colombian Commercial Establishment Pledge Agreement*” means the Colombian law-governed pledge agreement over commercial establishments to be entered into by Las Americas and the Colombian Collateral Agent, in respect of the commercial establishments denominated (i) “Promotora Médica las Américas” with registration number 21-202703-02 of the Chamber of Commerce of Medellín, (ii) “Clínica las Américas” with registration number 21-226323-03 of the Chamber of Commerce of Medellín; and (iii) “Centro Médico las Américas – Sede City Plaza” with registration number 159880 of the Chamber of Commerce of Aburrá Sur, each owned by Las Americas.

“*Colombian Pledge Agreements*” means, collectively, the Colombian Share Pledge Agreements and the Colombian Commercial Establishment Pledge Agreement.

“*Colombian Security Trust*” means the Colombian law-governed amended and restated security trust agreement in favor of the Colombian Collateral Agent to which Las Americas S.A. has transferred the real estate assets of their property to guarantee the obligations.

“*Colombian Share Pledge Agreements*” means the Colombian law-governed share pledge agreements over future assets (*prendas sobre bienes futuros*) to be entered into by, as applicable, (i) Oncosalud, Auna Colombia, Las Americas and the Issuer, as the pledgors of Pledged Shares in each of Auna Colombia, Las Americas, Oncomedica and Clínica

Portoazul, as applicable; (ii) Auna Colombia, Las Americas, Oncomedica and Clínica Portoazul as companies whose shares will be pledge; and (iii) the Colombian Collateral Agent, in each case, in respect of the Pledged Shares, on or before the Issue Date.

“*Commodity Agreement*” means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement entered into by the Issuer or any Restricted Subsidiary designed to protect the Issuer or any of its Restricted Subsidiaries against fluctuations in the price of commodities actually used in the ordinary course of business of the Issuer and its Restricted Subsidiaries.

“*Common Stock*” means with respect to any Person, any and all shares, interests, certificates of participation or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock, whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

“*Consolidated Adjusted EBITDA*” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

- (1) increased (without duplication) by the following items to the extent deducted in calculating such Consolidated Net Income:
 - (a) Consolidated Interest Expense; plus
 - (b) Consolidated Income Taxes; plus
 - (c) consolidated depreciation and amortization expense; plus
 - (d) any net loss resulting in such period from currency translation gains or losses; plus
 - (e) all fees, costs and expenses incurred in connection with the Transactions; plus
 - (f) other non-cash charges reducing Consolidated Net Income, including any write-offs or write-downs (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was capitalized at the time of payment) and non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights to officers, directors or employees; plus
 - (g) pre-operating expenses for projects under construction and business development expenses for new projects; plus
 - (h) change in fair value of assets held for sale and loss on sale of investments in associates; and
- (2) decreased (without duplication) by non-cash items increasing Consolidated Net Income of such Person for such period (including any net gain resulting in such period from currency translation gains or losses, and excluding any items which represent the reversal of any accrual of, or reserve for, anticipated cash charges that reduced Consolidated Adjusted EBITDA for Consolidated Interest Expense in any prior period).

Notwithstanding the foregoing, clause (1)(b) through (h) relating to amounts of a Restricted Subsidiary of a Person will be added to Consolidated Net Income to compute Consolidated Adjusted EBITDA of such Person only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and, to the extent the amounts set forth in clauses (1)(b) through (h) are in excess of those necessary to offset a net loss of such Restricted Subsidiary or if such Restricted Subsidiary has net income for such period included in Consolidated Net Income, only if a corresponding amount would be permitted at the date of determination to be distributed as a dividend or distribution to the Issuer by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

“*Consolidated Income Taxes*” means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits or capital of such Person or such Person and its Restricted Subsidiaries (to the extent such income or profits were included in computing Consolidated Net Income for such period).

“*Consolidated Interest Expense*” means, with respect to any Person for any period, the total interest expense (net of any interest income paid and received in cash) of such Person and its Restricted Subsidiaries determined on a consolidated basis (excluding any income, loss, fees or expenses or deferred interest (i) in connection with the Refinancing Transactions or (ii) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments in connection with the Refinancing Transactions or any other refinancing of Indebtedness that occurred prior to the date hereof), whether paid or accrued, plus, to the extent not included in such interest expense:

- (1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with IFRS and the interest component of any deferred payment obligations;
- (2) amortization of debt discount (including the amortization of original issue discount resulting from the issuance of Indebtedness at less than par) and debt issuance costs;
- (3) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing;
- (4) the interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries;
- (5) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under IFRS; *provided* that if Hedging Obligations result in net benefits rather than costs, such benefits will be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such net benefits are otherwise reflected as a cash gain in Consolidated Net Income;
- (6) interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period or is otherwise non-cash interest expense;
- (7) all dividends paid or payable, in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of such Person or on Preferred Stock of its Non- Guarantor Subsidiaries payable to a party other than the Issuer or a Wholly-Owned Subsidiary; and
- (8) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Issuer and its Restricted Subsidiaries) in connection with Indebtedness Incurred by such plan or trust.

For purposes of the foregoing, total interest expense will be determined (i) after giving effect to any net payments made or received by the Issuer and its Subsidiaries with respect to Interest Rate Agreements and (ii) exclusive of amounts classified as other comprehensive income in the balance sheet of the Issuer. Notwithstanding anything to the contrary contained herein, commissions, discounts, yield and other fees and charges Incurred in connection with any transaction pursuant to which the Issuer or its Restricted Subsidiaries may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets shall be included in Consolidated Interest Expense.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis in accordance with IFRS; *provided* that there will not be included in such Consolidated Net Income on an after tax basis:

- (1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:

- (a) subject to the limitations contained in clauses (3) through (6) below, the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and
 - (b) the Issuer's equity in a net loss of any such Person for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary;
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) if such Restricted Subsidiary is subject to prior government approval or other restrictions due to the operation of its charter or any agreement, instrument, judgment, decree, order statute, rule or government regulation (which have not been waived), directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer, except that:
- (a) subject to the limitations contained in clauses (3) through (6) below, the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); and
 - (b) the Issuer's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;
- (3) any gain or loss (less all fees and expenses relating thereto) realized upon sales or other dispositions of any assets of the Issuer or such Restricted Subsidiary, other than in the ordinary course of business, as determined in good faith by the Board of Directors of the Issuer;
- (4) any income, loss, fees or expenses from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments;
- (5) any extraordinary gain or loss; and
- (6) the cumulative effect of a change in accounting principles.

"Currency Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary designed solely to hedge foreign currency risk of such Person.

"Debt Facility" means one or more debt facilities or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent, lenders or trustee or another administrative agent or agents, other lenders or trustee and whether provided under any credit or other agreement).

"Default" means any event or condition that is, or after notice or passage of time or both would be, an Event of Default.

"Dentegra" means Dentegra Seguros Dentales, S.A.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible into or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary (it being understood that upon such conversion or exchange it shall be an Incurrence of such Indebtedness or Disqualified Stock)); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the final maturity date of the notes or the date the notes are no longer outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer or its Restricted Subsidiaries to repurchase such Capital Stock upon the occurrence of a Change of Control or Asset Disposition (each defined in a substantially identical manner to the corresponding definitions in the Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is redeemable) provide that the Issuer or its Restricted Subsidiaries, as applicable, are not required to repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is redeemable) pursuant to such provision prior to compliance by the Issuer with the provisions of the Indenture described under the captions “—Repurchase at the Option of Holders—Change of Control” and “—Repurchase at the Option of Holders—Asset sales” and such repurchase or redemption complies with “—Certain Covenants—Limitation on Restricted Payments.”

“*Equity Offering*” means the primary issuance and sale for cash by the Issuer or any direct or indirect parent of the Issuer, as applicable, of its Qualified Capital Stock (in the case of an offering by any direct or indirect parent of the Issuer, to the extent such cash proceeds are contributed to the Issuer) to any Person other than an Affiliate of the Issuer.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended.

“*Excluded Subsidiary*” means (a) each Restricted Subsidiary that is not a Wholly-Owned Subsidiary, (b) each Restricted Subsidiary that is prohibited from guaranteeing the notes by any requirement of law or that would require consent, approval, license or authorization of a governmental authority to Guarantee the notes as determined in good faith by the Board of Directors of the Issuer whose determination will be conclusive and evidenced by a Board Resolution, and such consent, approval, license or authorization has not been obtained, (c) each Restricted Subsidiary that is prohibited by any applicable contractual requirement from guaranteeing the notes on the Issue Date or at the time such Restricted Subsidiary becomes a Restricted Subsidiary (to the extent such contractual requirement arises from a contract entered into in the ordinary course of business and, in the case of acquisitions of a Restricted Subsidiary, such requirement is not incurred in contemplation of the Restricted Subsidiary being acquired, in each case for so long as such restriction or any replacement or renewal thereof is in effect); and (d) any Unrestricted Subsidiary.

“*Fair Market Value*” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction, as determined by Senior Management of the Issuer acting in good faith; *provided* that the Fair Market Value of any such asset or assets, if greater than US\$5.0 million, will be determined conclusively by the Board of Directors of the Issuer acting in good faith, and will be evidenced by a Board Resolution.

“*Financing Documents*” means the notes, the Indenture, the New Term Loan, the Intercreditor Agreement, the Security Documents, and each other agreement, amendment, certificate, instrument, waiver or document executed and delivered in connection with any of the foregoing.

“*Fitch*” means Fitch Ratings Inc., and any successor to its rating agency business.

“*Grantor*” means (i) the Pledgors, (ii) the Issuer and the Subsidiaries of the Company that have conveyed assets to the Security Trusts and (iii) the Issuer and any other Subsidiary of the Issuer that is a party to any Security Agreements.

“*Grupo Enfoca*” means Enfoca Sociedad Administradora de Fondos de Inversión S.A. and/or the group of entities affiliated with Enfoca Sociedad Administradora de Fondos de Inversión S.A.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly Guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business.

“*Guarantor*” means each Initial Guarantor and any other Restricted Subsidiary that provides a Note Guarantee; *provided* that upon release or discharge of such Restricted Subsidiary from its Note Guarantee in accordance with the Indenture, such Restricted Subsidiary ceases to be a Guarantor.

“*Guarantor Subordinated Obligation*” means, with respect to a Guarantor, any Indebtedness of such Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of such Guarantor under its Note Guarantee pursuant to a written agreement.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

“*Heredia Investments*” means Heredia Investments S.A.C., a corporation organized under the laws of Peru.

“*Holder*” means a Person in whose name a note is registered on the Registrar’s books pursuant to the terms of the Indenture.

“*IFRS*” means International Financial Reporting Standards, as issued by the International Accounting Standards Board, (i) for purposes of any reporting obligations under the Indenture, as in effect from time to time and (ii) for purposes of performing any calculation or assessment to determine compliance with all other terms of the Indenture, as in effect on the Issue Date.

“*Incur*” means issue, create, assume, Guarantee, incur or otherwise become liable for; *provided* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms “*Incurred*” and “*Incurrence*” have meanings correlative to the foregoing.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such

- reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property (including earn-out obligations), all conditional sale obligations and all obligations under any title retention agreement (but excluding (i) trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by ninety (90) days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and (ii) any earn-out obligation until the amount of such obligation becomes a liability on the balance sheet of such Person in accordance with IFRS);
 - (5) Capitalized Lease Obligations and all Attributable Indebtedness of such Person (whether or not such items would appear on the balance sheet of the guarantor or obligor);
 - (6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Non-Guarantor Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
 - (7) all Indebtedness of other Persons secured by a Lien on any asset of the Person that is the subject of this definition, whether or not such Indebtedness is assumed by the Person that is the subject of this definition; *provided* that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;
 - (8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person (whether or not such items would appear on the balance sheet of the guarantor or obligor);
 - (9) all liabilities recorded on the balance sheet of such Person in connection with a sale or other disposition of accounts receivables and related assets (excluding any factoring, discounting or similar transactions in the ordinary course of business and without recourse to any of the assets of such Person);
 - (10) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such Obligation that would be payable by such Person at such time); and
 - (11) all other obligations of such Person which are required to be reflected in, or are reflected in, such Person's financial statements, recorded or treated as debt under IFRS 16.

“*Independent Financial Advisor*” means an accounting firm, appraisal firm, investment banking firm or consultant of internationally recognized standing that is, in the judgment of the Issuer's Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

“*Interest Coverage Ratio*” means with respect to any specified Person and its Restricted Subsidiaries, the ratio of the Consolidated Adjusted EBITDA of such Person and its Restricted Subsidiaries for the period of the most recent four fiscal quarters ending prior to the determination for which financial statements are in existence to the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such four fiscal quarters. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Interest Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Interest Coverage Ratio is made (the “Calculation Date”), then the Interest Coverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four fiscal quarters, the amount of Consolidated Interest Expense shall be computed based upon the actual outstanding amount of such Indebtedness over the applicable four fiscal quarters.

In addition, for purposes of calculating the Interest Coverage Ratio:

- (1) acquisitions or dispositions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases or decreases in ownership of Restricted Subsidiaries, during the four fiscal quarters or subsequent to such reference period and on or prior to the Calculation Date will be given *pro forma* effect as if they had occurred on the first day of the four fiscal quarters; *provided* that any *pro forma* calculation will only include amounts that are factually supportable and are expected to have a continuing impact on the Issuer and its Restricted Subsidiaries as determined in good faith by the chief financial officer of the Issuer;
- (2) the Consolidated Adjusted EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date or that becomes a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four fiscal quarters;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date or would cease to be a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four fiscal quarters; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

“*Interest Rate Agreement*” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary designed solely to hedge interest rate risk of such Person.

“*Investment*” means, with respect to any Person, any (i) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) or performance guarantee to any other Person (other than advances or extensions of credit to customers in the ordinary course of business); (ii) capital contribution (including any commitment to make such capital contribution) (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person; (iii) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person; and (iv) other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS.

For purposes of “—Certain Covenants—Limitation on Restricted Payments,”

- (1) “*Investment*” will include the portion (proportionate to the Issuer’s equity interest in a Restricted Subsidiary that is to be designated an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent “*Investment*” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer’s aggregate “*Investment*” in such Subsidiary as of the time of such

- redesignation less (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary;
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer; and
 - (3) if the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Voting Stock of any Restricted Subsidiary such that, after giving effect to any such sale or disposition, such entity is no longer a Subsidiary of the Issuer, the Issuer shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of.

“*Investment Grade Rating*” means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by Fitch, and BBB- (or the equivalent) by S&P, or any equivalent rating by any Rating Agency, in each case, with a stable or better outlook.

“*Issue Date*” means the Settlement Date.

“*Latest Available Consolidated Financial Statements*” has the meaning set forth in the definition of Latest Completed Quarter.

“*Latest Completed Quarter*” means the most recently ended fiscal quarter of the Issuer for which consolidated financial statements of the Issuer prepared in accordance with IFRS are available (the “*Latest Available Consolidated Financial Statements*”).

“*Lien*” means, with respect to any asset, any mortgage, lien (statutory or otherwise), trust deed, deed of trust, pledge, hypothecation, charge, security interest, preference, assignment for security purposes, deposit, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“*Mexican Collateral Agent*” means Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria.

“*Mexican Collateral Trust*” means the Mexican irrevocable guarantee trust agreement (*fideicomiso irrevocable de garantía*) identified with number 5422 (as amended and restated) to which (i) Hospital y Clínica OCA, S.A. de C.V. and Grupo Salud Auna México, S.A. de C.V., as applicable, transferred all of the shares of the OCA Entities (except for those shares to be pledged pursuant to the Mexican Pledge Agreement) and (ii) each OCA Entity transferred all the real estate assets it owns to guarantee the obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees, the Indenture and, on a *pari passu* basis, the New Term Loan, and in which the Mexican Collateral Agent shall be appointed as first place beneficiary (*fideicomisario en primer lugar*).

“*Mexican Pledge Agreements*” means the Mexican share pledge agreement by means of which a pledge shall be created over certain shares of the OCA Entities in favor of the Mexican Collateral Agent to guarantee the obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees, the Indenture and, on a *pari passu* basis, the New Term Loan, which shall be ratified before a notary public in Mexico.

“*Mexico*” means the Estados Unidos Mexicanos.

“*Moody's*” means Moody's Investors Service, Inc., and any successor to its rating agency business.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities or other assets received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of

Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Disposition (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Disposition after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements
- (3) repayment of Indebtedness secured by a Lien permitted under the Indenture that is required to be repaid in connection with such Asset Disposition;
- (4) all distributions and other payments required to be made to non-controlling interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (5) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*” with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale, net of out-of-pocket attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“*Net Leverage Ratio*” as of any date of determination, means the ratio of (x) (i) the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries as of the end of the Latest Completed Quarter (the “*balance sheet date*”) minus (ii) the amount of Unrestricted Cash held by the Issuer and its Restricted Subsidiaries as of the balance sheet date, to (y) Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending on the last day of the Latest Completed Quarter; *provided that*:

- (1) if the Issuer or any Restricted Subsidiary has:
 - (a) Incurred any Indebtedness since the balance sheet date that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Net Leverage Ratio is an Incurrence of Indebtedness, Indebtedness at the balance sheet date will be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the balance sheet date and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness will be calculated as if such discharge had occurred on the balance sheet date; or
 - (b) repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of such period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Net Leverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Indebtedness as of the balance sheet date will be calculated after giving effect on a *pro forma* basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the balance sheet date;
- (2) if since the beginning of such period the Issuer or any Restricted Subsidiary will have made any Asset Disposition or disposed of or discontinued any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Net Leverage Ratio includes such an Asset Disposition:

- (a) the Consolidated Adjusted EBITDA for such period will be reduced by an amount equal to the Consolidated Adjusted EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated Adjusted EBITDA (if negative) directly attributable thereto for such period; and
 - (b) if such transaction occurred after the date of the Latest Available Consolidated Financial Statements, Indebtedness at the end of such period will be reduced by an amount equal to the Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the Net Available Cash of such Asset Disposition and the assumption of Indebtedness by the transferee;
- (3) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary or is merged with or into the Issuer or a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business or group of related assets or line of business, Consolidated Adjusted EBITDA for such period and, if such transaction occurred after the date of such Latest Available Consolidated Financial Statements, Indebtedness as of such balance sheet date will be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period; and
- (4) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have Incurred any Indebtedness or discharged any Indebtedness or made any disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (1), (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA for such period and, if such transaction occurred after the balance sheet date, Indebtedness as of the balance sheet date will be calculated after giving *pro forma* effect thereto as if such transaction occurred on the first day of such period or as of the balance sheet date, as applicable.

For purposes of the preceding paragraph, whenever *pro forma* effect is to be given to any calculation, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness that is being given *pro forma* effect bears an interest rate at the option of the Issuer, the interest rate shall be calculated by applying such optional rate chosen by the Issuer.

“*New Term Loan*” means the credit agreement, to be dated as of November 10, 2023, among the Issuer and Grupo Salud Auna México, S.A. de C.V., as borrowers, the Guarantors, as guarantors, Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria, HSBC México S.A., Institución de Banca Múltiple, and Banco Santander México, S.A., Institución De Banca Múltiple, Grupo Financiero Santander México, as lenders, and Banco Nacional De México, S.A., Integrante Del Grupo Financiero Banamex, División Fiduciaria, as administrative agent, including any amendments, guarantees, supplements, modifications, extensions, renewals, restatements, replacements or refundings thereof, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof.

“*Non-Guarantor Subsidiary*” means any Restricted Subsidiary that is not a Guarantor.

“*Non-Recourse Debt*” means Indebtedness of a Person:

- (1) as to which neither the Issuer nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, Guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

- (2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Issuer or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its Stated Maturity; and
- (3) the explicit terms of which provide there is no recourse against any of the assets of the Issuer or its Restricted Subsidiaries.

“*Note Guarantee*” means any Guarantee of payment of the notes and the Issuer’s other Obligations under the Indenture by a Restricted Subsidiary pursuant to the terms of the Indenture and any supplemental indenture thereto.

“*Obligations*” means any principal, interest (including any interest accruing subsequent to the filing of a petition in, or initiation of any bankruptcy, liquidation, dissolution, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), other monetary obligations, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and Guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“*Officer*” means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, any Executive Vice President or Vice President, the Treasurer or the Secretary, as applicable, of the Issuer or any Guarantor, as applicable.

“*Officer’s Certificate*” means a certificate signed by an Officer of the Issuer or any Guarantor, as applicable.

“*Oncomédica*” means Oncomédica S.A., a stock corporation (*sociedad anónima*) incorporated and existing under the laws of Colombia.

“*Oncosalud*” means Oncosalud S.A.C., a closely held corporation (*sociedad anónima cerrada*) incorporated and existing under the laws of Peru.

“*Opinion of Counsel*” means a written opinion from legal counsel, which opinion is reasonably acceptable to the Indenture Trustee. The counsel may be an employee of or counsel to the Issuer or any Guarantor.

“*Pari Passu Indebtedness*” means Indebtedness that ranks equally in right of payment to the notes, in the case of the Issuer, or the Note Guarantees, in the case of any Guarantor (without giving effect to collateral arrangements).

“*Permitted Collateral Liens*” means, (i) Permitted Liens described in clauses (2), (3), (5), (6), (7), (8), (10) and (15) and (ii) Liens on the Collateral securing Refinancing Indebtedness Incurred to refinance, refund, replace, amend, extend or modify, as a whole or in part, Secured Obligations.

“*Permitted Holders*” means (i) Enfoca Investments Ltd., Enfoca Asset Management Ltd., Enfoca Sociedad Administradora de Fondos de Inversión S.A., Enfoca Discovery 2, L.P., Enfoca Descubridor 1, Enfoca Descubridor 2 and any of their Affiliates and funds managed (whether existing or to be formed in the future) managed or advised by, or the business, operations or assets of which are managed, advised or held (whether solely or jointly with others) from time to time by, or whose parent is managed or advised by such entities or their Affiliates (including, without limitation, and for the avoidance of doubt, any entity that is, directly or indirectly through one or more intermediaries, controlled by Mr. Jesus Zamora or by Grupo Enfoca) or (ii) a Person in which the foregoing Persons hold more than 50% of the Voting Stock.

“*Permitted Investment*” means an Investment by the Issuer or any Restricted Subsidiary in:

- (1) a Restricted Subsidiary;
- (2) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person that is engaged in a Similar Business, if as a result of such Investment:

- (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person, in one transaction or a series of related transactions, is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;
- (3) cash and Cash Equivalents;
- (4) receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such concessionary trade terms as the Issuer or any such Restricted Subsidiary deems reasonable under the circumstances;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees, officers or directors of the Issuer or any Restricted Subsidiary in the ordinary course of business consistent with past practices in an aggregate amount not in excess of US\$2.0 million with respect to all loans or advances made since the Issue Date (without giving effect to the forgiveness of any such loan);
- (7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries:
 - (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, liquidation, dissolution, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable; or
 - (b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (8) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
- (9) Investments made as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with “—Repurchase at the Option of Holders—Asset Sales” or any other disposition of assets not constituting an Asset Disposition;
- (10) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind securities, in each case pursuant to the terms of such Investment as of the Issue Date);
- (11) Investments in the form of Hedging Obligations, which transactions or obligations are Incurred in compliance with “—Certain Covenants—Limitation on Indebtedness”;
- (12) Guarantees issued in accordance with “—Certain Covenants—Limitations on Indebtedness”;
- (13) extensions of short-term credit to suppliers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business in accordance with customary trade terms in the Issuer’s or such Restricted Subsidiary’s industry;

- (14) deposits or other similar advances with respect to leases of the Issuer or its Restricted Subsidiaries in the ordinary course of business;
- (15) any Investment to the extent the consideration therefor consists of Capital Stock (other than Disqualified Stock) of the Issuer;
- (16) Permitted Joint Venture Investments by the parent of the issuer or any of its Restricted Subsidiaries in an aggregate amount at the time of such Investment not to exceed the greater of US\$50.0 million or 10.0% of Total Assets at any time outstanding;
- (17) Investments by the Issuer or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (17), in an aggregate amount at the time of such Investment not to exceed the greater of US\$50.0 million or 10.0% of Total Assets (with the Fair Market Value of such Investment being measured at the time made and without giving effect to subsequent changes in value);
- (18) the purchase by Auna Colombia of Capital Stock of Oncomedica owned by González Fernández & Cía S.C.A in an aggregate amount not to exceed U.S.\$18.0 million in accordance with the terms of that certain share purchase agreement, dated January 18, 2022, entered into, among others, by Auna Colombia and González Fernández & Cía S.C.A, as amended, amended and restated, supplemented or otherwise modified from time to time; and
- (19) Investments made through capital allocations by Auna in its Peruvian branch to repay or pay the amounts derived from the Refinancing Transactions.

“*Permitted Joint Venture Investment*” means with respect to an Investment by any Person, an Investment by such Person in any other Person engaged in a Similar Business of which less than 50.0% of the outstanding Capital Stock is at the time owned directly or indirectly by the specified Person.

“*Permitted Jurisdiction*” means Peru, Colombia, Mexico, Brazil, Chile, the United States or any state or territory thereof, the United Kingdom or any member state of the European Union.

“*Permitted Liens*” means, with respect to any Person:

- (1) pledges or deposits by such Person under workers’ compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;
- (2) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, materialmen’s and repairmen’s Liens, Incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as required by IFRS have been made in respect thereof;
- (3) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (4) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers’ acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided* that such letters of credit do not constitute Indebtedness;
- (5) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that do not in the aggregate materially adversely

- affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (6) Liens securing Hedging Obligations that are Incurred in the ordinary course of business (and not for speculative purposes) to the extent that such Hedging Obligations are secured by (a) the same Permitted Lien securing the Indebtedness being so hedged, if any, and/or (b) a Lien consisting of customary cash margin;
 - (7) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) that do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;
 - (8) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
 - (9) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Indebtedness Incurred to finance assets or property acquired, constructed, improved or leased; *provided that*:
 - (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and does not exceed the cost of the assets or property so acquired, constructed or improved; and
 - (b) such Liens are created within 180 days of construction, acquisition or improvement of such assets or property and do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto and any revenues generated by such assets or property;
 - (10) Liens existing on the Issue Date;
 - (11) Liens on property or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; *provided that* such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; *provided, further*, that any such Lien may not extend to any other property owned by the Issuer or any Restricted Subsidiary;
 - (12) Liens on property at the time the Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; *provided that* such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition; *provided, further*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;
 - (13) Liens securing the 2025 Notes, the notes, the Note Guarantees and the New Term Loan (including the Liens created under the Security Agreements) and solely in the case of the notes, after giving effect to the issuance of any Additional Notes for the purposes of refinancing the aggregate principal amount of any 2025 Notes that were not accepted for exchange pursuant to the Exchange Offer;
 - (14) Liens securing Refinancing Indebtedness Incurred to refinance, refund, replace, amend, extend or modify, as a whole or in part, (i) Indebtedness that was previously so secured pursuant to clauses (9), (10), (11), (12), (13) and (14) of this definition; *provided that* any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;
 - (15) Liens in favor of the Issuer or any Restricted Subsidiary; and

- (16) Liens securing Indebtedness (other than Subordinated Obligations and Guarantor Subordinated Obligations) in an aggregate principal amount outstanding at any one time not to exceed the greater of US\$50.0 million or 10.0% of Total Assets.

“*Person*” means any individual, corporation, limited partnership, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof.

“*Peru*” means the Republic of Peru.

“*Peruvian Agreements*” means the Peruvian Pledge Agreements and the Peruvian Real Estate Mortgage Agreement.

“*Peruvian Collateral Agent*” means Citibank del Perú S.A.

“*Peruvian Pledge Agreements*” means each of the Peruvian law governed pledge agreement to be entered into by Oncosalud S.A.C., Auna Salud S.A.C., Luis Felipe Pinillos Casabonne and Jesus Antonio Zamora Leon, as the pledgors of such Pledged Shares, Oncocenter Peru S.A.C., Medic Ser S.A.C. (as applicable) and the Peruvian Collateral Agent (for the benefit of the Secured Parties), on the Issue Date.

“*Peruvian Pledge Confirmation Agreement*” means collectively (i) with respect to the Peruvian Pledge Agreement regarding the Peruvian Pledged shares of Oncocenter Perú S.A.C., such agreement entered into by Oncosalud, Luis Felipe Pinillos Casabonne and Jesus Antonio Zamora Leon, as pledgors, Oncocenter Perú S.A.C. and the Peruvian Collateral Agent, by means of which they confirm the perfection of the Peruvian Pledge Agreement; and, (ii) with respect to the Peruvian Pledge Agreement regarding the Peruvian Pledged shares of MedicSer S.A.C., such agreement entered into by Auna Salud, Luis Felipe Pinillos Casabonne, Jesus Antonio Zamora Leon and Oncosalud, as pledgors, MedicSer S.A.C. and the Peruvian Collateral Agent, by means of which they confirm the perfection of the Peruvian Pledge Agreement.

“*Peruvian Real Estate Mortgage Agreement*” means a Peruvian law governed mortgage to be entered into by the applicable Subsidiaries of the Issuer (who are the legal owners of the corresponding real estate assets) and the Peruvian Collateral Agent (for the benefit of the Secured Parties), subject to certain third party consents being obtained on commercially reasonable efforts, establishing a first priority Lien over up to 21 real estate assets, with an estimated market value of \$66,443,822.

“*Pledge Agreements*” means, collectively, the Mexican Pledge agreements, the Peruvian Pledge Agreements, and the Colombian Pledge Agreements.

“*Pledged Shares*” means the shares of Subsidiaries of the Company subject to a Lien in favor of the Collateral Agents for the benefit of the Secured Parties.

“*Pledged Subsidiary*” means each Subsidiary of the Company that has its Capital Stock pledged under the Share Pledges.

“*Pledgor*” means the holders of Pledged Shares who will enter into the corresponding Pledge Agreement.

“*Preferred Stock*,” as applied to the Capital Stock of any corporation, means with respect to any Person, any Capital Stock of any class or classes (however designated) of such Person that has preferred rights over any other Capital Stock of such Person with respect to the payment of dividends, distributions or redemptions or upon liquidation, dissolution or winding up.

“*Qualified Capital Stock*” means any Capital Stock that is not Disqualified Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Stock or that are not convertible into or exchangeable into Disqualified Stock.

“*Rating Agency*” means each of S&P, Fitch and Moody’s or, if S&P, Fitch or Moody’s or the three of them shall not make a rating on the notes publicly available, a nationally recognized statistical rating agency or agencies, as the

case may be, selected by the Issuer (as certified by a resolution of the Board of Directors) which shall be substituted for S&P, Fitch or Moody's or the three of them, as the case may be.

"Rating Date" means in connection with a Change of Control Event, the date that is ninety (90) days prior to the earlier of (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or of the intention of the Issuer or any other Person or Persons to effect a Change of Control.

"Ratings Decline" means in connection with a Change of Control Event, the occurrence, on or within ninety (90) days (which period will be (i) extended for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change as a result of a Change of Control or (ii) reduced in the event of a Rating Reaffirmation to the date on which the Rating Reaffirmation has been obtained) after the earlier to occur of public notice of (i) the occurrence of a Change of Control and (ii) the intention by the Issuer or any other Person or Persons to effect a Change of Control, of any of the events listed below, in each case expressly as a result of such Change of Control:

- (a) in the event the notes have an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the notes by any such Rating Agency will be changed to below an Investment Grade Rating;
- (b) in the event the notes have an Investment Grade Rating by any, but not two or more, of the Rating Agencies on the Rating Date, the rating of the notes by such Rating Agency will be changed to below an Investment Grade Rating; or
- (c) in the event the notes are rated below an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the notes by any such Rating Agency will be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

"Rating Reaffirmation" means, in connection with a Change of Control, a written reaffirmation from each Rating Agency then rating the notes stating that the credit rating on the notes, which was in effect immediately prior to a public notice of such Change of Control or of the intention of the Issuer or any Person to effect such Change of Control, will not be decreased as a result of such Change of Control.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, defease, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, *"refinance,"* *"refinances"* and *"refinanced"* shall each have a correlative meaning) any Indebtedness, in whole or in part existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided that*:

- (1) (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Stated Maturity of the notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the notes, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the notes;
- (2) the Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being refinanced;
- (3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees Incurred in connection therewith);

- (4) if the Indebtedness being refinanced is subordinated in right of payment to the notes or the Note Guarantees, such Refinancing Indebtedness is subordinated in right of payment to the notes or the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced; and
- (5) Refinancing Indebtedness shall not include Indebtedness of a Non-Guarantor Subsidiary that refinances Indebtedness of the Issuer or a Guarantor.

“*Refinancing Transactions*” means the Issuer’s (i) repayment in full of the 2028 Notes, (ii) exchange of the 2025 Notes and (iii) payment of certain costs and fees related to the transactions.

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Issuer which at the time of determination is not an Unrestricted Subsidiary. For the avoidance of doubt, initially all Subsidiaries of the Issuer shall be Restricted Subsidiaries other than Consorcio Trecca S.A.C. and Operador Estrategico S.A.C.

“*S&P*” means S&P Global Ratings, and any successor to its rating agency business.

“*Sale/Leaseback Transaction*” means any direct or indirect arrangement relating to property (whether real, personal or mixed) now owned or hereafter acquired whereby the Issuer or a Restricted Subsidiary transfers such property to a Person (other than the Issuer or any of its Restricted Subsidiaries) and the Issuer or a Restricted Subsidiary leases it from such Person.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Secured Indebtedness*” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries that is secured by a Lien.

“*Secured Obligations*” means the Secured Pari Passu Indebtedness and shall include all interest accrued or accruing (or which would, absent the commencement of a proceeding relating to any Insolvency Event, accrue) after the commencement of a proceeding relating to any Insolvency Event in accordance with and at the rate specified in the relevant Secured Pari Passu Indebtedness, whether or not the claim for such interest is allowed as a claim in such proceeding. Secured Obligations shall also include all other payment obligations of the Issuer and any Grantor under the Indenture and under any Security Agreement.

“*Secured Pari Passu Indebtedness*” means (i) initially, Indebtedness under the notes and the New Term Loan, in each case as issued on the Issue Date and (ii) thereafter, Refinancing Indebtedness in respect of any of the foregoing.

“*Secured Parties*” means the Holders and the lenders under the New Term Loan.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended.

“*Security Agreements*” means each of the agreements governing the Security Trusts, the Peruvian Real Estate Mortgage Agreement, each of the Pledge Agreements and any other agreement, instrument or document pursuant to which a Lien on assets of the Issuer or its Subsidiaries is created in favor of the holders of the Security Indebtedness.

“*Security Trusts*” means each of Mexican Collateral Trust, and Colombian Security Trust.

“*Senior Management*” means the chief executive officer and the chief financial officer of the Issuer.

“*Significant Subsidiary*” means a Restricted Subsidiary of the Issuer that would constitute a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02 under Regulation S-X under the Securities Act in effect on the Issue Date.

“*Similar Business*” means any business or businesses conducted by the Issuer and its Restricted Subsidiaries on the Issue Date and any business that is similar, reasonably related, incidental or ancillary thereto or is an extension or development of any thereof.

“*Singapore Stock Exchange*” means the Singapore Exchange Securities Trading Limited.

“*Stated Maturity*” means, with respect to any security, the date specified in the agreement governing or certificate relating to such Indebtedness as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but not including any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Sponsor Financing*” means the indebtedness incurred in connection with a capital contribution made by certain of the Issuer’s shareholders, the proceeds of which were used to fund in part the Issuer’s acquisition of the OCA Entities.

“*Subordinated Obligation*” means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the notes pursuant to a written agreement.

“*Subsidiary*” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary Voting Shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company, trust or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Issuer.

“*Total Assets*” means the consolidated total assets of the Issuer and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent consolidated balance sheet of the Issuer, determined on a *pro forma* basis in a manner consistent with the *pro forma* adjustments contained in the definition of Net Leverage Ratio.

“*Transactions*” means (i) the issuance of the Notes in exchange for the 2025 Notes, (ii) the borrowings under the New Term Loan and (iii) the repurchase of the 2028 Notes with the proceeds therefrom.

“*Trustee Assignment Agreement*” means the agreement executed by Credicorp and Fiduciaria ScotiaBank Colpatria by which Credicorp assigned their position under the Colombian Security Trust as trustee.

“*Unrestricted Cash*” means consolidated cash and cash equivalents of the Issuer and its Restricted Subsidiaries, other than restricted cash, each as determined in accordance with IFRS.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Issuer which at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;
- (2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;
- (3) such designation and the Investment of the Issuer in such Subsidiary complies with “—Certain Covenants—Limitation on Restricted Payments”;

- (4) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Issuer and its Subsidiaries;
- (5) such Subsidiary is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation:
 - (a) to subscribe for additional Capital Stock of such Person; or
 - (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;
- (6) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary with terms substantially less favorable to the Issuer than those that might have been obtained from Persons who are not Affiliates of the Issuer; and
- (7) Such Subsidiary is not a Grantor or a Pledged Subsidiary.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Indenture Trustee by providing to the Indenture Trustee a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture, and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date. As of the Issue Date, each of Consorcio Trecca S.A.C. and Operador Estrategico S.A.C. will be an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Issuer could Incur at least US\$1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" on a *pro forma* basis taking into account such designation.

"*U.S. Government Securities*" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depositary receipt.

"*Voting Stock*" of a Person means securities of all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of members of the Board of Directors (or equivalent governing body), managers or trustees, as applicable, of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

“Wholly-Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which all the outstanding Capital Stock (other than directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

BOOK-ENTRY, DELIVERY AND FORM

The New Notes are being offered for exchange only:

- to qualified institutional buyers in reliance on Rule 144A (the “Rule 144A Notes”); or
- in offshore transactions in reliance on Regulation S (the “Regulation S Notes”).

The New Notes will be issued in fully registered global form in minimum denominations of US\$1,000 and integral multiples of US\$1 in excess thereof. Rule 144A Notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the “Rule 144A Global Note”). Regulation S Notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the “Regulation S Global Note” and, together with the Rule 144A Global Note, the “Global Notes”).

The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear and Clearstream, as described below under “—Depositary Procedures.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for New Notes in certificated form except in the limited circumstances described below under “—Exchange of Book-Entry Notes for Certificated Notes.”

The New Notes will be subject to certain restrictions on transfer and will bear restrictive legends as described under “Transfer Restrictions” in this Exchange Offer Memorandum. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the “Participants”) and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Dealer Managers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “Indirect Participants”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC’s records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Exchange Agent with portions of the principal amount of the Global Notes; and
- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are Participants or Indirect Participants in such system. Euroclear and Clearstream will hold interests in the New Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. The depositaries, in turn, will hold interests in the New Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in a Global Note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will also be subject to the procedures and requirements of those systems. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the New Notes, see "—Exchange of Book-Entry Notes for Certificated Notes."

Except as described below, owners of interests in the Global Notes will not have New Notes registered in their names, will not receive physical delivery of New Notes in certificated form and will not be considered the registered owners or holders thereof under the New Notes Indenture for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be remitted by the Trustee (or the paying agents if other than the Trustee) to DTC in its capacity as the registered holder under the New Notes Indenture. The Issuer, the registrar, the paying agent and the Trustee will treat the persons in whose names the New Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Guarantors, the Dealer Managers, the registrar, the paying agent, the Trustee, the Collateral Agents or any agent of the Issuer, the Guarantors, the Dealer Managers, the registrar, the paying agent, the Collateral Agent nor the Trustee has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or
- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer that its current practice is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of New Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, the registrar, the paying agent or the Issuer. None of the Issuer, the Guarantors, the Dealer Managers, the registrar, the paying agent, the Trustee, the Collateral Agents or any agent of the Issuer, the Guarantors, the Dealer Managers, the registrar, the paying agent, the Collateral Agents nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the New Notes, and the Issuer, the registrar, the paying agent and the Trustee and their respective agents may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Subject to the transfer restrictions described under “Transfer Restrictions” in this Exchange Offer Memorandum, transfers between Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to the transfer restrictions described under “Transfer Restrictions” in this Exchange Offer Memorandum, cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the Settlement Date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the Settlement Date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s Settlement Date.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of New Notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the New Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. None of the Issuer, the Guarantors, the Dealer Managers, the registrar, the paying agent, the Collateral Agents or the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Book-Entry Notes for Certificated Notes

The Global Notes are exchangeable for certificated New Notes in definitive, fully registered form without interest coupons (the “Certificated Notes”) only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Note or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depositary, and in each case the Issuer fails to appoint a successor depositary within 90 days of such notice; or
- if there shall have occurred and be continuing an Event of Default with respect to the New Notes and a majority of the holders of the New Notes so request.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in

accordance with its customary procedures) and will bear the applicable restrictive legends referred to in “Transfer Restrictions” in this Exchange Offer Memorandum, unless the Issuer determines otherwise in accordance with the New Notes Indenture and in compliance with applicable law.

Transfers Within and Between Global Notes

Beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the New Notes Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note only upon receipt by the Trustee of a written certification (in the form provided in the New Notes Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S.

The Trustee shall be entitled to receive such evidence as may be reasonably requested by them to establish the identity and/or signatures of the transferor and transferee.

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or the transferee.

Transfers of beneficial interests in the Regulation S Global Note for beneficial interests in the Rule 144A Global Note or vice versa will be effected by DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

TRANSFER RESTRICTIONS

None of the Exchange Offer nor the issuance of New Notes have been registered under the Securities Act or any other applicable securities laws and, unless so registered, the New Notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account of any U.S. person; except, in any case, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Exchange Offer is being made, and the New Notes are being offered and issued, only to the following:

- (a) Holders of the Existing Notes that are reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof; or
- (b) outside the United States, to Holders of the Existing Notes who are not “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are also “non-U.S. qualified offerees” (as defined below).

Each participating Eligible Holder of Existing Notes, by submitting or sending an Agent’s Message to the Exchange Agent in connection with the tender of Existing Notes, will have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

- (1) You are a holder of Existing Notes;
- (2) You are not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Issuer, you are not acting on behalf of the Issuer and you (a)(i) are a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) and (ii) are acquiring New Notes for your own account or for the account of one or more qualified institutional buyers (each, a “144A Acquirer”); or (b)(i) outside the United States, are not a U.S. person (as defined in Regulation S under the Securities Act), are not acquiring New Notes for the account or benefit of a U.S. person and are acquiring New Notes in an offshore transaction pursuant to Regulation S under the Securities Act and (ii) are a non-U.S. qualified offeree. You understand that the New Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- (3) You understand and acknowledge that (a) the New Notes have not been registered under the Securities Act or any other applicable securities law, (b) the New Notes are being offered in transactions not requiring registration under the Securities Act or any other securities laws, including transactions in reliance on Section 4(a)(2) under the Securities Act, and (c) none of the New Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in a transaction not subject thereto and, in each case, in compliance with the applicable conditions for transfer set forth in paragraph (5) below;
- (4) You are acquiring New Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent and, in the case of a 144A Acquirer, are acquiring New Notes for investment and, in the case of any Eligible Holder, are acquiring New Notes not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell the New Notes pursuant to any exemption from registration available under the Securities Act;
- (5) You will not offer, sell, pledge or otherwise transfer the New Notes, except (i) to us or any of our subsidiaries, (ii) pursuant to a registration statement that has become effective under the Securities Act, (iii) to a qualified institutional buyer in compliance with Rule 144A under the Securities Act, (iv) in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S, or (v) pursuant to an exemption from registration under the Securities Act (if available) and, in each case, in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

- (6) You acknowledge that none of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee, the Exchange Agent or the Information Agent or any person representing the Issuer or the Dealer Managers has made any representation to you with respect to the Issuer, the Exchange Offer, the Solicitation of Consents, or the New Notes, other than by the Issuer with respect to the information contained in this Exchange Offer Memorandum, which Exchange Offer Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the New Notes. You acknowledge that none of the Dealer Managers makes any representation or warranty as to the accuracy or completeness of this Exchange Offer Memorandum. You have had access to such financial and other information concerning the Issuer as you deemed necessary in connection with your decision to acquire the New Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Dealer Managers;
- (7) You also acknowledge that prior to any proposed transfer of New Notes (other than pursuant to an effective registration statement or in respect of New Notes sold or transferred either pursuant to (i) Rule 144A under the Securities Act or (ii) Regulation S under the Securities Act), the holder of such New Notes may be required to provide certifications relating to the manner of such transfer as provided in the New Notes Indenture;
- (8) The following is the form of restrictive legends that will appear on the face of the global securities and be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with our consent. If we so consent, it will be deemed to be removed.

The following is the form of restrictive legend which will appear on the face of the Rule 144A Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF AUNA S.A. (THE "COMPANY") THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE COMPANY, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ONLY AT THE OPTION OF THE COMPANY.

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION. THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON

AND INCLUDING THE LATER OF THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ISSUE DATE OF THE NOTES.

By submitting the Agent's Message, you also acknowledge that the foregoing restrictions apply to holders of beneficial interests in such New Notes. In addition:

- (1) You acknowledge that the Registrar will not be required to accept for registration of transfer any New Notes acquired by you, except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set forth herein have been complied with.
- (2) You acknowledge that:
 - (a) the Issuer, the Dealer Managers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the Issuer and the Dealer Managers promptly in writing; and
 - (b) if you are acquiring any New Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:
 - (i) you have sole investment discretion; and
 - (ii) you have full power to make, and make, the acknowledgments, representations and agreements contained herein.
- (3) You agree that you will give to each person to whom you transfer such New Notes notice of any restrictions on the transfer of such New Notes.
- (4) The acquirer understands that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent that would permit a public offering of the New Notes or the possession, circulation or distribution of this Exchange Offer Memorandum or any other material relating to the Issuer or the New Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the New Notes will be subject to the selling restrictions set forth herein.

For purposes of the Exchange Offer, "non-U.S. qualified offeree" means:

- (1) in relation to each EU member state and the UK:
 - (a) a person that is not a retail investor, for which purposes, a retail investor means a person who is one (or more) of:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive 2016/97/EU (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor (as defined in the Prospectus Regulation);
- (2) in relation to an investor in the UK, a "relevant person" (as defined above under "*Notice to Certain Investors*"); and
- (3) any entity outside the United States, the European Economic Area and the UK to whom the offers related to the New Notes may be made in compliance with all other applicable laws and regulations of any applicable jurisdiction.

NOTICE TO CERTAIN NON-U.S. HOLDERS

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Notes or the possession, circulation or distribution of this Exchange Offer Memorandum or any material relating to us, the Existing Notes or the New Notes in any jurisdiction where action for that purpose is required. Accordingly, the New Notes included in the Exchange Offer may not be offered, sold or exchanged, directly or indirectly, and neither this Exchange Offer Memorandum nor any other material or advertisements in connection with the Exchange Offer or the Solicitation may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

This Exchange Offer Memorandum does not constitute an offer to buy or sell or a solicitation of an offer to sell or buy Existing Notes or New Notes, as applicable, in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise. The distribution of this Exchange Offer Memorandum or any other Exchange Offer Document in certain jurisdictions (including, but not limited to, the jurisdictions listed below) may be restricted by law. Persons into whose possession this Exchange Offer Memorandum and any Exchange Offer Document comes are required by us, the Dealer Managers, the Exchange Agent and the Information Agent to inform themselves about, and to observe, any such restrictions.

Each Eligible Holder participating in the Exchange Offer will give certain representations in respect of the jurisdictions referred to above and generally as set out in herein. Any tender of Existing Notes for exchange pursuant to the Exchange Offer from an Eligible Holder that is unable to make these representations will not be accepted. Each of the Issuer, the Dealer Managers, the Exchange Agent and the Information Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Existing Notes for exchange pursuant to the Exchange Offer, whether any such representation given by an Eligible Holder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such tender shall not be accepted.

Notice to Eligible Holders of Existing Notes in the EEA and the UK

The Issuer has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any New Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes.

United Kingdom

The Issuer has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any New Notes to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes.

Brazil

The New Notes have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, have not been and will not be registered with the Securities Commission of Brazil (*Comissão de Valores Mobiliários*, or “CVM”). Documents relating to the Exchange Offer of the Existing Notes for the New Notes, as well as information contained therein, may not be supplied to investors in Brazil (as none of the Exchange Offer of the Existing Notes for the New Notes is not a public offering of securities in Brazil), or used in connection with any offer for subscription or sale of the New Notes to investors in Brazil.

Canada

The New Notes will be issued in Canada on a private placement basis to Eligible Holders that are “accredited investors” and also “permitted clients,” each as defined under applicable Canadian provincial securities laws, subject to applicable law. Any resale of the New Notes must be made in accordance with the transfer restrictions described in this Exchange Offer Memorandum. See “*Transfer Restrictions*.”

Chile

The offer to exchange the Existing Notes for the New Notes is subject to General Rule No. 336 issued by the *Superintendencia de Valores y Seguros de Chile* (“CMF”). The commencement date of this Exchange Offer is the one contained on the cover page of this Exchange Offer Memorandum. The New Notes will not be registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the CMF and will not be subject to the supervision of the CMF. As unregistered securities, the Issuer has no obligation to deliver/disclose public information about the New Notes in Chile. The New Notes cannot and will not be publicly offered in Chile unless registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the CMF. If the New Notes are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the CMF, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities under Chilean law.

La oferta de los valores se acoge a la Norma de Carácter General N.º 336 de la Superintendencia de Valores y Seguros hoy Comisión para el Mercado Financiero (“CMF”). La fecha de inicio de la presente oferta es la indicada en la portada de este Exchange Offer Memorandum. Los valores no estarán inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, y tales valores no estarán sujetos a la fiscalización de la CMF. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Los valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores o el Registro de Valores Extranjeros que lleva la CMF. Si los valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General N.º 336 de la CMF, una excepción a la obligación de inscripción, o en circunstancias que no constituyan una oferta pública de valores en Chile de conformidad a la ley chilena.

Colombia

The New Notes have not been and will not be offered in Colombia through a public offering of securities pursuant to Colombian laws and regulations, nor will the New Notes be registered in the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the Colombian

Superintendence of Finance (*Superintendencia Financiera de Colombia*) or listed on a regulated securities trading system such as the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the New Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. None of the Exchange Offer constitute, nor may be used for, or in connection with, a public offering as defined under Colombian law and shall be valid in Colombia only to the extent permitted by Colombian law. This Exchange Offer Memorandum is for the sole and exclusive use of the addressee as a designated individual/investor, and cannot be considered as being addressed to or intended for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third-party resident in Colombia. The information contained in this Exchange Offer Memorandum is provided for assistance purposes only, and no representation or warranty is made as to the accuracy or completeness of the information contained herein.

Dubai International Financial Center

This Exchange Offer Memorandum relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Exchange Offer Memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. They must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any document in connection with exempt offers. The DFSA has not approved this Exchange Offer Memorandum nor taken steps to verify the information set forth in any of them and has no responsibility for this Exchange Offer Memorandum. The New Notes to which this Exchange Offer Memorandum relate may be illiquid and/or subject to restrictions on their resale. Eligible Holders of Existing Notes exchanged for New Notes should conduct their own due diligence on the Issuer and the New Notes. If you do not understand the contents of this Exchange Offer Memorandum you should consult an authorized financial advisor.

France

This Exchange Offer Memorandum has not been prepared in the context of a public offering of financial securities in the Republic of France ("France") within the meaning of Article L.411-1 of the French *Code monétaire et financier* and therefore has not been and will not be filed with the *Autorité des marchés financiers* (the "AMF") for prior approval or submitted for clearance to the AMF. The New Notes may not be, directly or indirectly, offered or sold to the public in France and offers and sales of the New Notes will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. Neither this Exchange Offer Memorandum nor any other Exchange Offer material may be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the New Notes to the public in France. The subsequent direct or indirect retransfer of the New Notes to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

Hong Kong

None of the Exchange Offer or Solicitation of Consents is being made, and the New Notes are not being offered or sold, in Hong Kong, by means of this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public for the purposes of the Securities and Futures Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance. None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Intercreditor Agent, the Collateral Agents, the Collateral Trustee, the Exchange Agent or the Information Agent has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be

disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “FIEL”) and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Mexico

The New Notes have not been, and will not be, registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and, therefore the New Notes may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the New Notes may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*).

Peru

The New Notes and the information contained in this Exchange Offer Memorandum have not been, and will not be, registered with or approved by the SMV or the BVL. Accordingly, the New Notes cannot be offered or sold in Peru, except if (i) the New Notes are previously registered with the SMV or (ii) such offering is considered to be a private offering under the securities laws and regulations of Peru. The Peruvian securities laws establish, among other things, that an offer directed exclusively to institutional investors (as defined under Peruvian law) qualifies as a private offering.

Singapore

This Exchange Offer Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within

six months after that corporation or that trust has acquired the New Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the New Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore Notice SFA 04-N12: Notice on the Sale of Investment Products and Monetary Authority of Singapore Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The New Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA, and no application has or will be made to admit the New Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Exchange Offer Memorandum nor any other offering or marketing material relating to the Exchange Offer or the New Notes constitutes a prospectus pursuant to the FinSA, and neither this Exchange Offer Memorandum nor any other offering or marketing material relating to the Exchange Offer or the New Notes may be publicly distributed or otherwise made publicly available in Switzerland.

CERTAIN TAX CONSIDERATIONS

Luxembourg Tax Considerations

This section provides for a general overview of the material Luxembourg tax consequences relating to the exchange of Existing Notes for New Notes pursuant to the Exchange Offer (the “Exchange”), the ownership and disposition of New Notes acquired pursuant to the Exchange. This section is therefore not intended to provide for a comprehensive description of all the tax consequences related to your decision to proceed with the Exchange, hold or dispose of the New Notes. In addition, it does not describe any tax consequences arising under the laws of any taxing jurisdiction other than Luxembourg. Each noteholder of Existing Notes is urged to consult his own tax advisor for a full understanding of the tax consequences of the exchange of Existing Notes for New Notes, the ownership and disposition of New Notes acquired pursuant to the Exchange Offer, including the applicability and effect of Luxembourg tax laws.

Where in this summary English terms and expressions are used to refer to Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg tax law.

This summary is based on the tax law of Luxembourg (unpublished case law not included) as it stands at the date of this Exchange Offer Memorandum. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

This overview assumes that each transaction with respect to the Exchange and the New Notes is performed at arm’s length terms and conditions.

The summary in this Luxembourg taxation paragraph does not address the Luxembourg tax consequences for a noteholder of the Existing Notes or the New Notes who:

- (i) is an investor as defined in a specific law (such as the law on family wealth management companies of May 11, 2007, as amended, the law on undertakings for collective investment of December 17, 2010, as amended, the law on specialized investment funds of February 13, 2007, as amended, the law on reserved alternative investment funds of July 23, 2016, as amended, the law on securitization of March 22, 2004, as amended, the law on venture capital vehicles of June 15, 2004, as amended and the law on pension saving companies and associations of July 13, 2005, as amended);
- (ii) is, in whole or in part, exempt from tax;
- (iii) acquires, owns or disposes of the New Notes in connection with a membership of a management board, a supervisory board, an employment relationship, a deemed employment relationship or management role; or
- (iv) has a substantial interest in the Company or a deemed substantial interest in the Company for Luxembourg tax purposes. Generally, a person holds a substantial interest if such person owns or is deemed to own, directly or indirectly, more than 10% of the shares or interest in an entity.

Tax consequences of the Exchange

Non-resident noteholders

Upon the Exchange, the non-resident noteholders of Existing Notes should be deemed to sell their respective Existing Notes, and should be deemed to acquire New Notes, for the sum of the issue price of the New Notes received and the cash received (other than cash paid in respect of Accrued Interest on the Existing Notes).

The non-resident noteholders of Existing Notes that do not have a permanent establishment or permanent representative in Luxembourg to which or to whom the Existing Notes or income thereon are attributable are not subject to Luxembourg income taxes (i) on any capital gains realized on the Existing Notes upon the Exchange and (ii) on the Accrued Interest on the Existing Notes upon receipt of such Accrued Interest.

The acquisition of New Notes by the non-resident noteholders should not be subject to Luxembourg income taxes upon the Exchange.

Resident noteholders

Upon the Exchange, the resident noteholders of Existing Notes should be deemed to sell their respective Existing Notes, and should be deemed to acquire New Notes, for the sum of the issue price of the New Notes received and the cash received (other than cash paid in respect of Accrued Interest on the Existing Notes).

Individuals.

Upon the Exchange, Luxembourg resident individual noteholders of Existing Notes should not be subject to personal income tax on capital gains realized on the Existing Notes held in their personal portfolio (and not as business assets), unless (i) the Exchange precedes the acquisition of the Existing Notes or (ii) the Exchange takes place within the six-month period subsequent to the date of acquisition of these Existing Notes.

With respect to the Accrued Interest on the Existing Notes, such Accrued Interest received by the Luxembourg resident individual noteholders of Existing Notes should be subject to personal income tax in accordance with the provisions of the Luxembourg income tax law. Personal income tax is levied following a progressive income tax scale. However, if the 20% withholding tax (“WHT”) under the law of December 23, 2005 as amended (the “RELIBI Law”) applies, such WHT should constitute final taxation if the income is derived from assets held in their personal portfolio and not from assets held as business assets. If the income is derived from assets held as business assets, the Luxembourg resident individual noteholders should include such Accrued Interest in their taxable basis. Under this scenario, the 20% WHT under the RELIBI Law could be credited against any personal income tax liability of the Luxembourg resident individual noteholders of Existing Notes.

The acquisition of New Notes by the Luxembourg resident individual noteholders should not be subject to Luxembourg income taxes upon the Exchange.

Corporations.

A corporate resident noteholder of Existing Notes or foreign entities which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Existing Notes is connected, should be subject to Luxembourg corporate income tax (i) on the capital gains realized on the Existing Notes upon the Exchange and (ii) on the Accrued Interest on the Existing Notes upon receipt of such Accrued Interest.

The acquisition of New Notes by the corporate resident noteholders should not be subject to Luxembourg income taxes upon the Exchange.

Withholding Tax on Accrued Interest on the Existing Notes and on interest payments on the New Notes

Under the Luxembourg tax law, there should, in principle, be no WHT (i) on Accrued Interest on the Existing Notes or (ii) on payment of interest (including accrued and unpaid interest) made to a noteholder of the New Notes. There should also be no Luxembourg WHT upon repayment of the principal, refund or redemption of the Existing Notes / the New Notes. Under Peruvian tax law, Accrued Interest on the Existing Notes shall be subject to WHT in Peru which is to be assumed by the Issuer thereunder pursuant to the terms of the Existing Notes.

Notwithstanding the above, Luxembourg should levy a 15% WHT (increased to 17,65% on a gross-up basis) to payments made by Luxembourg tax payers with respect to profit sharing bonds and similar instruments, debt instruments with equity features and silent partnership type of arrangements, subject to the provisions of double tax treaties that may apply.

In addition, under the RELIBI Law, a 20% WHT may apply on certain income (interest) from savings paid or secured by Luxembourg paying agents for the benefit of individual resident of Luxembourg. The WHT applicable under RELIBI Law constitutes a final taxation for Luxembourg tax resident individuals if the income is derived from assets held in their personal portfolio (i.e. not part of the business assets of Luxembourg tax resident individuals).

Taxes on income and capital gains in relation to the New Notes

Non-resident noteholders

Non-resident noteholders of New Notes that do not have a permanent establishment or permanent representative in Luxembourg to which or to whom the New Notes or income thereon are attributable are not subject to Luxembourg income taxes when they receive payments of principal or interest (including accrued but unpaid interest) or realize capital gains upon redemption, repurchase, sale, disposal or exchange, in any form whatsoever, of the New Notes.

Resident noteholders

Individuals.

Interest received by Luxembourg resident individual noteholders of New Notes should be subject to personal income tax in accordance with the provisions of the Luxembourg income tax law. Personal income tax is levied following a progressive income tax scale. However, if the 20% WHT under the RELIBI Law applies, such WHT should constitute final taxation if the income is derived from assets held in their personal portfolio and not from assets held as business assets. If the income is derived from assets held as business assets, the Luxembourg resident individual noteholders should include such interest income in their taxable basis. Under this scenario, the 20% WHT under the RELIBI Law could be credited against any personal income tax liability of the Luxembourg resident individual *noteholders* of New Notes.

Luxembourg resident individual noteholders of New Notes should not be subject to personal income tax on capital gains realized upon the disposal of the New Notes held in their personal portfolio (and not as business assets), unless (i) the disposal of the New Notes precedes the acquisition of the New Notes or (ii) the New Notes are disposed of within the six-month period subsequent to the date of acquisition of these New Notes.

Corporations.

A corporate resident noteholder of New Notes or foreign entities which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the New Notes is connected, should be subject to Luxembourg corporate income tax on the interest received on the New Notes and on the capital gains realized upon the disposal of the New Notes.

Luxembourg resident fully taxable corporate noteholders of New Notes or foreign entities which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the New Notes is connected should annually be subject to net wealth tax (“NWT”) on the (market) value of the New Notes at a digressive rate starting at 0.5% unless a NWT exemption applies.

FATCA

The Foreign Account Tax Compliance Act (“FATCA”) was enacted into U.S. law in March 2010 as part of the Hiring Incentives to Restore Employment Act. FATCA aims at reducing tax evasion by U.S. citizens and requires, among other things, foreign financial institutions outside the U.S. (“FFIs”) to spontaneously provide information about financial accounts held, directly or indirectly, by specified U.S. persons or face a 30% U.S. federal withholding tax imposed on certain U.S.-source payment (“FATCA Withholding”).

To implement FATCA in Luxembourg, Luxembourg entered into a so-called Model 1 Intergovernmental Agreement (the “IGA”) with the U.S., and a memorandum of understanding in respect thereof, on 28 March 2014. The IGA was implemented under Luxembourg domestic law by the law of July 24, 2015, as amended (the “Luxembourg FATCA Law”). Luxembourg FFIs that comply with the requirements of the IGA and the Luxembourg FATCA Law will not be subject to FATCA Withholding.

Under the IGA and the Luxembourg FATCA Law, Luxembourg FFIs are required to perform certain necessary due diligence and monitoring of investors, and to report to the Luxembourg tax authorities on an annual basis information about financial accounts held by (a) specified U.S. investors, (b) certain U.S.-controlled entity investors

and (c) non-U.S. financial institution investors that do not comply with FATCA. Such information will subsequently be remitted by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Noteholders of New Notes may be required to provide information to the Company and FFIs involved in the Exchange Offer Memorandum to ensure their compliance with FATCA. The FFIs may need to report financial account information of the noteholder of New Notes to the relevant tax authorities, as the case may be.

Noteholders of New Notes should consult with their own tax advisers regarding the effects of FATCA on their investment in the New Notes.

Common Reporting Standard

The Organization for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial account information between tax authorities (the “CRS”). Luxembourg is a signatory jurisdiction to the CRS and has conducted its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016. The CRS has been implemented in Luxembourg via the law dated December 18, 2015, as amended, concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU.

Noteholders of New Notes may be required to provide information to the Company and Financial Institutions involved in the Exchange Offer Memorandum to ensure their compliance with CRS. The Financial Institutions may need to report financial account information of the noteholder of New Notes to the relevant tax authorities, as the case may be.

Noteholders of New Notes should consult with their own tax advisers regarding the effects of CRS on their investment in the New Notes.

Certain U.S. Federal Income Tax Considerations

The following discussion summarizes certain U.S. federal income tax considerations of the exchange of Existing Notes for New Notes pursuant to the Exchange Offer (the “Exchange”) and the ownership and disposition of New Notes acquired in the Exchange by U.S. Holders (as defined below). This summary is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), proposed, temporary and final Treasury regulations promulgated under the Code, and administrative rulings and judicial decisions, in each case as of the date of this Exchange Offer Memorandum. These authorities are subject to differing interpretations and may be changed, perhaps retroactively, resulting in U.S. federal income tax consequences different from those discussed below. The Issuer has not obtained, nor does it intend to obtain, a ruling from the U.S. Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary assumes that the Existing Notes are, and any New Notes will be, held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address other U.S. federal tax laws (such as Medicare contribution tax laws and estate and gift tax laws) or the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction. In addition, this summary does not address all tax considerations that may be applicable to a particular holder’s circumstances or to holders that may be subject to special tax rules, including, without limitation, holders subject to the alternative minimum tax, banks, insurance companies or other financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of tax accounting for their securities holdings, U.S. Holders whose “functional currency” is not the U.S. dollar, controlled foreign corporations, passive foreign investment companies, U.S. expatriates, partnerships or other pass-through entities for U.S. federal income tax purposes, holders holding the Existing Notes or the New Notes as a position in a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction, holders deemed to sell the Existing Notes or the New Notes under the constructive sale provisions of the Code, or holders required to accelerate the recognition of any item of gross income with respect to the Existing Notes or the New Notes as a result of such income being recognized on an applicable financial statement. This disclosure does

not address any U.S. federal income tax considerations that apply or may apply to subsequent purchasers of the New Notes.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of the Existing Notes or the New Notes that is, for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, including any entity or arrangement treated as a corporation for U.S. federal income tax purposes, created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia, or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Existing Notes or the New Notes, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership holding the Existing Notes or the New Notes, you should consult your tax advisor regarding the tax consequences of the Exchange Offer and the ownership and disposition of any New Notes acquired in the Exchange Offer.

This summary is for general information purposes only, and is not intended to be, and should not be construed to be, legal or tax advice to any particular holder. You are urged to consult your tax advisor with regard to the application of the U.S. federal income tax laws, as well as the application of non-income tax laws and the laws of any state, local or non-U.S. taxing jurisdiction, to your particular situation.

Tax Consequences of the Exchange

Under general principles of U.S. federal income tax law, the modification of a debt instrument can give rise to an exchange under Section 1001 of the Code upon which gain or loss is realized if the modified debt instrument differs materially either in kind or in extent from the original debt instrument. In this regard, governing Treasury regulations (the “Modification Regulations”) provide that, as a general rule, an exchange occurs when, based on all the facts and circumstances and taking into account all changes in the terms of the debt instrument collectively (other than certain specified changes), the legal rights or obligations that are altered, and the degree to which they are altered, are economically significant (a “significant modification”). The Modification Regulations also provide specific rules for determining whether certain types of modifications do or do not constitute significant modifications. The Modification Regulations can apply to any modification of a debt instrument, regardless of the form of the modification, including an exchange of a new debt instrument for an existing debt instrument. Therefore, the Modification Regulations are relevant in determining the consequences of an exchange of Existing Notes for New Notes pursuant to the Exchange Offer.

Under the Modification Regulations, a change in yield of a debt instrument is a significant modification if the yield of the modified debt instrument varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) 25 basis points and (ii) 5% of the annual yield of the unmodified instrument. For this purpose, the yield of the modified debt instrument is the annual yield of a debt instrument with (i) an issue price equal to the adjusted issue price of the unmodified debt instrument on the date of the modification (increased by accrued but unpaid interest and decreased by payments made to the holder as consideration for the modification) and (ii) payments equal to the payments on the modified debt instrument from the date of the modification.

The Modification Regulations also provide that, in general, a modification of a debt instrument that results in a material deferral of scheduled payments, including an extension of the final maturity date, is a significant modification. However, the Modification Regulations provide that a deferral is not a material deferral if the deferred payments are unconditionally payable no later than at the end of a safe harbor period which begins on the original due date of the first scheduled payment that is deferred and extends for a period equal to the lesser of (i) five years or (ii) 50% of the original term of the debt instrument.

Under the Modification Regulations, the Exchange will constitute a significant modification to a holder of Existing Notes. The remainder of this discussion assumes that the Exchange is treated as a significant modification for all holders of Existing Notes.

Therefore, you will generally recognize gain or loss in full upon the exchange of Existing Notes for New Notes unless the exchange qualifies as a recapitalization for U.S. federal income tax purposes.

In order for the exchange of the Existing Notes to qualify as a recapitalization, the Existing Notes surrendered and the New Notes received must be treated as “securities” under the relevant provisions of the Code. Neither the Code nor the Treasury regulations define the term security. Whether a debt instrument is a security is based on all of the facts and circumstances, but most authorities have held that the term to maturity of the debt instrument is one of the most significant factors. In this regard, debt instruments with a term of ten years or more generally have qualified as securities, whereas debt instruments with a term of less than five years generally have not qualified as securities. The Existing Notes had an initial term of five years and the New Notes will have a term of six years. Although the matter is not free from doubt, the Issuer intends to take the position, and (except as otherwise provided below) the remainder of this discussion assumes, that the Existing Notes and the New Notes would both be treated as securities and that the exchange of the Existing Notes for New Notes is treated as a recapitalization for U.S. federal income tax purposes. There can be no assurance, however, that the IRS will not challenge the treatment of the Exchange of the Existing Notes for New Notes as a recapitalization, or that a court will not agree with such contrary position. You are urged to consult your tax advisor regarding the qualification of the exchange as a recapitalization for U.S. federal income tax purposes.

Subject to the discussion below under “—Treatment of the Early Participation Premium,” you will not recognize any loss on the exchange, but would recognize gain, if any, equal to the lesser of (i) the amount of “boot” received in the exchange (as described below) and (ii) the gain realized in the exchange, which will be equal to the excess of the issue price of the New Notes received over your adjusted tax basis in the Existing Notes surrendered in the exchange. Your adjusted tax basis in the Existing Notes will generally equal the amount paid therefor, increased by market discount, if any, previously included in income and reduced by any bond premium previously amortized. Subject to the discussion under “—Market Discount” below, any gain recognized upon the exchange generally will be capital gain and will be long-term capital gain if your holding period for the Existing Notes exceeds one year. Long-term capital gains of non-corporate persons are eligible for reduced rates of taxation. See “—Accrued Interest” for the treatment of amounts received in respect of Accrued Interest. Any gain or loss will constitute U.S. source income for U.S. foreign tax credit purposes.

For purposes of determining the amount of gain recognized, the “boot” received in the exchange generally will be equal to the fair market value on the date of the exchange of the excess of the principal amount of the New Notes received over the principal amount of the Existing Notes surrendered in the exchange.

You will have an initial tax basis on the portion of the New Notes that is not attributable to boot equal to your adjusted tax basis in the Existing Notes surrendered in the exchange, increased by the amount of gain recognized, and decreased by the amount of boot that you received. Your holding period for the portion of the New Notes that is not attributable to boot will include the period during which you held the exchanged Existing Notes. You will have an initial tax basis on the portion of the New Notes that is attributable to boot equal to the fair market value of such portion on the date of the exchange and will have a holding period that begins on the day after the exchange.

Subject to the discussion below under “—Treatment of the Early Participation Premium,” if the exchange of the Existing Notes for New Notes is not treated as a recapitalization, upon the exchange of the Existing Notes for New Notes, you will recognize gain or loss in full on the exchange. Gain or loss will equal the difference between (i) the issue price of the New Notes received, and (ii) your adjusted tax basis in the Existing Notes surrendered. Your adjusted tax basis in the Existing Notes will generally equal the amount paid therefor, increased by market discount, if any, previously included in income and reduced by any bond premium previously amortized. You will have an initial tax basis in the New Notes equal to the issue price of the New Notes. Subject to the discussion under “—Market Discount” below, any gain recognized upon the exchange generally will be capital gain and will be long-term capital gain if your holding period for the Existing Notes exceeds one year. Long-term capital gains of non-corporate persons are eligible for reduced rates of taxation. In addition, your holding period for the New Notes will begin the day after the exchange. See “—Accrued Interest” for the treatment of amounts received in respect of Accrued Interest. Any gain or loss will constitute U.S. source income for U.S. foreign tax credit purposes.

If you hold Existing Notes with differing tax bases and/or holding periods, the preceding rules must be applied separately to each identifiable block of Existing Notes.

Issue Price of the New Notes. The determination of the issue price of the New Notes will depend on whether the New Notes and/or the Existing Notes exchanged therefor are “publicly traded” for U.S. federal income tax purposes. Assuming the New Notes are publicly traded, the New Notes generally will have an issue price equal to their fair

market value on the date of issuance. If the New Notes are not publicly traded, but the Existing Notes are publicly traded, the issue price of the New Notes will be determined based on the fair market value of the Existing Notes on the issue date of the New Notes. The Issuer will make the determination of the issue price of the New Notes available to holders in a commercially reasonable fashion, including by electronic publication, within 90 days of the date that the New Notes are issued.

Market Discount. You will be considered to have acquired an Existing Note with “market discount” if the stated principal amount of such Existing Note exceeded your initial tax basis for such Existing Note by more than a *de minimis* amount. If your Existing Notes were acquired with market discount, any gain recognized on the exchange of Existing Notes for New Notes will be treated as ordinary income (and will not receive capital gain treatment) to the extent of the market discount accrued during your period of ownership, unless you previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes. Additionally, any market discount that accrued on the Existing Notes (up to the time of the exchange) but was not recognized on the exchange generally is carried over to the New Notes received therefor except to the extent converted into original issue discount (“OID”), as described below, and will continue to be subject to the market discount rules. The New Notes generally will be treated as acquired with market discount (including any accrued market discount described above) if their issue price (if the New Notes are issued with OID) or their stated principal amount (if the New Notes are not issued with OID) exceeds your initial tax basis in such New Notes by a statutory *de minimis* amount. If the amount of market discount not previously included in income is less than or equal to the OID, if any, on the New Notes received in the exchange, all of your market discount will be converted to OID. If such market discount exceeds the OID, if any, on the New Notes, the excess may carry over to your New Notes. Accordingly, as a result of these rules, if the New Notes are issued with OID, and you acquired Old Notes with market discount, you generally will be required to accrue OID on the New Notes corresponding to some or all of that market discount on a constant yield basis, rather than deferring recognition of market discount until the sale, exchange, retirement or other disposition of the New Note.

If you acquired your Existing Notes (other than at original issuance) for a price less than their stated principal amount, you are urged to consult your tax advisor regarding the possible application of the market discount rules.

Accrued Interest. Any amount received pursuant to the Exchange Offer that is properly allocable to Accrued Interest (including Additional Amounts as described above under “—Description of the Exchange Offer and the Solicitation—Additional Amounts”) will generally be includible in your gross income as foreign source ordinary interest income if such Accrued Interest had not been included previously in your gross income for U.S. federal income tax purposes, and for U.S. foreign tax credit purposes generally will constitute “passive category income.” The rules governing the U.S. foreign tax credit are complex, and you are urged to consult your tax advisors regarding the application of the rules to your particular circumstances.

Early Participation Premium. If you tender your Existing Notes on or prior to the Early Participation Deadline, you will be eligible to receive the Early Participation Premium. Although the U.S. federal income tax treatment of the receipt of the Early Participation Premium is not entirely clear, the Issuer believes, and this discussion assumes, that the Early Participation Premium should be treated as additional consideration received in exchange for the Existing Notes. You are urged to consult your tax advisor with respect to the U.S. federal income tax treatment of the Early Participation Premium.

Tax Consequences of the Ownership of the New Notes

Payments of Interest. Payments of stated interest on the New Notes will be taxed to you as ordinary income at the time the interest is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes.

Original Issue Discount. If the issue price of the New Notes (as described above under “—Tax Consequences of the Exchange—Issue Price of the New Notes”) is less than their stated principal amount by more than a specified *de minimis* amount, such New Notes will be treated as issued with original issue discount (“OID”) in an amount equal to such difference. For these purposes, the discount will be considered to exceed the *de minimis* threshold if it is at least equal to 0.25% of the stated principal amount of the New Notes multiplied by the number of complete years to maturity from the issue date of the New Notes.

You must generally include OID in your gross income (as ordinary income) as it accrues (on a constant yield to maturity basis) over the term of a New Note without regard to your regular method of accounting for U.S. federal income tax purposes and in advance of the receipt of cash payments attributable to that income.

The amount of OID, if any, that you must include in income with respect to a New Note will generally equal the sum of the “daily portions” of OID with respect to the New Note for each day during the taxable year or portion of the taxable year in which you held such New Note (“accrued OID”). The daily portion is determined by allocating to each day in each “accrual period” a pro rata portion of the OID allocable to that accrual period. The “accrual period” for a New Note may be of any length and may vary in length over the term of the New Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of (i) the product of the New Note’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (ii) the aggregate of all stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of stated interest) and the adjusted issue price of the New Note at the beginning of the final accrual period. The adjusted issue price of a New Note at the beginning of any accrual period is equal to its issue price, increased by the accrued OID, if any, for each prior accrual period (determined without regard to the amortization of any acquisition premium or amortizable bond premium, as discussed below), reduced by payments of principal.

If your initial tax basis in a New Note is greater than its issue price and less than or equal to its stated principal amount, the New Note will be considered to have been issued to you at an “acquisition premium.” Under the acquisition premium rules, the amount of OID that you must include in gross income with respect to the New Note for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year.

You may elect to treat all interest (including stated interest, OID or *de minimis* OID, and market discount or *de minimis* market discount, as adjusted by any acquisition premium or amortizable bond premium) on a New Note as OID and calculate the amount includible in gross income under the constant yield method described above. The election must be made for the taxable year in which you acquire the New Note, and may not be revoked without the consent of the IRS. You should consult your tax advisor about this election. This discussion assumes this election is not made.

Amortizable Bond Premium. If your initial tax basis in a New Note is greater than the principal amount of such New Note, you will be considered to have acquired the New Note with “amortizable bond premium” and, in the case of New Notes issued with OID, you will not be required to include any OID in income. You generally may elect to amortize the premium over the remaining term of the New Note on a constant yield method as an offset to interest when includible in income under your regular accounting method. However, because the New Notes may be redeemed by us prior to maturity at a premium, special rules apply that may reduce, eliminate or defer the amount of premium that you may amortize with respect to a New Note. You should consult your tax advisor about these special rules. If you do not elect to amortize the premium, that premium will decrease the gain or increase the loss you would otherwise recognize on any principal payment or disposition of the New Note. An election to amortize premium on a constant yield method will also apply to all other taxable debt instruments held or subsequently acquired by you on or after the first day of the first taxable year for which the election is made. Such an election may not be revoked without the consent of the IRS. You should consult your tax advisor about this election.

Market Discount. If your New Notes have market discount (see “—Tax Consequences of the Exchange—Market Discount” above), under the market discount rules, you will be required to treat any principal payment, any payment that is not stated interest and any gain on the sale, exchange or retirement of such New Notes as ordinary income to the extent of the market discount that is treated as having accrued on such New Notes at the time of the sale, exchange or retirement and which you have not previously included in income. Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the New Notes unless you elect to accrue on a constant interest method.

You may elect to include market discount in income currently as it accrues, on either a ratable or constant interest method, in which case any gain recognized will not be recharacterized as ordinary income.

Sale, Exchange or Retirement of the New Notes. Unless a non-recognition provision applies, you will recognize taxable gain or loss upon a sale, exchange or retirement of a New Note in an amount equal to the difference between (i) the amount of cash and the fair market value of any property received (less an amount equal to any accrued but unpaid stated interest, which will be taxed in the manner described above under “—Payments of Interest”) and (ii) your adjusted tax basis in the New Note. Your adjusted tax basis in a New Note will be your initial tax basis in the New Note, increased by any OID or market discount previously included in income, and reduced by any amortized bond premium and any principal payments received.

Any gain or loss on the sale, exchange or retirement of a New Note will be capital gain or loss (although all or a portion of any recognized gain could be subject to ordinary income treatment if there is any accrued market discount on the New Note that has not been included in income at the time of the sale, exchange or retirement, as discussed above under “—Market Discount”) and will be long-term capital gain or loss if the New Note has a holding period of more than one year at the time of the sale, exchange or retirement. Long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting

Information reporting requirements will generally apply to payments of interest on the Existing Notes or the New Notes, any OID accruals on the New Notes, and cash proceeds from a disposition (including a retirement or redemption) of the Existing Notes or the New Notes (unless, in each case, you are an exempt recipient such as a corporation). Backup withholding may apply to any payments described in the preceding sentence if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Tax Consequences to Non-Exchanging Holders

The adoption of the Proposed Amendments may or may not result in a deemed disposition of Existing Notes in exchange for new debt instruments for U.S. federal income tax purposes by a U.S. Holder that does not exchange its Existing Notes pursuant to the Exchange Offer, depending on whether the adoption of the Proposed Amendments results in a “significant modification” of the Existing Notes for U.S. federal income tax purposes. A modification is a “significant modification” for U.S. federal income tax purposes only if, based on all facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. A special rule provides that the addition, deletion or alteration of customary accounting or financial covenants does not result in a “significant modification,” although there is no guidance as to when this rule will apply.

Although the matter is not free from doubt, the Issuer intends to take the position that the adoption of the Proposed Amendments will cause a “significant modification” of the Existing Notes for U.S. federal income tax purposes. Accordingly, subject to the discussion of tax-free recapitalization below, a U.S. Holder will recognize any gain or loss, for U.S. federal income tax purposes, upon the adoption of the Proposed Amendments, regardless of whether the U.S. Holder consents to the Proposed Amendments, and will have the same adjusted tax basis and holding period in the Notes after the adoption of the Proposed Amendments that the U.S. Holder had in the Notes immediately before the adoption. Any gain recognized by, and accrued interest payable to, you would be subject to tax to the same extent and in the same manner as any gain recognized by, and accrued interest payable to, a tendering Holder of Existing Notes as described in “—Tax Consequences to the Exchange.” In addition, you could be treated as acquiring “new” Existing Notes with the consequences described in “—Tax Consequences of the Ownership of the New Notes.”

If the adoption of the Proposed Amendments does result in a deemed exchange, the deemed exchange could qualify as a tax-free recapitalization for U.S. federal income tax purposes if both the Existing Notes and the modified (“new”) notes are treated as “securities” for U.S. federal income tax purposes, as described above in “—Tax Consequences of the Exchange.” We intend to take the position that the “new” notes are not securities for U.S. federal income tax purposes and that the deemed exchange should not be treated as a tax-free recapitalization.

There can be no assurance, however, that the IRS will not challenge the treatment of the adoption of the Proposed Amendments as a significant modification, or that a court will not agree with such contrary position. U.S. Holders that elect not to exchange their Existing Notes pursuant to the Exchange Offer are urged to consult their tax advisors regarding the U.S. federal income tax considerations applicable to their particular circumstances.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER BENEFIT PLAN INVESTORS

The following summary regarding certain aspects of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Code is based on ERISA and the Code, judicial decisions and United States Department of Labor (the “DOL”) and U.S. Internal Revenue Service (the “IRS”) regulations and rulings that are in existence on the date of this Exchange Offer Memorandum. This summary is general in nature and does not address every issue pertaining to ERISA or the Code that may be applicable to us, the Existing Notes, the New Notes or a particular investor. Accordingly, each investor should consult with his, her or its own counsel in order to understand the issues relating to ERISA and the Code that affect or may affect the investor with respect to a participation in the Exchange Offer.

ERISA and the Code impose certain requirements on (i)(x) “employee benefit plans” (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (y) plans, individual retirement accounts and other arrangements subject to Section 4975 of the Code, and (z) entities and accounts whose underlying assets are deemed to include plan assets by reason of an employee benefit plan’s or plan’s investment in such entities or accounts (each such employee benefit plan, plan, entity or account set forth in (x), (y) and (z) referred to herein as a “Plan”), and (ii) on those persons who are “fiduciaries” as defined in Section 3(21) of ERISA or Section 4975 of the Code with respect to Plans. In considering whether to participate in the Exchange Offer and invest the assets of a Plan in the New Notes, a fiduciary must, among other things, discharge its duties solely in the interest of the participants of such Plan and their beneficiaries and for the exclusive purpose of providing benefits to such participants and beneficiaries and defraying reasonable expenses of administering the Plan. A fiduciary must act prudently and must diversify the investments of a Plan subject to ERISA so as to minimize the risk of large losses, as well as discharge its duties in accordance with the documents and instruments governing such Plan. In addition, ERISA generally requires fiduciaries to hold all assets of a Plan subject to ERISA in trust and to maintain the indicia of ownership of such assets within the jurisdiction of the district courts of the United States. A fiduciary of a Plan subject to ERISA should consider whether participating in the Exchange Offer and an investment in the New Notes satisfies these requirements by taking into account the Plan’s particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under “Risk Factors” and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the New Notes.

An investor who is considering exchanging the Existing Notes for the New Notes with the assets of a Plan must consider whether such an exchange would constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. ERISA and Section 4975 of the Code prohibit certain transactions that involve a Plan and a “party in interest” as defined in Section 3(14) of ERISA or a “disqualified person” as defined in Section 4975(e)(2) of the Code with respect to such Plan. Examples of such prohibited transactions include, but are not limited to, sales or exchanges of property (such as the Existing Notes) or extensions of credit between a Plan and a party in interest or disqualified person. In addition, ERISA and Section 4975 of the Code generally prohibit a fiduciary with respect to a Plan from dealing with the assets of the Plan for its own benefit (for example when a fiduciary of a Plan uses its position to cause the Plan to make investments in connection with which the fiduciary (or a party related to the fiduciary) receives a fee or other consideration).

ERISA and the Code contain certain exemptions from the prohibited transactions described above, and the DOL has issued several exemptions, although certain exemptions do not provide relief from the prohibitions on fiduciary self-dealing discussed above. Exemptions include Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code pertaining to certain transactions with non-fiduciary service providers (or their affiliates); DOL Prohibited Transaction Class Exemption (“PTCE”) 95-60, applicable to transactions involving insurance company general accounts; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding investments effected by a qualified professional asset manager; and PTCE 96-23, regarding investments effected by an in-house asset manager. There can be no assurance that any of these exemptions will be available with respect to the exchange of the Existing Notes for the New Notes or any other transaction involving the Existing Notes or the New Notes. Under ERISA and Section 4975 of the Code, excise taxes or other liabilities may be imposed on parties in interest or disqualified persons who participate in non-exempt prohibited transactions (other than a fiduciary acting only as such) and such transactions may have to be rescinded.

As a general rule, a governmental plan, as defined in Section 3(32) of ERISA, a church plan, as defined in Section 3(33) of ERISA, that has not made an election under Section 410(d) of the Code and a plan maintained

outside the United States primarily for the benefit of persons substantially all of whom are nonresident aliens, as described in Section 4(b)(4) of ERISA, are not subject to Title I of ERISA or Section 4975 of the Code (each, a “Non-ERISA Plan”). Accordingly, assets of such Non-ERISA Plans may be invested without regard to the fiduciary and prohibited transaction considerations described above. Although a Non-ERISA Plan is not subject to Title I of ERISA or Section 4975 of the Code, it may be subject to other U.S. federal, state or local laws or regulations or non-U.S. laws or regulations that regulate its investments and are similar to Title I of ERISA or Section 4975 of the Code (a “Similar Law”). A fiduciary of a Non-ERISA Plan should consider whether an exchange of the Existing Notes for the New Notes satisfies the requirements, if any, under any applicable Similar Law.

Each Plan and Non-ERISA Plan should consider the fact that none of us, the Dealer Managers nor any of our or their affiliates will act as a fiduciary to any Plan or Non-ERISA Plan with respect to the decision to participate in the Exchange Offer and is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to such decision.

Any Eligible Holder of the Existing Notes that participates in the Exchange Offer will be deemed to represent and warrant that either (i) it is not exchanging the Existing Notes for the New Notes for or on behalf of or with the assets of any Plan or Non-ERISA Plan that is subject to Similar Law or (ii) its exchange of the Existing Notes for the New Notes and its acquisition and holding of the New Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any fiduciary of a Plan or Non-ERISA Plan or other person who proposes to use assets of any Plan or Non-ERISA Plan to acquire the New Notes (i.e., by exchanging Existing Notes for New Notes) should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code and any applicable Similar Law, to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code or any applicable Similar Law.

The decision to acquire or hold the New Notes (or to exchange the Existing Notes for New Notes) under the Exchange Offer must be made on an arm’s length basis and each Plan and each Non-ERISA Plan should consider that neither we, the Dealer Managers nor our or their affiliates will act as a fiduciary to any Plan or Non-ERISA Plan with respect to such decision, nor are we or the Dealer Managers or our or their affiliates undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to such decision. The sale of the New Notes (i.e., by exchanging Existing Notes for New Notes) to a Plan is in no respect a representation by any of us or the Dealer Managers or our or their affiliates that such an investment meets all relevant legal requirements with respect to investments by a Plan or Non-ERISA Plan, or that such an investment is appropriate for a Plan or Non-ERISA Plan generally.

Nothing in this Exchange Offer Memorandum, the Exchange Offer or the Solicitation is a representation by us or the Dealer Managers or our or their affiliates that an acquisition of the New Notes (by exchanging the Existing Notes for the New Notes) meets any or all legal requirements applicable to investments by Plans or Non-ERISA Plans or that such an investment is appropriate for any particular Plan or Non-ERISA Plan.

INFORMATION RELATED TO THE EXCHANGE AGENT, THE INFORMATION AGENT AND THE DEALER MANAGERS

Exchange Agent

Global Bondholder Services Corporation has been appointed the Exchange Agent for the Exchange Offer and the Solicitation. All correspondence in connection with the Exchange Offer and the Solicitation should be sent or delivered by each Eligible Holder of Existing Notes, or a beneficial owner's custodian bank, depositary, broker, trust company or other nominee, to the Exchange Agent at the address and telephone numbers set forth on the back-cover page of this Exchange Offer Memorandum. We will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its out-of-pocket expenses in connection therewith.

Information Agent

Global Bondholder Services Corporation has also been appointed as the Information Agent for the Exchange Offer and the Solicitation and will receive reasonable and customary compensation for its services, and we will reimburse it for its out-of-pocket expenses in connection therewith. Questions concerning tender procedures and requests for additional copies of this Exchange Offer Memorandum or other Exchange Offer Documents should be directed to the Information Agent at the address and telephone numbers set forth on the back-cover page of this Exchange Offer Memorandum. Holders of Existing Notes may also contact their custodian bank, depositary, broker, trust company or other nominee for assistance concerning the Exchange Offer and the Solicitation.

Dealer Managers

We have retained Citigroup Global Markets Inc., HSBC Securities (USA) Inc., Santander US Capital Markets LLC and Banco BTG Pactual S.A. – Cayman Branch to act as Dealer Managers and Solicitation Agents in connection with the Exchange Offer and the Solicitation. We will pay the Dealer Managers a reasonable and customary fee for soliciting tenders in the Exchange Offer. We will also reimburse the Dealer Managers for certain of their reasonable out-of-pocket expenses. The obligations of the Dealer Managers to perform such functions are subject to certain conditions. We have agreed to indemnify the Dealer Managers against certain liabilities, including liabilities under the federal securities laws, in connection with their services. Questions regarding the terms of the Exchange Offer may be directed to the Dealer Managers at the addresses and telephone numbers set forth on the back-cover page of this Exchange Offer Memorandum.

Banco BTG Pactual S.A. – Cayman Branch is not a broker-dealer registered with the SEC, and therefore may not solicit tenders in the Exchange Offer in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Banco BTG Pactual S.A. – Cayman Branch intends to solicit tenders in the Exchange Offer in the United States, it will do so only through BTG Pactual US Capital, LLC or one or more U.S. registered broker-dealers, or as otherwise permitted by applicable U.S. law.

At any given time, the Dealer Managers may trade Existing Notes or other of our securities for their own account or for the accounts of their customers and, accordingly, may hold a long or short position in the Existing Notes. To the extent any of the Dealer Managers or any of their respective affiliates hold Existing Notes during the Exchange Offer, such Dealer Manager or its respective affiliates may tender such Existing Notes under the Exchange Offer.

From time to time in the ordinary course of business, the Dealer Managers and their respective affiliates have provided, and may provide in the future, investment or commercial banking services to us and our affiliates in the ordinary course of business for customary compensation.

In addition, in the ordinary course of their business activities, the Dealer Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their respective customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. If the Dealer Managers or any of their respective affiliates has a lending relationship with the Issuer or its affiliates, the Dealer Managers or certain of their respective affiliates routinely hedge, and the Dealer Managers or certain of their respective affiliates are likely to hedge, their credit exposure to the Issuer or its affiliates

consistent with their customary risk management policies. Typically, the Dealer Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's or its affiliates' securities. The Dealer Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Dealer Managers or their affiliates have acted as managers and/or initial purchasers in prior financing transactions involving the Issuer and its subsidiaries. In addition, the Dealer Managers or certain affiliates of the Dealer Managers are acting as structuring agents, joint lead arrangers and bookrunners of the New Term Loan and will receive and may in the future receive, customary fees, interest and commissions in connection with their role in the New Term Loan. Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex, División Fiduciaria, an affiliate of Citigroup Global Markets Inc., will act as Administrative Agent under the New Term Loan. Certain of the Dealer Managers or their affiliates will also enter into hedging agreements with us, as well as hedging transactions thereunder. See "Summary—Recent Developments—Concurrent Term Loan."

None of the Issuer, the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent makes any recommendation as to whether or not Eligible Holders of the Existing Notes should exchange their Existing Notes in the Exchange Offer.

None of the Guarantors, the Dealer Managers, the Trustee, the Collateral Agents, the Collateral Trustee, the Intercreditor Agent, the Exchange Agent or the Information Agent assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Existing Notes contained or referred to in this Exchange Offer Memorandum or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

We will not make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offer other than the Dealer Managers, as described above.

Any questions or requests for assistance or for additional copies of the Exchange Offer Documents may be directed to the Information Agent at one of the telephone numbers provided on the back cover of this Exchange Offer Memorandum. Holders may also contact the Dealer Managers at the telephone numbers provided on the back cover of this Exchange Offer Memorandum for assistance concerning the Exchange Offer.

Other Fees and Expenses

Tendering Eligible Holders of Existing Notes will not be required to pay any fee or commission to the Dealer Managers. However, if a tendering Eligible Holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, such Eligible Holder may be required to pay brokerage fees or commissions.

LEGAL MATTERS

Certain legal matters with respect to U.S. law are being passed upon for us by Davis Polk & Wardwell LLP, our United States counsel, and for the Dealer Managers by Cleary Gottlieb Steen & Hamilton LLP, United States counsel to the Dealer Managers. Certain matters of Luxembourg law will be passed upon for us by Eversheds-Sutherland (Luxembourg) SCS, our Luxembourg counsel, and for the Dealer Managers by Arendt & Medernach SA, Luxembourg counsel to the Dealer Managers. Certain matters of Peruvian law will be passed upon for us by Rodrigo, Elias & Medrano Abogados, our Peruvian counsel, and for the Dealer Managers by J&A Garrigues Perú S. Civil de R.L., Peruvian counsel to the Dealer Managers. Certain matters of Colombian law will be passed upon for us by Posse Herrera Ruiz, our Colombian counsel, and for the Dealer Managers by Garrigues Colombia S.A.S., Colombian counsel to the Dealer Managers. Certain matters of Mexican law will be passed upon for us by Ritch, Mueller y Nicolau, S.C., our Mexican counsel, and for the Dealer Managers by Galicia Abogados, S.C., Mexican counsel to the Dealer Managers.

INDEPENDENT AUDITORS

The consolidated financial statements of Auna S.A. (formerly known as Auna S.A.A.) as of December 31, 2022, 2021 and 2020, and for each of the years in the three-year period ended December 31, 2022, included in this Exchange Offer Memorandum, have been audited by Emmerich, Cordova y Asociados, S. Civil de R.L., independent auditors, as stated in their report appearing herein.

The combined financial statements of Hospital y Clinica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Togleja HG, S.A de C.V. and Inmuebles JRD 2000 S.A. de C. V. as of October 4, 2022, and for the period from January 1 to October 4, 2022, included in this Exchange Offer Memorandum, have been audited by KPMG Cardenas Dosal S.C, independent auditors, as stated in their report appearing herein.

ENFORCEMENT OF JUDGMENTS AND CERTAIN LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE NEW NOTES, THE GUARANTEES AND THE SECURITY INTERESTS

Enforcement of Judgments

Luxembourg

Auna is a public limited liability company (*société anonyme*) organized and existing under the laws of Luxembourg. The majority of our directors and all of our officers reside outside the United States, and a significant portion of the assets of such persons may be, and substantially all of our assets are, located in Peru, Colombia and Mexico or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon our directors or officers, or to enforce against them, or us, in U.S. federal or state courts judgments predicated upon the provisions of civil liabilities of U.S. federal securities laws.

A final and binding civil and commercial judgment obtained in the courts of the State of New York in respect of any suit, action or proceeding against us for the enforcement of any of our obligations under the New Notes will be enforceable in Luxembourg subject to Luxembourg ordinary rules on enforcement (“*exequatur*”) of foreign judgments. Pursuant to such rules, an enforceable judgment rendered by any US court based on contract would not directly be enforceable in Luxembourg. However, a party who obtains a judgment in a US court may initiate enforcement proceedings in Luxembourg (“*exequatur*”) by requesting enforcement of the US judgment before the competent District Court (“*Tribunal d’Arrondissement*”). The District Court will authorize the enforcement in Luxembourg of such judgment if it is satisfied that the following conditions are met:

- the US judgment is final and enforceable (“*exécutoire*”) in the United States;
- the jurisdiction of the US court is founded according to Luxembourg private international law rules and to the applicable domestic US jurisdiction rules;
- the US court has applied to the matter submitted to it the proper law designated by the Luxembourg conflict of laws rules (although some first instance decisions rendered in Luxembourg – which have not been confirmed by the Court of Appeal – no longer apply this condition);
- the judgment must not have been obtained by fraud, but in compliance with the procedural rules of the jurisdiction in which the judgment was rendered, in particular, in compliance with the rights of the defendant; and
- the US judgment does not contravene Luxembourg international public policy (*ordre public international*), which includes the fundamental concepts of Luxembourg Law that the courts of Luxembourg may deem to be of such significance so as to exclude the recognition of any foreign judgment deemed to be contrary in its results to those fundamental concepts.

Luxembourg courts currently do not review the merits of the case in enforcement proceedings, although there is no clear statutory prohibition of such review.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

Peru

We have been advised by our Peruvian counsel, Rodrigo, Elias & Medrano Abogados, that there is uncertainty as to the enforceability, in original actions in Peruvian courts, of liabilities predicated upon the provisions of civil liability of the U.S. federal securities laws. In addition, we have been advised by Rodrigo, Elias & Medrano Abogados that any final and conclusive judgment for a fixed and definitive sum obtained against us in any foreign court having jurisdiction in respect of any suit, action or proceeding against us for the enforcement of any of our

obligations under the New Notes that are governed by New York law will, upon request, be deemed valid and enforceable in Peru through an exequatur judiciary proceeding (which does not involve the reopening of the case), provided that: (i) there is a treaty in effect between the country where said foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or (ii) in the absence of such a treaty, the original judgment is ratified by the Peruvian Courts (*Cortes de la República del Perú*), under such exequatur proceeding, subject to the provisions of the Peruvian Civil Code and the Peruvian Civil Procedure Code, provided that the following conditions and requirements are met:

- the foreign judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (and the matters contemplated in respect of this Exchange Offer Memorandum or the New Notes are not matters under the exclusive jurisdiction of Peruvian courts);
- such foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- Auna received service of process in accordance with the laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court, and was guaranteed due process rights;
- the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
- the foreign judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law, unless such foreign judgment was rendered first;
- the foreign judgment is not contrary to Peruvian public policy (*orden público*) or good morals (*buenas costumbres*);
- there is a treaty between Peru and the country in which such judgment has been rendered, and the provisions of such treaty apply. In the absence of a treaty, the reciprocity rule is applicable (such reciprocity being presumed), under which a judgment given by a foreign competent court will be admissible in the Peruvian courts and will be enforceable thereby, except if it is proven that such foreign court denies enforcement of Peruvian judgments or engages in a review of the merits thereof; and
- such judgment has been (i) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are party to the Hague Apostille Convention, or certified by Peruvian consular authorities, in the case of jurisdictions that are not parties to the Hague Apostille Convention, and is accompanied by a certified and officially translated copy of such judgment into Spanish; and (ii) the applicable court taxes or fees have been paid.

Our properties and subsidiaries have no immunity from a court's jurisdiction, except, to the extent applicable, immunities set forth in Article 616 of the Peruvian Code of Civil Procedure (*Código Procesal Civil*) for attachments on assets dedicated to the rendering of public services.

Colombia

The Colombian Supreme Court (or the competent court pursuant to an international treaty at the time of the filing of the request) has jurisdiction over proceedings involving the enforcement of foreign judgments, including a U.S. judgment predicated on U.S. securities laws, through a procedure known under Colombian law as “exequatur.” The Colombian Supreme Court will recognize and enforce a foreign judgment without reconsideration of the merits, only if the judgment satisfies the following requirements, as set out in Articles 605 through 607 of Law 1564 of 2012 (*Código General del Proceso*):

- there is an international treaty between Colombia and the country where the judgment was granted relating to the recognition and enforcement of foreign judgments or, in the absence of such treaty, there is reciprocity in the recognition of foreign judgments between the courts of the relevant jurisdiction and the courts of Colombia;
- the foreign judgment does not relate to in rem rights vested in assets that were located on Colombian territory at the time of the commencement of the proceedings in the foreign court which issued the judgment;
- the foreign judgment does not contravene or conflict with Colombian public policy rules, except for procedural laws;
- the foreign judgment is final, binding and not subject to appeal or its equivalent under the laws of the country in which it was obtained;
- the subject matter of the foreign judgment is not within the exclusive jurisdiction of Colombian courts;
- no proceedings are pending in Colombia with respect to the same cause of action, and no final and binding judgment has been awarded in any proceeding in Colombia on the same subject matter; and
- in the proceeding commenced before the foreign court that issued the judgment, the defendant was duly served in accordance with the laws of such jurisdiction and in a manner reasonably designed to give the defendant an opportunity to present its case and defense, which is presumed if the judgment is final and binding.

The initial motion for exequatur must include a copy of the judgment duly legalized or, in the case of judgments issued in countries that are party to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents of October 5, 1961, apostilled, together with an official translation into Spanish if the judgment is issued in a different language, and shall be submitted to the Colombian Supreme Court (or the competent court pursuant to an international treaty at the time of filing of the request).

Once the foreign judgment is recognized by the Colombian competent court its enforcement can be obtained through a collection proceeding before the Colombian competent court. This means that the party interested in obtaining the recognition and enforcement of a foreign judgment must initiate and be successful in two different local proceedings (i.e., the exequatur proceeding and the collection proceeding), and must assume the costs and expenses that these proceedings would entail.

The United States and Colombia do not have a bilateral treaty providing for automatic reciprocal recognition and enforcement of judgments in civil and commercial matters. The Colombian Supreme Court has accepted that reciprocity exists when it has been proven either that a U.S. court has enforced a Colombian judgment or that a U.S. court would enforce a foreign judgment, including a judgment issued by a Colombian court. However, the Colombian legal system is not based on precedents and, therefore, exequatur decisions are made on a case-by-case basis.

The parties to the proceeding under which the foreign judgment was issued must be duly summoned in the exequatur proceeding. During the course of the exequatur proceeding an evidentiary stage will take place to allow the parties to present their evidence in connection with the requirements listed above. In addition, before the exequatur judgment is rendered, each party is entitled to make closing arguments to support their case regarding the above-mentioned requirements. Note, however, that Law 1564 of 2012 does not provide for a reexamination or re-litigation of the merits of the original action during the exequatur proceeding.

Assuming that a foreign judgment satisfies the above-mentioned requirements, and in the absence of any condition referred to above which would render a foreign judgment not subject to recognition under Colombian law, such foreign judgment would be enforceable in Colombia through a collection proceeding under the laws of Colombia, provided that the Colombian Supreme Court (or the competent court pursuant to an international treaty at the time of the filing of the request) has previously granted exequatur upon the foreign judgment. Notwithstanding

the foregoing, we cannot assure that Colombian courts would enforce a foreign judgment with respect to the New Notes based on U.S. securities laws.

Proceedings before Colombian courts are conducted in Spanish. Collection proceedings for enforcement of a money judgment by attachment or foreclosure of assets or property located in Colombia are of the exclusive jurisdiction of Colombian courts.

Under Colombian law in the event that proceedings are brought seeking performance of payment obligations denominated in a currency other than Colombian *pesos*, the Colombian Guarantor would not be required to discharge those obligations in such currency. Under applicable law, an obligation payable in Colombia as a result from a judgment, if denominated in a currency other than Colombian *pesos*, may be satisfied in Colombian *pesos* at the applicable rate of exchange in effect on the date on which any such payment is made.

Under Colombian law, there is a general prohibition for a creditor to charge default interest on past due interest, except to the extent provided for in Article 886 of the Colombian Code of Commerce and Law 45 of 1990, as amended, pursuant to which overdue interest shall only accrue interest as from (i) the date in which the creditor files suit for the purpose of recovering such overdue interest, or (ii) the agreement of the parties to that effect following the maturity of the relevant obligation, provided, in each case, that such interest has been overdue for at least one year. Accordingly, if such requirements are not met, a Colombian court may not recognize any request of the secured parties to claim any default interest on interest payments due by the Issuer.

Further, it should be noted that provisions in the agreements establishing the exclusive jurisdiction of courts other than Colombian courts with respect to disputes involving Colombian persons may not be recognized by Colombian courts, who may decide to assume jurisdiction over such disputes.

Mexico

We have been advised by our special Mexican counsel, Ritch, Mueller y Nicolau, S.C., that no treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements are met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy (*orden público*); provided that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, we have been advised by Ritch, Mueller y Nicolau, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated on the civil liability provisions of U.S. federal securities laws.

In the event that proceedings are brought in Mexico seeking to enforce the Mexican Guarantors' obligations in respect of the guarantees, the Mexican Guarantors would not be required to discharge such obligations in a currency other than the Mexican peso. Pursuant to Mexican law, an obligation in a currency other than the Mexican peso, which is payable in Mexico, may be satisfied in Mexican pesos at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by the Mexican Central Bank (*Banco de México*) each business day in Mexico and published the following banking-business day in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*) for next day settlement purposes.

Certain Limitations on Validity and Enforceability of the Guarantees and the Security Interests

Set forth below is a summary of certain limitations on the enforceability of the guarantees and the security interests. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of incorporation or organization of a future guarantor of the New Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the New Notes.

Luxembourg

Auna is organized under the laws of Luxembourg. Under Luxembourg law, the following types of proceedings (referred to as insolvency proceedings) may be opened against an entity having its registered office or center of main interest in Luxembourg:

- bankruptcy proceedings (*faillite*);
- suspension of payments proceedings (*sursis de paiements*);
- judicial liquidation (*liquidation judiciaire*); and
- administrative dissolution (*procédure de dissolution administrative sans liquidation*).

International aspects of Luxembourg bankruptcy may be subject to the EU Insolvency Regulation. In particular, in accordance with Article 8 of the EU Insolvency Regulation, rights *in rem* over assets located in another jurisdiction where the EU Insolvency Regulation applies will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of Article 24 of the Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended (which applies to security interest granted over certain types of collateral such as shares and receivables or set off and netting arrangements)).

Finally, the law on business preservation and modernisation of bankruptcy law (the “Insolvency Modernisation Law” or the “IML”) has been voted by the Luxembourg Parliament on Wednesday 19 July 2023. The IML implements the EU Restructuring Directive. In this respect, the IML provides for three new, largely voluntary, preventive reorganization procedures adapted to the size of the relevant business:

- conciliation (conservatory measure) (*conciliation*);
- reorganization by mutual agreement (*accord amiable*); and
- judicial reorganization proceedings (*réorganisation judiciaire*).

The IML has entered into force on 1st November 2023. As of that date, the previous existing procedures of preventive composition proceedings (*concordat préventif de la faillite*) and controlled management proceedings (*gestion contrôlée*) have been repealed and are no longer available under Luxembourg law (except for proceedings already opened, which will continue to be governed by these provisions).

Bankruptcy proceedings (faillite)

General Administration of bankruptcy proceedings

The opening of bankruptcy proceedings may be requested by the Issuer or the Luxembourg Guarantors or by any of their creditors or by the Public Prosecutor (*Procureur d'Etat*). Following such a request, the Commercial District Court (*Tribunal d'arrondissement*) dealing with commercial matters (“Commercial District Court”) having jurisdiction may open bankruptcy proceedings in the event that the Issuer or any Luxembourg Guarantor: (a) has ceased to make payments (*cessation de paiements*) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). If the Commercial District Court considers that these conditions are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Issuer or the Luxembourg Guarantors or any of their creditors or the Public Prosecutor.

If the Commercial District Court declares a company bankrupt, it will appoint one or more bankruptcy receivers (*curateur(s)*), depending on the complexity of the proceedings, and a supervisory judge (*juge-commissaire*) to supervise the bankruptcy proceedings.

The period within which creditors must file their proof of claims (*déclaration de créance*) within a foreclosure period of 6 months starting from the judgment declaring bankruptcy.

The bankruptcy receiver takes over the management and control of the Issuer or the Luxembourg Guarantors in place of their respective managers. The bankruptcy receiver will realise the Issuer's or the relevant Luxembourg Guarantor's assets and distribute the proceeds thereof to the Issuer's or the relevant Luxembourg Guarantor's creditors in accordance with the statutory order of payment and, if there are any funds left, to the bankrupt company's shareholders. The bankruptcy receiver represents the Issuer or the relevant Luxembourg Guarantor, as the case may be, as well as the creditors collectively (*masse des créanciers*).

The bankruptcy receiver will need to obtain the permission of the Commercial District Court for certain acts, such as agreeing to a settlement of claims or deciding to pursue the business of the Issuer or the relevant Luxembourg Guarantor during the bankruptcy proceedings.

Bankruptcy is governed by public policy rules, which generally delay the process and limit restructuring options of the group to which the bankrupt company belongs.

The judgment closing the bankruptcy proceedings dissolves the legal entity and immediately closes its liquidation.

Effects of bankruptcy proceedings

The main effect of bankruptcy proceedings is the suspension of all measures of enforcement against the Issuer or the relevant Luxembourg Guarantor, as applicable, subject to certain limited exceptions, for secured creditors, and the payment of unsecured creditors of the Issuer or the relevant Luxembourg Guarantor in accordance with their ranking upon the realisation of the assets of the Issuer or the relevant Luxembourg Guarantor, as applicable.

In principle, contracts of the bankrupt company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company was crucial (*intuitu personae* agreements) for the other party. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are generally held as being valid. In addition, the receiver may also choose to terminate contracts under certain conditions.

Unsecured claims of the Issuer or the Luxembourg Guarantors will, in the event of a liquidation during bankruptcy of the Issuer or the Luxembourg Guarantors, only rank after: (i) the costs of bankruptcy (including any debt incurred for the bankruptcy) and (ii) the debts of the Issuer or the relevant Luxembourg Guarantor that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, *inter alia*:

- certain amounts owed to the Luxembourg Inland Revenue (*Administration des contributions directes*);
- value-added tax and other taxes and duties owed to the Luxembourg Registration Duties, Estates and VAT Authority (*Administration de l'enregistrement, des domaines et de la TVA*) or to the Luxembourg Customs and Excise Authority (*Administration des douanes et accises*);
- social security contributions; and
- remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors of the Issuer or the Luxembourg Guarantors (except after enforcement and to the extent a surplus is realised and subject to application of the relevant priority rules, liens and privileges arising mandatorily by law). During insolvency proceedings, all enforcement measures by unsecured creditors of the Issuer and the Luxembourg Guarantors are suspended.

Luxembourg insolvency laws may also affect transactions entered into, or payments made, by the Issuer or the Luxembourg Guarantors during the pre-bankruptcy hardening period (*période suspecte*), which is fixed by the Luxembourg court and dates back not more than six months as from the date on which the Luxembourg court formally adjudicates a company bankruptcy, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some transactions (in particular, the granting of a security interest for antecedent debts, save in respect of financial collateral arrangements within the meaning of the Collateral Act 2005), the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange (unless that method of payment was agreed from inception), transactions without consideration or with substantially inadequate consideration entered into during the suspect period (or the ten days preceding it) must be set aside, if so requested by the bankruptcy receiver;
- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period, save in respect of financial collateral arrangements within the meaning of the Collateral Act 2005, are subject to cancellation by the Commercial District Court upon proceedings initiated by the bankruptcy receiver, if they were concluded with the knowledge of the bankrupt's cessation of payments; and
- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the bankruptcy receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

Suspension of payments proceedings (sursis de paiements)

General administration of suspension of payments proceedings

A suspension of payments (*sursis de paiements*) of a commercial company can only be applied to a company that because of extraordinary and unforeseeable events, has to temporarily cease its payments but which has on the basis of its balance sheet sufficient assets to pay all amounts due to its creditors. The suspension of payments may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between its assets and its debts.

The purpose of the suspension of payments proceedings is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceeding involving both the Commercial District Court and the *Cour supérieure de justice* and the approval by a majority of the creditors representing, by their claims, three-quarters of the company's debts (excluding claims secured by privilege (*privilège*), mortgage (*hypothèque*) or pledge (*gage*)).

The suspension of payments is, however, not for general application. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension of payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege, a mortgage or a pledge) are concerned.

Effects of suspension of payments proceedings

During the suspension of payments, ordinary creditors cannot open enforcement proceedings against the Issuer, the Luxembourg Guarantors or their respective assets. This stay on enforcement does not extend to preferred creditors, or to creditors which are secured by mortgages (*hypothèques*), pledges (*gages*) or financial collateral arrangements governed by the Collateral Act 2005. The Issuer or the relevant Luxembourg Guarantor will continue to manage its own business under the supervision of a court-appointed administrator who must approve most of the transactions carried out by the Issuer or the relevant Luxembourg Guarantor.

When a suspension of payments ends, the stay on enforcement is terminated and the Issuer's or the relevant Luxembourg Guarantor's managers can run the business again.

Judicial liquidation (liquidation judiciaire)

Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious violation of the Luxembourg commercial code or of the Luxembourg law dated 10 August 1915 on commercial companies.

In particular, the non-compliance by either of the Issuer or the Luxembourg Guarantors with the laws governing commercial companies including the requirement to file its annual accounts with the Luxembourg Trade and Companies Register may trigger the application of Article 1200-1 of the Companies Law according to which the Commercial District Court dealing with commercial matters may, at the request of the Public Prosecutor, decide on the dissolution and order the liquidation of the non-complying company.

The management of such judicial liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings.

In addition to the above, the Insolvency Modernisation Law introduces three new reorganization procedures, providing for new preventive measures destined to avoid bankruptcy.

Administrative Dissolution (procédure de dissolution administrative sans liquidation).

The administrative dissolution proceeding allows for certain companies to be dissolved through an administrative proceeding without resorting to formal judicial dissolution and liquidation, in cases where the company has breached criminal laws, the Commercial Code or the laws governing commercial companies. Luxembourg companies may only be subject to the Administrative Dissolution Proceeding if they meet all three of the following conditions:

- they have no employees,
- they have no assets, and
- they pursue activities that are in breach of criminal law, or that seriously infringe provisions of the Luxembourg Commercial Code or the laws governing commercial companies, including laws on authorisation to do business (for instance, failure to file the annual accounts, absence of registered office, resignation of the entire board of directors without replacement).

Conciliation (conservatory measure) (Conciliation)

The debtor may petition either the Minister for the Economy or the Minister for Small and Medium-Sized Enterprises for the appointment of a conciliator (*conciliateur d'entreprise*) with the purpose of facilitating the reorganization of all or part of its assets or its business operations.

This preventive measure aims to actively engage the debtor in the entirety of the process, which commences at its own voluntarily issued request. The conciliation also may be concluded at the discretion of either the debtor itself or the appointed conciliator.

The scope of the conciliator's mission is determined by the relevant Minister, while remaining within the boundaries of the debtor's initial request. The primary objective of said mission should aim towards the preparation of a mutual agreement (*accord amiable*) or the attainment of the creditors' consensus in the event of a reorganization plan. The conciliator's mission may also encompass the preparation and facilitation of a court-ordered transfer of all or part of the business' activities and assets to third parties in order to ensure their continued viability.

This measure is entirely voluntary and serves the sole purpose of facilitating the reorganization of the business and its assets, through the intermediary help of the conciliator. However, no actions may be undertaken without the debtor's approval. The conciliator lacks the authority to force the debtor to implement measures against its will.

Reorganization By Mutual Agreement (accord amiable)

Reorganization by mutual agreement (*accord amiable*) is a voluntary out-of-court proceeding pursuant to which the debtor and at least two of its creditors mutually agree to reorganise all or part of the assets or the business of the debtor. Once approved by the District Court (*tribunal d'arrondissement*), the mutual agreement is enforceable and payments pursuant to it are enforceable against the insolvency estate even if they fall within the suspect period.

Judicial reorganization proceedings (Procédure de réorganisation judiciaire)

According to the Insolvency Modernisation Law, the debtor may also apply for a judicial reorganization procedure. Judicial reorganization proceedings aim to preserve the continuity of all or part of the assets or the business of the debtor under the supervision of the court.

The Insolvency Modernisation Law provides for three different judicial reorganization proceedings depending on the intended objective:

- Mutual agreement: The debtor intends to obtain a stay (*sursis*) to conclude a mutual agreement. The proceeding is judicial compared to the above-mentioned reorganization by mutual agreement (out-of-court procedure), so that the common rules governing the judicial reorganization proceedings are applicable. The requested stay, restricting the creditors' possibilities to engage in enforcement actions, is limited in its duration (up to four months, with possible extensions for a total maximum time limit of twelve months).
- Collective agreement: The debtor intends to reach a collective agreement (*accord collectif*) with some or all of its creditors on a reorganization plan which sets out the detailed measures envisaged to rehabilitate the business' viability. The affected creditors will vote on the plan which, when approved, will be homologated by the court. This enables a restructuring plan to bind dissenting creditor classes under certain circumstances and to impose the rehabilitation measures upon them even if they didn't vote in favour of it.
- Transfer by court order: All or part of the assets or the business of the debtor is transferred, by court order, to one or several third parties. This proceeding may be voluntary and involves employees and employee representatives.

Certain common rules govern the judicial reorganization proceedings. During the pre-opening phase, once the debtor requests the opening of a procedure, a delegate judge is appointed and the obligation to file a bankruptcy petition is suspended and the public prosecutor is informed. From the submission of the request onwards, no bankruptcy, judicial liquidation (other than the judicial liquidation provided by Article 1200-1 of the Companies Law) or enforcement measures (with exceptions) can be declared or taken until the judgment of the District Court ruling on the debtor's request.

When the procedure is opened, a stay (*sursis*) on payments for a maximum of four months begins, also with possible extensions of up to a total of 12 months. Existing agreements and financial arrangements are still enforceable (with exceptions, not applicable to employment agreements) – financial collateral arrangements (e.g. pledges), set-off or netting arrangements and professional payment guarantees remain enforceable and unaffected by a judicial reorganization procedure, thus continuing to benefit creditors. Ongoing contracts will also continue. Payments are effective against third parties and new liabilities are considered as being debts of the insolvency estate.

European Union

Auna is incorporated under the laws of Luxembourg, which is a Member State of the European Union. Pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast) (the "Recast Insolvency Regulation"), which applies throughout the European Union, other than Denmark, the court which shall have jurisdiction to open the main insolvency proceedings in relation to a company (subject to certain exceptions) is the court of the Member State (other than Denmark) in which the relevant company's center of main interests ("COMI"), as that term is used in Article 3(1) of the Recast Insolvency Regulation, is located.

COMI is not a static concept and may change from time to time. It is determined for the purposes of deciding which court has competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition. Moreover, the determination of where a debtor has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views. Article 3(1), second sentence, of the Recast Insolvency Regulation states that a company's COMI "shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties." Under Article 3(1) of the Recast Insolvency Regulation there is, in most cases, a rebuttable presumption that a corporate debtor has its center of main interests in the Member State in which it has its registered office in the absence of proof to the contrary. The presumption only applies if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings. Recital 30 of the Recast

Insolvency Regulation contains a number of examples in which a presumption as to COMI may be rebutted: for instance, where the company's central administration is located in a Member State other than that of its registered office and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In that respect, the factors that courts may take into consideration when determining the center of main interests of a debtor can include where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are located.

If the center of main interests of a debtor, at the time an insolvency application is made, is located in a Member State (other than Denmark), only the courts of that Member State have jurisdiction to open the main insolvency proceedings in respect of the debtor under the Recast Insolvency Regulation and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A of the Recast Insolvency Regulation. Insolvency proceedings commenced in one Member State under the Recast Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary insolvency proceedings or territorial insolvency proceedings may be commenced in another Member State (other than Denmark).

If the center of main interests of a debtor, at the time an insolvency application is made, is in a Member State (other than Denmark), under Article 3(2) of the Recast Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary insolvency proceedings or territorial insolvency proceedings against that debtor only if such debtor has an "establishment," as defined in Article 2(10) of the Recast Insolvency Regulation, in the territory of such other Member State. Secondary proceedings may be any insolvency proceeding listed in Annex A of the Recast Insolvency Regulation and are not limited to winding-up proceedings. Territorial proceedings are, in effect, secondary proceedings that are commenced prior to the opening of main insolvency proceedings. An "establishment" is defined to mean "any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets." Accordingly, the opening of secondary insolvency proceedings or territorial insolvency proceedings in another Member State (other than Denmark) will also be possible if the debtor had an establishment in such Member State in the three-month period prior to the request for opening of main insolvency proceedings.

The effects of those secondary insolvency proceedings or territorial insolvency proceedings opened in that other Member State are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its center of main interests have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State (other than Denmark) where the debtor has an establishment where either (i) insolvency proceedings cannot be commenced in the Member State in which the debtor's center of main interests is situated under the conditions laid down by that Member State's law; or (ii) the opening of territorial insolvency proceedings is requested by (a) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested, or (b) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. When main insolvency proceedings are opened, territorial insolvency proceedings usually become secondary insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary insolvency proceedings or territorial insolvency proceedings have been commenced there. The insolvency practitioner appointed by a court in the Member State which has jurisdiction to commence main proceedings may exercise the powers conferred on it by the laws of that Member State in another Member State (other than Denmark), such as to remove assets of the debtor from that other Member State. These powers are subject to certain limitations (e.g., the powers are available provided that no insolvency proceedings have been commenced in that

other Member State nor any preservation measure to the contrary has been taken there further to a request to commence secondary proceedings in that other Member State where the debtor has assets).

In addition, the concept of “group coordination proceedings” has been introduced in the Recast Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies. Under Article 61 of the Recast Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group coordination proceedings and adherence to the coordinating insolvency practitioner’s recommendations or plan however is voluntary.

In the event that Auna experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of Auna.

Mexico

Personal Guarantees under Mexican Law

Under Mexican law, there are no limitations for Mexican companies to guarantee third-party obligations, including parents, subsidiaries or affiliates, to the extent permitted by its corporate by-laws and authorized by its competent corporate bodies if necessary pursuant to its corporate by-laws. Mexican law provides that contractual obligations such as those assumed by the Mexican Guarantors are considered to be ancillary obligations (*obligaciones accesorias*) to the principal obligations that they secure and therefore the same may only exist to the extent that the obligations of the principal obligor are valid. Therefore, upon a finding of lack of genuineness, validity or enforceability of the obligations of the relevant Issuer under the New Notes, the ancillary obligations of the Mexican Guarantors shall be equally affected and in such circumstances the obligations provided for under the New Notes might not be enforced in a proceeding before a Mexican court.

Enforcement of Security Interests

As a general principle under Mexican law, a secured creditor may not take possession of the collateral without court intervention, and if it does so, such action could constitute a criminal offence. Generally speaking, the main right that a security interest provides is the right to request a court to dispose of the asset and apply the proceeds of the sale to payment of the secured obligation up to its outstanding amount. Procedural steps to enforce liens before courts in Mexico depend on the nature of each security interest, and on whether the debtor is in an insolvency proceeding (*concurso mercantil*) or bankruptcy (*quiebra*) or is still doing business. In any event, the procedural approach will vary and the type of action will depend on the documentation held by the creditor.

There are no limitations to the election of remedies in Mexico. Creditors can pursue multiple remedies at the same time until the total amount of indebtedness is fully paid. The debtor is entitled to receive any outstanding amount derived from the enforcement and foreclosure of all security interest, once the secured obligations have been paid in full to the creditors.

Certain Mexican Insolvency Law Considerations

While Mexican law does not prohibit the giving of guarantees and, as a result, does not prevent the guarantees of the New Notes by the Mexican Guarantors from being valid, binding and enforceable against the Mexican Guarantors, in the event that a Mexican Guarantor becomes subject to an insolvency proceeding (*concurso mercantil*) or to bankruptcy (*quiebra*), the relevant guarantee may be deemed to have been a fraudulent transfer and declared void based upon the Mexican Guarantor being deemed not to have received fair consideration in exchange for such guarantee.

Among other things, a legal challenge of a Mexican Guarantor’s obligations under a guarantee on fraudulent conveyance grounds could focus on the benefits, if any, realized by the Mexican Guarantors as a result of the issuance of the New Notes. To the extent a guarantee is voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the New Notes would not have any claim against that Mexican Guarantor and would

be creditors solely of the Issuer and the Guarantors whose obligations under the guarantees were not held unenforceable. If any such event were to occur, the creditworthiness of the New Notes, and the market value of the New Notes in the secondary market, may be materially adversely affected.

The Mexican Commercial Insolvency Law (*Ley de Concursos Mercantiles*) provides for a sole insolvency proceeding (*concurso mercantil*). Such proceeding encompasses two successive phases: (i) a conciliatory phase of mediation among creditors and debtor, and (ii) bankruptcy (*quiebra*). The objective of the conciliatory phase is to preserve or save the business enterprise through a restructuring. On the other hand, the stated purpose of bankruptcy (*quiebra*) is to liquidate the business, as a whole or by sale of its individual assets, in order to repay its creditors. Prior to a debtor being placed in *concurso mercantil*, the process includes a preliminary visit stage to verify whether the commencement standards have been met.

As a general rule, insolvency may be declared if the corporation has ceased to comply with its payment obligations. The debtor, any creditor or the district attorney (*ministerio público*), may file for insolvency.

Unless the debtor proves that it maintains sufficient assets to comply with its payment obligations, the following situations are deemed to be sufficient to declare the insolvency of a corporation:

- (1) if the corporation ceases to pay two or more of its creditors and conditions (A) and (B) are met: (A) the corporation ceases to pay its obligations that have been due for at least 30 days and represent 35% or more of all obligations payable by the corporation on the date the insolvency petition is filed, and (B) the debtor has no liquid assets or if there are insufficient assets for purposes of paying at least 80% of the debtor's obligations that are due and payable on the date the petition is filed;
- (2) (x) if the corporation files for insolvency and any of (1)(A) or (B) above occurs, or (y) if any creditor or the district attorney (*ministerio público*) request that a corporation be declared insolvent and both of (1)(A) and (B) above occur.

Specific instances such as insufficiency of assets available for attachment or a payment default with respect to two or more creditors are considered by the Commercial Insolvency Law (*Ley de Concursos Mercantiles*) to be facts which, by themselves, will result in a presumption of insolvency.

The debtor may also request insolvency by representing that insolvency is imminent and the events described in (1)(A) or (B) above will inevitably occur.

Once the judge has made the declaration of insolvency, the judge will appoint a conciliator (*conciliador*) and issue a judgment recognizing creditors and establishing preferences. During the conciliatory stage, the debtor will maintain the administration of its business, although the conciliator may request the court for the removal of the administration. If no restructuring agreement can be entered into, bankruptcy (*quiebra*) will be declared.

Peru

Your ability to enforce your rights under the New Notes and the guarantees may be limited if any Peruvian Guarantor becomes subject to an insolvency proceeding set forth in Law 27809, as amended from time to time ("Peruvian Insolvency Law"), which establishes the events under which a company or its creditors may request its admission to an insolvency proceeding (*procedimiento concursal*) in order for the company to restructure its operations, management and/or debts, or a liquidation proceeding in order to liquidate its assets and pay off its indebtedness to the extent possible.

Peru has not adopted the multinational insolvency regime provided in the United Nations Commission on International Trade Law model.

The Peruvian Insolvency Law provides two different types of insolvency proceedings: (a) "*Procedimiento Concursal Ordinario*" (the "Ordinary Proceeding"); and (b) "*Procedimiento Concursal Preventivo*" (the "Preventive Proceeding").

The Ordinary Proceeding allows creditors to decide whether to restructure or liquidate the debtor, considering its financial situation and the viability of its economic and financial restructuring. The Ordinary Proceeding can be

filed by the debtor (voluntary) or any creditor (involuntary). The Ordinary Proceeding requires certain thresholds to be met. In the event of a voluntary filing by the debtor (a) it will have to demonstrate that has accumulated losses (net of any reserves) amounting more than one-third of its paid-in capital; or (b) has more than one-third of its total liabilities unpaid and due for more than 30 days. When there is an involuntary filing by a creditor, the latter must have a claim of more than 50 Tax Units past due and unpaid for more than 30 days.

The Preventive Proceeding allows the debtor to achieve a global refinancing agreement with all its creditors, but in this scenario, liquidation is not an option. The Preventive Proceeding can be filed only by the debtor, provided that (a) its accumulated losses (net of any reserves) do not exceed from one-third of its paid-in capital; and, (b) it does not have more than one-third of its total liabilities unpaid and due for more than 30 days.

Pursuant to the Peruvian Insolvency Law, INDECOPI is the only competent authority for insolvency proceedings involving debtors domiciled in Peru. Contractual restrictions on the ability of a company to enter into an insolvency proceeding will not prevent a debtor or its creditors of filing for insolvency. Contractual provisions related to contractual subordination might not be recognized by INDECOPI in an insolvency proceeding, consequently a senior creditor might not be able to obtain an order by INDECOPI in Peru to enforce its contractual rights against another subordinated creditor and a subordinated creditor might be a party to an insolvency proceeding of its debtor.

Automatic stay and protection of debtor's estate

Furthermore, once INDECOPI declares the commencement of the insolvency and publishes such decision in the *Boletín Concursal* (the “Insolvency Newsletter”), two main consequences are immediately triggered (a) the automatic stay of enforcement of all of the debtor’s obligations (whether monetary or non-monetary); and (b) the protection of the debtor’s estate (assets) by means of the suspension of all judicial or extra-judicial collection and foreclosure proceedings filed by any creditor and, in general, the suspension of all acts intended to create or enforce any lien, security or mortgage against the property of the debtor. The automatic stay of enforcement of all of the debtor’s obligations does not prevent creditors from enforcing its rights against third parties which have granted personal or real guarantees, who will assume the contractual position of the original debtor.

Fraudulent conveyance

Moreover, under Peruvian Insolvency Law, once the debtor files for insolvency, or is given notice of an involuntary filing, all actions taken by management during the previous year (clawback period) and from that date on and until the date the creditors ratify or replace management (avoidance period) may be under a specific judicial scrutiny. The clawback period covers all actions or transactions taken by the management during the previous year, whether for consideration or not, that have a negative effect on the net worth of the company and are not in the ordinary course of business (both requirements must be met). The avoidance period covers actions or transactions specifically detailed at Peruvian Insolvency Law.

In the event any challenge is successful, the affected transaction would become void (*ineficaz*) and the assets will be returned to the insolvent’s estate.

Recognition and treatment of claims

All recognized creditors (whether secured or not) have the right to participate in the creditors’ meeting on an equal footing as the participation of each creditor is determined not by their payment priority order, but by the percentage that their recognized claims represent with regard to the total amount of the recognized claims.

Debtor's fate

In the case of the Ordinary Proceeding, the first creditors meeting will focus, among others, on deciding whether to restructure or liquidate the debtor. If the debtor’s losses exceed its paid-in capital, then the debtor may only request and INDECOPI will order a mandatory liquidation process. If the creditors meeting decides to restructure the debtor, then it will also have the possibility to appoint a new management for the debtor. If the decision is to liquidate the debtor, then creditors will have to appoint a liquidator who will prepare a liquidation agreement and file it for approval of the creditors meeting.

Reorganization agreements set forth the terms and conditions under which the company will pay outstanding debt. During a reorganization, a debtor may obtain loans and grant guarantees provided that such agreements are approved by the creditors' meeting or through the reorganization plan. Any credit obtained by the debtor after the commencement of the insolvency proceeding will be considered as a post-publication claim (*créditos post concursales*) and will not be included in the reorganization proceeding. Those new credits will be part of the insolvency proceeding only if the debtor ends up being liquidated and will not have any particular priority or privilege in the liquidation proceeding.

The liquidation proceeding is directed towards the prompt and orderly winding up of the company. The liquidation of a company requires the sale of its assets to pay creditors in the order of priority established by law according to the terms of the liquidation agreement approved by its creditors. It is not possible to predict how long a reorganization or liquidation may delay any payments by Peruvian companies. Under Peruvian Insolvency Law, within a liquidation proceeding, obligations under the New Notes and the guarantees are subordinated to certain statutory preferences. In the event of liquidation, statutory preferences, including labor claims, secured claims, tax claims and administrative expenses arising after the commencement of the insolvency proceeding (*gastos de administración*) will have priority over any other claims, including claims by holders of the New Notes. These statutory preferences are not mandatory in reorganizations or Preventive Proceedings; provided however, that when assets are sold during a reorganization, such statutory preferences will apply for the payment of the proceeds of such sale. In addition, during reorganizations or Preventive Proceedings, there are certain provisions to allocate part of the funds to pay labor claims.

Group insolvency

The Peruvian Insolvency Law does not recognize nor regulate group insolvency. It regulates the insolvency proceedings on an individual basis and does not include any regulation relating to proceedings covering more than one legal entity or entitling creditors of insolvent companies or the companies themselves to include other entities of the same corporate group in the same insolvency proceeding. Consequently, the insolvency proceeding cannot be used to liquidate or reorganize a corporate group on a combined basis.

Foreign creditors

There are no special proceedings or impediments or protections applicable to foreign creditors. Foreign creditors are entitled to the same rights and benefits as Peruvian creditors in connection with an insolvency proceeding.

Colombia

Your ability to enforce your rights under the New Notes and the Collateral may be limited if any Guarantor in Colombia's jurisdiction becomes subject to an insolvency proceeding set forth in Law 1116 of 2006 of Colombia ("Law 1116 of 2006"), as amended from time to time, or, in the case a Guarantor is an IPS, it will be subject to special rules regarding insolvency and administrative takeover proceedings set forth in Decrees No. 1015 of 2002, No. 3023 of 2002, No. 2555 of 2010, No. 2462 of 2013, No. 780 de 2016, Law 715 of 2001, Law 1753 de 2015, the Organic Statute of the Financial System, and Ley 1797 of 2016, Decree 1080 of 2021 and other applicable resolutions and circulars issued by SUPERSALUD, as amended from time to time ("Takeover Proceedings Rules").

Law 1116 of 2006 establishes the events under which a company may request its admission to a rehabilitation proceeding seeking to enter into a reorganization agreement with its creditors (*acuerdo de reorganización empresarial*) in order to restructure its operations, management and debts, or a liquidation proceeding in order to liquidate its assets and pay off its indebtedness to the extent possible. In addition, under Law 1116 of 2006, the insolvency court may order a company's compulsory liquidation if it breaches the reorganization agreement or if it finds that the company's rehabilitation is not economically feasible.

Law 1116 of 2006 adopts the multinational insolvency regime provided in the UNCITRAL model.

Under Colombian bankruptcy law, obligations under the New Notes and the guarantees are subordinated to certain statutory preferences. In the event of reorganization or liquidation, statutory preferences, including claims for salaries, wages, secured obligations, social security, administrative expenses arising after the commencement of the

insolvency proceeding (*gastos de administración*), taxes and court fees and expenses, will have priority over any other claims, including claims by holders of the New Notes.

A reorganization proceeding can be requested by the company or by its creditors in one of the following situations: (i) a company may declare its stoppage of payments under the following circumstances: (a) the default of two or more obligations for more than 90 days in favor of two or more creditors for a value of not less than 10% of the current liabilities of the company; or (b) the existence of at least two collection judicial proceedings against the company by two or more creditors for a value of not less than 10% of the current liabilities of the company; or (ii) a company may declare an imminent default situation when it can prove that market or other particular circumstances are materially affecting the company's ability to satisfy its short-term obligations (with a maturity date less than a year).

Additionally, the reorganization proceeding can be initiated ex officio by the *Superintendencia de Sociedades* ("Superintendence of Corporations") when: (i) a company under its surveillance is subject to stoppage of payments; (ii) a different governmental authority exercising inspection and surveillance powers over a company expressly requests it claiming that such company is subject to stoppage of payments; and (iii) when the insolvency proceeding of one of the company's affiliates or subsidiaries, or the financial condition of its parent company or controlling entity, causes the stoppage of payments of such company.

Pursuant to Law 1116 of 2006, contractual restrictions on the ability of a Colombian Guarantor to enter into a reorganization proceeding are null and void without the need of a court decision (*ineficaces*). Acceleration rights or early termination rights, among others, are explicitly considered contractual provisions that fall within this limitation. Furthermore, if creditors enforce these contractual rights, their credits will be paid after all other credits, and in such scenario, the bankruptcy court may order all security interests granted by the Colombian Guarantor in default to be cancelled. Likewise, contractual provisions related to contractual subordination might not be enforced by a Colombian court in an insolvency proceeding, consequently a senior creditor might not be able to obtain an order by the bankruptcy court in Colombia to enforce its contractual rights against another subordinated creditor; and a subordinated creditor might be a party to an insolvency proceeding of its debtor even when the subordinated creditor does not file a proof of claim.

Further, under Law 116 of 2006 any transaction entered into by the insolvent party may be revoked within a period of 18 months provided, however, that (i) there are not enough assets to cover the outstanding indebtedness on the insolvency estate; and (ii) the transaction was entered with the intention to defraud the creditors of the insolvent debtor.

Additionally, pursuant to Law 1116 of 2006, the company subject to the reorganization proceeding will not be able, without prior authorization of the insolvency judge, (usually the Superintendence of Corporations) to amend its bylaws, grant or execute guarantees or securities over its own assets (including trusts), offset accounts, make payments, or settlements with respect to any of its obligations, neither carry out operations different to its ordinary course of business.

Reorganization agreements are entered into between the company and its creditors and set forth the terms and conditions under which the company will pay outstanding debt. Reorganization agreements are usually carried out before the Superintendence of Corporations. When the reorganization proceeding is commenced, it will not be possible to admit subsequent judicial collection proceedings against the company nor carry on with the existing ones. Furthermore, by means of a reorganization agreement and subject to certain requirements, the parties may agree that new funds disbursed after the date of the reorganization agreement have the same priority in payment as tax claims, which have legal preference over obligations such as the New Notes. Non-compliance with the reorganization agreement can trigger the immediate judicial liquidation of the company, among other legal consequences, such as the mandatory removal of the company's administrators (which will be jointly liable for the damages caused to the company) and monetary fines of sums up to 200 minimum monthly legal wages.

The judicial liquidation proceeding is directed towards the prompt and orderly winding up of the company. The liquidation of a company requires the sale of its assets in a public auction to pay creditors in the order of priority established by law.

Decree 1074 of 2015 enacted by the president of Colombia (“Decree 1074 of 2015”) regulates the insolvency regime for corporate groups. A request to initiate an insolvency proceeding may be made by (i) two or more members of the corporate group, (ii) one or more creditors or (iii) by the Superintendence of Corporations. Through this insolvency regime, it is possible to request a coordinated procedure for two or more insolvency proceedings with respect to multiple debtors or corporations of the same group.

Further, Law 1116 of 2006 and Decree 1074 of 2015 include provisions governing the commencement of or participation in an insolvency proceeding in Colombia by creditors located in a foreign jurisdiction, and also includes the possibility of carrying on simultaneous insolvency proceedings in Colombia and in a foreign jurisdiction with respect to one debtor. Foreign creditors are entitled to the same rights and benefits as Colombian creditors in connection with an insolvency proceeding.

Upon commencement of a judicial liquidation or reorganization proceeding, claims under the guarantee would be junior to labor, pension and tax claims, among other claims that are entitled to preference by operation of law. It is impossible to predict how long a reorganization or judicial liquidation case may delay any payments by the Colombian Guarantor under the guarantees.

Pursuant to Law 1116 of 2016, parent companies and controlling entities are presumed to be liable for the insolvency or judicial liquidation of their subsidiaries. Accordingly, the shareholder of the Colombian Guarantors may be liable for the obligations of such Guarantors. There can be no assurance that this will not affect compliance by such shareholder with its obligations under the New Notes Indenture.

The regulatory regime applicable to IPSs sets forth that IPSs are not eligible for the resolution mechanisms for insolvency or business crisis events provided by law for other types of companies. In the case of the IPS, the insolvency proceeding will be developed pursuant to the Takeover Proceeding Rules. Although this process has similar features to other insolvency proceedings under Law 116 of 2016, its main difference is that the order of priority of payments is as follows:

- resources owed to ADRES;
- labor debts;
- health services institution;
- national and municipal tax debts;
- debts secured by pledges or mortgages, and
- unsecured debt.

Pursuant to Takeover Proceedings Rules, SUPERSALUD has the power to intervene in the operations of IPSs in order to safeguard public health services and adequate management of the resources of the SGSSS. SUPERSALUD could also impose measures to prevent an administrative takeover (*medidas preventivas de la toma de posesión*) without initiating administrative takeover proceedings against such IPSs. In addition, pursuant to Resolution 3100 of 2019 issued by MinSalud, SUPERSALUD may revoke the registration of an IPS at any time when it is not in compliance with the requirements established for the registration of IPSs.

LISTING AND GENERAL INFORMATION

We intend to apply to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The New Notes are not yet listed. If such listing of the New Notes is obtained and it subsequently becomes impracticable or unduly burdensome, in our good faith determination, to maintain, due to changes in listing requirements occurring subsequent to the date of this Exchange Offer Memorandum, we may de-list the New Notes from the SGX-ST; and, in the event of any such delisting, we will use our best efforts to obtain an alternative admission to listing, trading and/or quotation of the New Notes by another listing authority, exchange or system. In these circumstances, there can be no assurance that we would be successful in obtaining such alternative admission to listing, trading and/or quotation of the New Notes. For information regarding the notice requirements associated with any delisting decision, see “Description of New Notes—Certain Covenants—Notices.”

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes will be traded in a minimum board lot size of US\$1,000 and integral multiples of US\$1 in excess thereof. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Exchange Offer Memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the New Notes or the Issuer, its subsidiaries and associated companies (if any).

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a paying agent in Singapore will be appointed and maintained where the New Notes may be presented or surrendered for payment or redemption, in the event that the global note is exchanged for individual definitive New Notes. In addition, in the event that the global New Notes are exchanged for definitive certificated New Notes, announcement of such exchange shall be made through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificated New Notes, including details of the paying agent in Singapore.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Condensed Consolidated Interim Financial Statements of Auna S.A.	
Condensed Consolidated Interim Statement of Financial Position as of June 30, 2023 and December 31, 2022	F-2
Condensed Consolidated Interim Statement of Income and Other Comprehensive Income (Loss) for the six months ended June 30, 2023 and 2022	F-3
Condensed Consolidated Interim Statement of Changes in Equity for the six months ended June 30, 2023 and 2022	F-4
Condensed Consolidated Interim Statement of Cash Flows for the six months ended June 30, 2023 and 2022	F-5
Notes to the Condensed Consolidated Interim Financial Statements June 30, 2023	F-6
Audited Consolidated Financial Statements of Auna S.A.	
Report of Independent Registered Public Accounting Firm.....	F-54
Consolidated Statement of Financial Position as of December 31, 2022, 2021 and 2020	F-55
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended December 31, 2022, 2021 and 2020	F-56
Consolidated Statement of Changes in Equity for the years ended December 31, 2022, 2021 and 2020	F-57
Consolidated Statement of Cash Flows for the years ended December 31, 2022, 2021 and 2020	F-58
Notes to the Consolidated Financial Statements December 31, 2022, 2021 and 2020	F-59
Audited Combined Financial Statements of Hospital y Clínica OCA, S.A. de C.V.	
Independent Auditors' Report	F-178
Combined Statement of Financial Position as of October 4, 2022	F-181
Combined Statement of Income and Other Comprehensive Income for the period from January 1, 2022 to October 4, 2022	F-182
Combined Statement of Changes in Stockholders' Equity for the period from January 1, 2022 to October 4, 2022	F-183
Combined Statement of Cash Flows for the period from January 1, 2022 to October 4, 2022	F-184
Notes to the Combined Financial Statements as of and for the period from January 1, 2022 to October 4, 2022	F-185

Auna S.A.A. and Subsidiaries
Condensed Consolidated Interim Statement of Financial Position

As of June 30, 2023 and December 31, 2022

		June 30, 2023	December 31, 2022 Restated
<i>In thousands of soles</i>	<i>Note</i>		
Assets			
Current assets			
Cash and cash equivalents		258,786	208,694
Trade accounts receivable	4	732,189	574,166
Other assets		167,140	255,595
Inventories		92,174	87,578
Derivative financial instruments	5	-	69,064
Other investments	1.C	80,893	-
Total current assets		1,331,182	1,195,097
Non-current assets			
Trade accounts receivable	4	436	551
Other assets		20,435	19,806
Investments in associates and joint venture		16,503	13,096
Other investments	1.C	1,918	-
Property, furniture, and equipment	6	2,446,326	2,320,144
Intangible assets	7	2,991,988	2,758,917
Right-of-use assets	8	137,549	144,317
Investment properties		6,510	5,982
Derivative financial instruments	5	69,859	13,542
Deferred tax assets		164,259	122,211
Total non-current assets		5,855,783	5,398,566
Total assets		7,186,965	6,593,663

		June 30, 2023	December 31, 2022 Restated
<i>In thousands of soles</i>	<i>Note</i>		
Liabilities			
Current liabilities			
Loans and borrowings	9	379,389	2,040,980
Lease liabilities	8	29,698	28,084
Trade accounts payable	10	602,306	512,587
Other accounts payable	11	351,554	216,163
Provisions	12	20,399	19,974
Derivative financial instruments	5	-	15,317
Insurance contract liabilities	13	34,266	11,699
Deferred income		307	313
Total current liabilities		1,417,919	2,845,117
Non-current liabilities			
Loans and borrowings	9	3,031,107	1,307,667
Lease liabilities	8	124,244	134,838
Trade accounts payable	10	4,417	73
Other accounts payable	11	234,604	277,181
Derivative financial instruments	5	668	-
Deferred tax liabilities		518,943	470,159
Deferred income		571	567
Total non-current liabilities		3,914,554	2,190,485
Total liabilities		5,332,473	5,035,602
Equity	14		
Share capital		236,547	236,547
Share premium		386,045	386,045
Reserves		770,023	533,369
Retained losses		(109,866)	(90,982)
Equity attributable to the owner of the Company		1,282,749	1,064,979
Non-controlling interest		571,743	493,082
Total equity		1,854,492	1,558,061
Total liabilities and equity		7,186,965	6,593,663

The accompanying notes on pages 5 to 53 are an integral part of these condensed consolidated interim financial statements.

Auna S.A.A. and Subsidiaries**Condensed Consolidated Interim Statement of Income and Other Comprehensive Income (Loss)**

For the six months ended June 30, 2023 and 2022

<i>In thousands of soles</i>	<i>Note</i>	Six-month period ended June 30	
		2023	2022 Restated
Revenue			
Insurance revenue	15	391,584	347,796
Healthcare services revenue	15	1,320,246	597,130
Sale of medicines	15	128,002	105,419
Total revenue from contracts with customers		1,839,832	1,050,345
Cost of sales and services	16	(1,152,218)	(666,938)
Gross profit		687,614	383,407
Selling expenses	16	(96,771)	(87,087)
Administrative expenses	16	(335,461)	(210,283)
Income (loss) for impairment of trade receivables		(2,775)	2,324
Other income		27,999	10,938
Operating profit		280,606	99,299
Finance income		50,825	7,875
Finance costs	17	(268,239)	(105,572)
Net finance cost		(217,414)	(97,697)
Share of profit of equity-accounted investees		2,831	2,229
Profit before tax		66,023	3,831
Income tax expense	19	(43,392)	(8,828)
Profit (loss) for the period		22,631	(4,997)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges		41,652	39,245
Foreign operations – foreign currency translation differences		205,641	(61,962)
Equity-accounted investees – share of OCI		-	(87)
Changes in fair value of Put and Call liability		45,724	(2,725)
Income tax (expense) benefit		(12,392)	(11,577)
Other comprehensive loss for the period, net of tax		280,625	(37,106)
Total comprehensive (loss) income for the period		303,256	(42,103)
(Loss) income attributable to:			
Owner of the Company		(2,077)	(11,261)
Non-controlling interest		24,708	6,264
		22,631	(4,997)
Total comprehensive (loss) income attributable to:			
Owner of the Company		218,786	(39,671)
Non-controlling interest		84,470	(2,432)
		303,256	(42,103)
Earnings per share			
Basic and diluted earnings per share		(0.01)	(0.05)

The accompanying notes on pages 5 to 53 are an integral part of these condensed consolidated interim financial statements.

Auna S.A.A. and Subsidiaries
Condensed Consolidated Interim Statement of Changes in Equity
For the six months ended June 30, 2023 and 2022

Equity attributable to the owner of the Company												
<i>In thousands of soles</i>	<i>Note</i>	Share Capital (note 14.A)	Share Premium	Other capital reserve	Translation reserve (note 14.B)	Cost of hedging reserve (note 14.C)	Hedging reserve (note 14.D)	Merger and other reserves (note 14.E)	Retained earnings (losses)	Total	Non-controlling interest	Total Equity
Balances as of December 31, 2021		236,547	386,045	51,240	(13,714)	(18,873)	(20,174)	(79,764)	(45,490)	495,817	50,094	545,911
Adoption of IFRS 17	24	-	-	-	-	-	-	-	45,188	45,188	-	45,188
Balances as of January 1, 2022		236,547	386,045	51,240	(13,714)	(18,873)	(20,174)	(79,764)	(302)	541,005	50,094	591,099
Restated	24											
Loss for the period		-	-	-	-	-	-	-	(11,261)	(11,261)	6,264	(4,997)
Other comprehensive loss for the period		-	-	-	(53,353)	22,154	5,514	(2,725)	-	(28,410)	(8,696)	(37,106)
Total comprehensive loss for the period		-	-	-	(53,353)	22,154	5,514	(2,725)	(11,261)	(39,671)	(2,432)	(42,103)
Shareholder's downstream merger		-	-	-	-	-	-	50	-	50	-	50
Recognition of Put and Call liability		-	-	-	-	-	-	(161,915)	-	(161,915)	-	(161,915)
Acquisition of subsidiary with NCI		-	-	-	-	-	-	-	-	-	73,901	73,901
Total transactions with the owner of the Company		-	-	-	-	-	-	(161,865)	-	(161,865)	73,901	(87,964)
Balances as of June 30, 2022		236,547	386,045	51,240	(67,067)	3,281	(14,660)	(244,354)	(11,563)	339,469	121,563	461,032
Balances as of December 31, 2022	24	236,547	386,045	56,314	(190,389)	(15,133)	(16,756)	699,333	(90,982)	1,064,979	493,082	1,558,061
Restated												
Profit for the period		-	-	-	-	-	-	-	(2,077)	(2,077)	24,708	22,631
Other comprehensive income for the period		-	-	-	158,688	(29,802)	55,946	36,031	-	220,863	59,762	280,625
Total comprehensive income for the period		-	-	-	158,688	(29,802)	55,946	36,031	(2,077)	218,786	84,470	303,256
Dividend distribution		-	-	-	-	-	-	-	-	-	(6,841)	(6,841)
Transfer to legal reserve		-	-	16,807	-	-	-	-	(16,807)	-	-	-
Contributions from non-controlling shareholder		-	-	-	-	-	-	(1,016)	-	(1,016)	1,032	16
Total transactions with the owners of the Company		-	-	16,807	-	-	-	(1,016)	(16,807)	(1,016)	(5,809)	(6,825)
Balances as of June 30, 2023		236,547	386,045	73,121	(31,701)	(44,935)	39,190	734,348	(109,866)	1,282,749	571,743	1,854,492

The accompanying notes on pages 5 to 53 are an integral part of these condensed consolidated interim financial statements.

Auna S.A.A. and Subsidiaries
Condensed Consolidated Interim Statement of Cash Flows
For the six months ended June 30, 2023 and 2022

		Six-month period ended June 30	
<i>In thousands of soles</i>	<i>Note</i>	2023	2022 Restated
Cash flows from operating activities			
Profit (loss) for the period		22,631	(4,997)
Adjustments for:			
Depreciation	6	70,239	27,650
Depreciation of right-of-use assets	8	12,364	10,185
Amortization	7	38,230	8,687
Impairment of inventories		(456)	411
Loss on disposal of property, furniture, and equipment		1,234	216
Gain on disposal of right-of-use assets net of leases liabilities		(6)	(5)
Loss on disposal of intangibles		3	-
(Gain) loss for impairment of trade receivables		2,775	(2,324)
Share of profit of equity-accounted investees		(2,831)	(2,229)
Provisions	12	200	396
Other income for reversal of contingent consideration		(4,095)	-
Finance income		(50,825)	(7,875)
Finance costs	17	268,239	105,572
Income tax expense		43,392	8,828
Net changes in assets and liabilities			
Trade accounts receivable and other assets		(130,329)	(14,195)
Inventories		573	(9,509)
Trade accounts payable and other accounts payable		44,664	(61,406)
Provisions	12	(1,258)	(602)
Insurance contract liabilities	13	20,148	(23,809)
Cash from operating activities		334,892	34,994
Income tax paid		(73,296)	(37,111)
Interest received		7,186	781
Net cash from (used in) operating activities		268,782	(1,336)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	1.C	(59,994)	(380,834)
Purchase of properties, furniture, and equipment	6	(40,134)	(59,044)
Dividends from equity-accounted investees		-	786
Proceeds from sale of property, furniture, and equipment		522	105
Purchase of intangibles	7	(14,676)	(24,992)
Other assets (Trust funds)		94,539	(94,526)
Purchase of other investments		(14,691)	-
Proceeds from advance payment for purchase of shares		11,592	-
Payment for contingent consideration	11	(33,210)	-
Net cash used in investing activities		(56,052)	(558,505)
Cash flows from financing activities			
Proceeds from loans and borrowings	9	2,261,000	664,239
Payment of loans and borrowings	9	(2,111,504)	(28,746)
Payment of lease liabilities	8	(20,403)	(14,982)
Payment for derivatives premiums		(15,044)	(13,014)
Contributions from non-controlling shareholders		16	-
Interest paid	9	(253,325)	(44,031)
Dividend paid		(6,841)	(131)
Net cash (used in) from financing activities		(146,101)	563,335
Net increase in cash and cash equivalents		66,629	3,494
Cash and cash equivalents at January 1		208,694	138,771
Cash and cash equivalents arising from shareholder’s downstream merger		-	145
Exchange difference on cash and cash equivalents for the period		(16,537)	(3,904)
Cash and cash equivalents at June 30		258,786	138,506
Transactions not representing cash flows			
Assets acquired through finance lease and other financing	8	4,601	27,807
Assets acquired from suppliers in installments		9,470	7,976

The accompanying notes on pages 5 to 53 are an integral part of these condensed consolidated interim financial statements.

1. Economic Activity

A. Business activity

Auna S.A.A. (hereinafter the “Company” or “Auna”) is a subsidiary of Enfoca Group (ultimate controlling party), which holds a share capital of 72.93% acquired through different mechanisms. The Company is the controlling parent of a group of operating and pre-operating companies focused on the healthcare sector. It was incorporated in Peru in 2008 through the contribution of all the shares of the former shareholders of Oncosalud S.A.C. to the Company.

The Company’s registered office is at Av. República de Panamá N° 3461, San Isidro, Lima, Perú. The Company and its subsidiaries together are also referred to in these condensed consolidated interim financial statements as the “Group”. The Group is a healthcare service provider primarily focused on services that provide cancer treatment through its subsidiary Oncosalud S.A.C., inpatient hospitals, outpatient care centers and specialized medical centers in Peru. Since the end of 2018 in Colombia, through Promotora Médica Las Américas S.A. (hereinafter “PMLA”), since September 1, 2020 through Clínica Portoazul and since April 21, 2022 through Oncomedica S.A. In addition, since 2022 in Mexico, through the establishing of a holding company in Mexico, called Grupo Salud Auna México S.A. of C.V. (hereinafter “Auna Mexico”), focused on healthcare investments, since October 5, 2022 through Hospital y Clínica OCA S.A. de C.V. and since February 1, 2023 through Dentegra Seguros Dentales, S.A. (hereinafter “Dentegra”)

B. Regulatory agency for private healthcare services

Oncosalud S.A.C. is an indirect subsidiary of the Company. It is supervised by the Superintendencia Nacional de Salud - SUSALUD (Peruvian Board of Health). SUSALUD authorizes, regulates, and supervises the operations of entities that provide healthcare services.

In the case of PMLA, Clínica Portoazul and Oncomedica S.A. these are regulated by the Superintendencia Nacional de Salud - Supersalud (Colombian Board of Health), an agency that authorizes, regulates, and supervises the operation of entities providing healthcare services.

Also, since February 1, 2023, Dentegra Seguros Dentales, S.A. is a subsidiary of the Company, that is supervised by the Comisión Nacional de Seguros y Fianzas – CNSF (Mexican Commission of Insurers). CNSF authorizes, regulates, and supervises the operations of entities that provide insurers services.

C. Acquisition of subsidiary

Dentegra Seguros Dentales, S.A.

On September 3, 2021, Auna S.A.A., signed a share purchase agreement (hereinafter the “SPA”) with the shareholders of Dentegra for the acquisition of 100% of shares, obtaining control over of the entity. The transaction closing date was on February 1, 2023.

Dentegra specializes in providing dental and vision insurance in Mexico. The entity’s registered office is in Mexico City. The acquisition is expected to provide the Group with presence in the insurance market in Mexico.

This acquisition was recorded using the acquisition method of accounting. Under this method, assets and liabilities were recorded at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the statement of financial position of the acquired entity. The transaction costs associated with the acquisition of S/ 1,709 thousand were recorded as an expense and presented under ‘administrative expenses’ in the consolidated statement of income and other comprehensive income. The fair value of the acquired net assets are presented below:

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents		4,310
Other accounts receivables		1,868
Other investments		65,605
Intangible assets	7	3,411
Property, furniture and equipment	6	358
Deferred tax assets		1,484
Trade accounts payable and other accounts payable		(30,417)
Insurance contract liabilities	13	(2,299)
Total identifiable net assets acquired		44,320

Other accounts receivable comprise gross contractual amounts due of S/ 1,867 thousand. At the date of acquisition, there were no expected uncollectable amounts.

The other investments mainly correspond to investments in government securities and are measured at FVTPL. As of June 30, 2023, other investments amounted to S/ 82,811 thousand.

The Group agreed to a price adjustment of S/ 1,347 thousand (equivalent to MXN 6,356 thousand), which was paid to the selling shareholders in July 2023.

The following table summarizes the fair value as at the acquisition date of each major class of consideration transferred:

<i>In thousands of soles</i>	
Cash	64,304
Account payables to former shareholder	1,347
Total consideration transferred	65,651

This acquisition resulted in goodwill, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	65,651
(Less)	
Fair value of identifiable net assets	(44,320)
Goodwill	21,331

The Group has recorded the goodwill on the acquisition for S/ 21,331 thousand in Healthcare services in Mexico Segment as part of the 'intangibles assets' account in the consolidated statement of financial position. None of the goodwill recognized is expected to be deductible for tax purposes.

Factors that explain the transaction and the goodwill are related to the business model of the acquired entity, which is specialized in providing dental and vision insurance. According to Management, the Group looked to acquire an entity with high experience in insurance, which would allow the Group to have a strategic position in the health insurance sector in Mexico. In addition, goodwill represents other synergies in operating efficiencies expected to be achieved from the mix of operations and other efficiencies not included in intangibles.

The purchase accounting as of the date of these financial statements is incomplete and expected to be completed within one year from the date of acquisition.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

For the period ended June 30, 2023, the entity contributed revenues of S/ 45,548 thousand and profit before tax of S/ 12,393 thousand to the Group's results.

If the acquisition had been made as of January 1, 2023, revenues would have amounted to S/ 1,848,250 thousand and profit before tax for the six-month period ended June 30, 2023 would have amounted to S/ 64,852 thousand in the consolidated statement of income and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	
Consideration transferred in cash	64,304
Cash and cash equivalents from the entity	(4,310)
Net cash flows incurred	59,994

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Trademark	'Dentegra' is the trademark of the acquired entity, for which a right to use the trademark was signed. This brand has a local presence and offers a broad portfolio of dental and vision insurance services. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Group considered the Relief from royalty (RFR) method within the income approach as the most appropriate to assess the value of the brand. The basic principle of the RFR method is that without ownership of the intangible in question, the user of that intangible would have to make a stream of payments to the asset owner in exchange for the rights to use that asset. By acquiring the intangible, the user avoids these payments. Based on the projections of the purchase model, the projected income and cash flow of the brand was estimated for the years 2023-2027, as of the year 2028, a growth of 9.6% was considered according to Management. This growth was used to calculate the terminal value of brands that have an indefinite useful life. The royalty rate used for brand valuation is 0.4%. This royalty rate was obtained from comparable companies. Brands valuation found a nominal discount rate in MXN (WACC) by estimating a cost of debt (Kd) and equity (CoK).

2. Basis for the Preparation of Condensed Consolidated Interim Financial Statements**A. Basis of accounting**

These condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended December 31, 2022. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on October 27, 2023.

B. Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost principle, based on the accounting records maintained by the Group, except for the derivative financial instruments, investment properties, contingent consideration and Put and Call liability assumed in a business combination which have been measured at fair value.

C. Functional and presentation currency

These condensed consolidated interim financial statements are presented in Soles (S/), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The functional currency of the Subsidiaries domiciled in Colombia is COP (Colombian Pesos) and a subsidiary domiciled in Mexico is MXN (Mexican Pesos).

3. Use of Judgments and Estimates

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the changes identified below related to the adoption of IFRS 17, Insurance contracts.

Insurance contracts***PAA – Premium Allocation Approach***

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance contracts that meet the eligibility criteria.

The Group determined it would apply the PAA to all insurance contracts because the coverage period of each contract in the group is one year or less.

Liability for remaining coverage

The Group applies the PAA to simplify the measurement of insurance contracts.

Under IFRS 17, the Group's insurance contracts issued are all eligible to be measured by applying the PAA, because the coverage period of each contract in the group is one year or less. The PAA simplifies the measurement of insurance contracts in comparison with the General Measurement Model (GMM) in IFRS 17.

Liability for incurred claims

The methodologies analyzed are: Chain-Ladder, Expected Trend and Bornhuetter – Ferguson (BF), using various types of factor averaging, namely simple, median, truncated average or weighted average. From the methodologies analyzed, the result is selected at the discretion of the actuary considering the context and expectations at the valuation date.

The Group estimates the liability for incurred claims as the fulfillment of cash flows related to incurred claims.

The fulfillment of cash flows incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and includes an explicit adjustment for non-financial risk (the risk adjustment).

Discount rates

The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The estimation error is calculated as the standard deviation of the mean square error using the deterministic method suggested by Thomas Mack (Distribution Free). This method seeks to determine the Standard Error of estimation as the aggregation of the error associated with the process, and the error associated with the calculation of the parameter.

From the total loss triangle, the amount of the MOCE is calculated and a factor is obtained such as 25% of the proportion that holds the standard deviation of the estimation error, of the events incurred but not reported ("IBNR") reserve of the Thomas Mack method.

The risk adjustment is calculated on the IBNR, given the number of claims considered that are still subject to adjustments.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

4. Trade Accounts Receivable

As of June 30, 2023, and December 31, 2022, this caption comprises the following:

<i>In thousands of soles</i>	2023	2022
Trade accounts receivable	771,807	612,994
Trade accounts receivable from related parties	392	312
	772,199	613,306
Less: Loss for impairment of trade receivable	(39,574)	(38,589)
	732,625	574,717
Current	732,189	574,166
Non-current	436	551

The trade accounts receivable have a current maturity, do not bear interest and do not have specific guarantees. The trade accounts receivable included the unbilled amount for S/ 149,409 thousand (S/ 141,722 thousand as of December 31, 2022). These amounts will become billable within the third quarter of the year 2023.

As of June 30, 2023, non-current portion corresponds to receivable agreements with individual customers related to healthcare services, mainly with maturities between 24 and 36 months and do not have specific guarantees.

The impairment estimate of trade accounts receivable is included in the "Loss for impairment of trade receivables" item in the condensed consolidated interim statement of income and other comprehensive income. Amounts charged to results of the impairment period are generally written off when there is no expectation of cash recovery.

i. Disaggregation of trade accounts receivable

This caption comprises the following:

<i>In thousands of soles</i>	2023	2022
Healthcare services	732,625	574,717
	732,625	574,717

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

ii. By primary geographical markets and type of service**As of June 30, 2023**

<i>In thousands of soles</i>	Peru	Colombia	Mexico	Total
Healthcare services	148,247	460,876	123,502	732,625
	148,247	460,876	123,502	732,625

As of December 31, 2022

<i>In thousands of soles</i>	Peru	Colombia	Mexico	Total
Healthcare services	130,066	367,352	77,299	574,717
	130,066	367,352	77,299	574,717

The composition of accounts receivable by geographical market and aging as of June 30, 2023 and as of December 31, 2022 is as follows:

As of June 30, 2023

<i>In thousands of soles</i>	Peru	Colombia	Mexico	Total
Current (not past due)	96,328	229,669	103,656	429,653
1 - 90 days past due	32,712	125,236	19,495	177,443
91 - 180 days past due	16,326	48,635	857	65,818
181 - 360 days past due	5,985	37,258	88	43,331
More than 360 days past due	26,805	28,818	331	55,954
	178,156	469,616	124,427	772,199

As of December 31, 2022

<i>In thousands of soles</i>	Peru	Colombia	Mexico	Total
Current (not past due)	80,380	229,200	69,608	379,188
1 - 90 days past due	37,843	71,886	7,430	117,159
91 - 180 days past due	12,825	30,541	118	43,484
181 - 360 days past due	5,296	26,273	117	31,686
More than 360 days past due	24,908	16,727	154	41,789
	161,252	374,627	77,427	613,306

Expected credit loss assessment for corporate customers

The following table provides information about the exposure to credit risk and Expected Credit Losses (ECLs) for trade receivables and contract assets for corporate customers as of June 30, 2023:

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	0.25%	412,637	1,037
1 - 90 days past due	1.98%	169,350	3,354
91 - 180 days past due	6.64%	62,504	4,148
181 - 360 days past due	6.68%	41,111	2,745
More than 360 days past due	38.66%	38,892	15,037
		724,494	26,321

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers as of December 31, 2022:

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	0.33%	335,439	1,114
1 - 90 days past due	2.04%	106,157	2,169
91 - 180 days past due	3.99%	41,016	1,636
181 - 360 days past due	8.52%	26,967	2,298
More than 360 days past due	57.61%	26,901	15,497
		536,480	22,714

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers (patients) as of June 30, 2023:

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	2.74%	17,016	467
1 - 90 days past due	4.84%	8,093	392
91 - 180 days past due	7.09%	3,314	235
181 - 360 days past due	14.64%	2,220	325
More than 360 days past due	69.36%	17,062	11,834
		47,705	13,253

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers (patients) as of December 31, 2022:

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	3.12%	43,749	1,363
1 - 90 days past due	14.53%	11,002	1,599
91 - 180 days past due	13.53%	2,468	334
181 - 360 days past due	29.18%	4,719	1,377
More than 360 days past due	75.24%	14,888	11,202
		76,826	15,875

Transfer of accounts receivable

As of June 30, 2023, the Group maintain factoring agreements with Citibank del Perú S.A. for liquidity purposes. According to these agreements, the Group sold without recourse trade receivables for S/ 77,362 thousand for the six months ended June 30, 2023. These trade receivables have been derecognized from the consolidated statement of financial position, because the Group transferred substantially all of the risks and rewards.

5. Derivative Financial Instruments

On November 17, 2020, the Group signed foreign exchange options which included a purchased collar and long-forward agreement with Goldman Sachs Bank for S/ 1,092,750 thousand (US\$ 300,000 thousand). It covered 100% of the senior notes. The Group signed novation contracts with Citibank N.A. and with the Banco Santander S.A., banks of the above derivatives, for the novation to Goldman Sachs Bank. These instruments cover the exchange fluctuations ranging from S/ 3.424 to S/ 3.85 per US\$ 1.

On May 19, 2021, the Group signed an amendment as a consequence of the increase in the fluctuations of the exchange rate due to the effect of macroeconomic factors. As result of this amendment the exchange fluctuations of the derivative result in a new ranging from S/ 3.324 to S/ 4.20 per US\$ 1. As a result of change, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 32,094 thousand.

On November 29, 2022, the Group negotiated a new agreement with Citibank N.A. on the previous derivate structure (purchased collar and long-forward) which is valid as of November 2023, to hedge the senior notes until November 2025. As result of this agreement the exchange fluctuations of the derivative result in a new ranging from S/ 4.2000 to S/ 4.3000 per US\$ 1. As a result of this negotiation, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 35,140 thousand.

On November 29, 2022, the Group signed a new foreign exchange options which included purchased collar agreement with Citibank N.A. for S/ 238,650 thousand (US\$ 55,500 thousand) to cover 100% of the loan agreement with JPMorgan Chase Bank, S.A. This loan was paid on April 2023, and this derivative instrument was designated as a hedge to cover the new senior secured notes issued in April 2023. These new instruments cover the exchange fluctuations ranging from S/ 3.8750 to S/ 4.3000 per US\$ 1. As a result of this agreement, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 13,774 thousand.

On May 5, 2023, the Group through its subsidiary Grupo Salud Auna Mexico, signed foreign exchange options which included purchased collar agreement with Santander Bank for US\$ 396,500 thousand. It covered 100% of the new senior secured bonds. These instruments cover the exchange fluctuations greater than MXN 22.50 per US\$ 1.

On June 1, 2023, the Group signed foreign exchange options which included purchased collar agreement with Citibank Bank for US\$ 53,000 thousand. It covered 100% of the new senior secured bonds. These instruments cover the exchange fluctuations ranging from S/ 3.8575 to S/ 4.30 per US\$ 1.

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

As of June 30, 2023, and December 31, 2022, this caption comprises the following:

<i>In thousands of soles</i>	Reference value	Maturity date	2023	2022
Derivative assets mandatorily measured at FVTPL				
Fx operation Agreement – Purchased Collar	US\$ 55,500	2026	-	9,396
Derivative assets mandatorily measured at FVOCI				
Fx operation Agreements – Long forward	US\$ 300,000	2025	3,365	69,064
Fx operation Agreements – Purchased Collar (Long Put)	US\$ 300,000	2025	170	(9,835)
Fx operation Agreements – Purchased Collar (Short Call)	US\$ 300,000	2025	(5)	13,981
Fx operation Agreement – Purchased Collar	US\$ 55,500	2026	5,376	-
Fx operation Agreement – Purchased Collar	US\$ 2,082	2028	255	-
Fx operation Agreement – Purchased Collar	US\$ 50,918	2028	6,229	-
Fx operation Agreement – Purchased Collar	US\$ 396,500	2028	54,469	-
			69,859	82,606
Current			-	69,064
Non-current			69,859	13,542
Derivative liabilities mandatorily measured at FVOCI				
Fx operation Agreements – Purchased Collar (Long Put)	US\$ 300,000	2025	(300)	(50)
Fx operation Agreements – Purchased Collar (Short Call)	US\$ 300,000	2025	968	15,367
			668	15,317
Current			-	15,317
Non-current			668	-

Fx: Foreign exchange

These derivatives instruments are classified as current and non-current under the same structure as the hedged item (senior notes) given the entire principal value will be paid at maturity.

As of June 30, 2023, there are outstanding premiums and other accounts payable to Banco Santander and Citibank (before Goldman Sachs) of S/ 179,716 thousand and S/ 3,887 thousand (S/ 67,763 thousand and S/ 7,612 thousand, respectively as of December 31, 2022), which were included in Other Accounts Payable (note 11). The liabilities payable were incurred in connection with purchased collar and long forward agreements.

The effect of fair value of these derivative financial instruments, net of tax recognized in the consolidated other comprehensive income for the six months ended June 30, 2023, was loss for S/ 82,316 thousand (gain for S/ 17,267 thousand for the six months ended June 30, 2022).

For the six months ended June 30, 2023, the effect reclassified from other comprehensive income to profit or loss as lower loss of exchange difference was S/ 134,296 thousand and from other comprehensive income to profit or loss as finance cost was S/ 24,505 thousand (note 17), and neither includes S/ 47,225 thousand of tax.

For the six months ended June 30, 2022, the effect reclassified from other comprehensive income to profit or loss as greater loss of exchange difference was S/ 50,400 thousand and from other comprehensive income to profit or loss as finance cost was S/ 13,337 thousand (note 17), and neither includes S/ 18,803 thousand of tax.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

6. Property, Furniture, and Equipment

The movement of property, furniture, and equipment and the respective accumulated depreciation for the six months ended June 30, 2023, and 2022 is as follows:

<i>In thousands of soles</i>	2023	2022
Cost		
Balances as of January 1,	2,652,209	1,497,179
Additions (a)	41,685	50,608
Acquired through business combination	358	168,501
Exchange difference	166,396	(52,917)
Transfers from right of use of assets	7,243	-
Disposals	(526)	(105)
Write-off	(3,920)	(3,218)
Reclassifications to intangibles assets	(1,257)	(306)
Balances as of June 30,	2,862,188	1,659,742
Accumulated depreciation		
Balances as of January 1,	(332,065)	(264,961)
Additions	(70,239)	(27,650)
Exchange difference	(11,375)	4,471
Transfers from right of use of assets	(4,873)	-
Disposals	4	-
Write-off	2,686	3,002
Balances as of June 30,	(415,862)	(285,138)
Carrying amount		
Balances as of January 1,	2,320,144	1,232,218
Balances as of June 30,	2,446,326	1,374,604

- (a) During the six months ended June 30, 2023, the Group acquired assets with a cost of S/ 22,753 thousand (assets for S/ 20,273 thousand during the six months ended at June 30, 2022).

During the six months ended at June 30, 2023, the additions of constructions in progress totaled S/ 18,932 thousand (S/ 30,335 thousand during the six months ended June 30, 2022) corresponding to real estate projects related to the expansion of Clínica Delgado, Clínica Oncosalud (Oncocenter) and Clínica Vallersur in Peru. In addition include costs related to the remodeling of the clinics Monteria and Medellin and costs for projects related to the remodeling of the hospitals in Mexico.

7. Intangible Assets

The movement of intangible assets and the corresponding accumulated amortization for the six months ended June 30, 2023 and 2022, is as follows:

<i>In thousands of soles</i>	2023	2022
Cost		
Balances as of January 1	2,824,758	548,111
Additions (a)	22,595	25,452
Acquired through business combination (b)	24,742	369,878
Hospital y Clínica OCA's purchase price adjustment (i)	(8,193)	-
Reclassifications from property, furniture and equipment	1,257	306
Write-off	(7)	-
Exchange difference	234,282	(49,561)
Balances as of June 30	3,099,434	894,186
Accumulated amortization		
Balances as of January 1	(65,841)	(38,122)

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

<i>In thousands of soles</i>	2023	2022
Additions	(38,230)	(8,687)
Write-off	4	-
Exchange difference	(3,379)	875
Balances as of June 30	(107,446)	(45,934)
Carrying amount		
Balances as of January 1	2,758,917	509,989
Balances as of June 30	2,991,988	848,252

- (a) During the six months ended June 30, 2023, the Group acquired intangible assets mainly related to software and SAP licenses with a cost of S/ 18,401 thousand and public services concessions with a cost of S/ 1,426 thousand (six months ended June 30, 2022: software and SAP licenses with a cost of S/ 18,166 thousand and public services concessions with a cost of S/ 1,208 thousand).

Also, during the six months ended June 30, 2023 includes S/ 2,768 thousand (S/ 6,078 thousand at June 30, 2022) related to telehealth platform, Clínica 360, which provides clinical intervention for patients through remote access to physicians and other clinicians and telemedicine solutions.

- (b) During the six months ended June 30, 2023, through the businesses combination the Group acquired the right to use the trademark "Dentegra" for S/ 3,412 thousand and goodwill for S/ 21,331 thousand, note 1.C (six months ended June 30, 2022 the trademark "IMAT" for S/ 63,753 thousand, softwares for S/ 2,300 thousand and goodwill for S/ 303,825 thousand).

The Intangible Assets includes Goodwill, and the reconciliation of carrying amount of goodwill is as follow:

<i>In thousands of soles</i>	2023	2022
Cost		
Balances as of January 1,	1,805,890	184,961
Acquired through business combination	21,331	303,825
Hospital y Clínica OCA's purchase price adjustment (i)	(8,193)	-
Exchange difference	157,348	(31,253)
Balances as of June 30,	1,976,376	457,533
Carrying amount		
Balances as of January 1,	1,805,890	184,961
Balances as of June 30,	1,976,376	457,533

- (i) On June 2023, the Group adjusted the purchase price of the acquisition of Hospital y Clínica OCA performed in October 2022 in accordance with the acquisition Share Purchase Agreement for S/ 8,193 thousand.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

8. Leases

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the six months ended June 30, 2023 and 2022:

<i>In thousands of soles</i>	Right-of-use assets	
	2023	2022
Balances as of January 1,	144,317	119,006
Additions of right-of-use assets (a)	4,601	27,807
Transfers to property, furniture and equipment net of depreciation	(2,370)	-
Acquired through business combination	-	21,679
Depreciation	(12,364)	(10,185)
Write-off (b)	(168)	(745)
Exchange difference	3,533	(2,441)
Balance as of June 30,	137,549	155,121

(a) During the six months ended June 30, 2023, the additions of the Group mainly corresponds to new lease agreements for use of commercial offices, health centers and equipment for medical use. The Group recognized S/ 4,601 thousand of right-of-use asset and lease liability (as of June 30, 2022 the Group recognized S/ 27,807 thousand of right-of-use asset and lease liability).

(b) During the six months ended June 30, 2023, certain of the Group's Peruvian subsidiaries decided to terminate the lease agreements of commercial and administrative offices.

Set out below are the carrying amounts of lease liabilities and the corresponding movements during the six months ended June 30, 2023 and 2022:

<i>In thousands of soles</i>	Lease liabilities	
	2023	2022
Balances as of January 1,	162,922	140,583
Additions	5,001	27,807
Acquired through business combination	-	22,080
Interest expense	6,394	5,285
Leases prepayment penalty	-	-
Payments	(20,403)	(14,982)
Penalty paid for leases prepayment	-	-
Lease contracts cancelled	(174)	(750)
Exchange difference	202	(6,327)
Balance as of June 30,	153,942	173,696
Current	29,698	22,614
Non-current	124,244	151,082

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

9. Loans and Borrowings

As of June 30, 2023, and December 31, 2022, the terms and conditions of outstanding obligations are the following:

In thousands of soles	Type of obligation	Maturity	Interest rate	Currency	Outstanding balances			
					2023		2022	
					Face value	Carrying amount	Face value	Carrying amount
Entity								
Banco Davivienda	Bank loan	2023	IBR + 2.90%	COP	-	-	-	-
			45.93%		5	5	-	-
	Government guaranted loan	2025	IBR + 1.50%		6,470	5,440	8,503	6,944
			IBR + 1.50%		2,357	2,016	2,549	2,201
	Bank loan	2029	IBR + 5.55%		17,157	10,635	15,929	9,601
		2025	IBR + 3.50%		4,931	4,108	5,478	4,497
		2027	IBR + 3.75		26,473	20,111	26,510	19,789
Banco de Bogotá	Bank loan	2024	IBR + 7.00%	COP	1,997	1,887	-	-
			46.23%		4	4	15	15
					1	1	-	-
					5	5	4	4
			IBR + 5%		15,458	12,170	11,289	11,032
			26,16%				-	-
			IBR + 4.00%		498	477	1,345	1,289
Banco de Occidente	Bank loan	2023	38.52%	COP	4	4	4	4
			IBR+3,57 %		5,458	4,824	-	-
		2024	IBR + 3,73%		3,569	3,049	-	-
			IBR + 3,96%		2,650	2,613	-	-
			46.21%		14	14	26	26
Bancolombia	Bank loan	2023		COP	2	2	3	3
					4	4	3	3
					3	3	3	3
			2.91%		-	-	265	263
			IBR + 4.21%		2,350	2,258	2,257	2,029
		2024	IBR + 4.62 %		2,534	2,429	2,450	2,189
			IBR+5.52 %		2,829	2,706	2,746	2,437
			IBR + 6.600		3,002	2,699	-	-
		2026	DTF+3.01		2,609	2,019	2,311	2,094
Banco Citibank Colombia	Other financing	2033	DTF+3.95	COP	77,023	36,369	47,569	33,616
			12.31%		12,899	12,026	11,323	10,686
			15.08%		11,526	10,703	10,693	9,953

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Banco Citibank Colombia	Bank loan	2023	15.22%	COP	33,838	31,585	-	-
			10.78%		11,629	10,830	-	-
			45.24%		48	48	55	55
Itaú Corpbanca Colombia S.A.	Bank loan	2023	8.64%	COP	3,815	3,510	3,434	3,158
			IBR + 3.65%		-	-	17,111	16,008
		2035	IBR + 2.98%		62,231	46,830	57,098	42,224
Boston Scientific Colombia It		2028	10.78%		2,266	1,579	2,045	1,425
JP Morgan Bank		2023	SOFR + 4%	US\$	-	-	214,827	212,263
	Bank loan	2023	8.48%	US\$	-	-	14,932	14,565
Banco de Crédito del Perú	Government	2023	0.89%	S/	-	-	45	38
	guaranted loan		1.99%		25	17	61	53
Scotiabank Perú S.A.A.	Bank loan	2023	7.91%	US\$	98,813	97,946	-	-
			4.20%		-	-	105,541	102,232
	Other financing	2027	6.30%	S/	79,614	65,942	85,995	70,054
Banco BBVA Continental			7.50%		-	-	19,293	19,285
Banco ITAU			4.85%		-	-	72,141	71,196
			7.98%		14,919	14,825	-	-
Banco Interamericano de Finanzas			8.18%	US\$	14,928	14,710	-	-
			6.00%		-	-	15,586	15,558
			7.20%		-	-	15,647	15,356
Banco Internacional del Perú S.A.A.	Bank loan	2023	6.30%		-	-	15,598	15,366
Banco Pichincha			9.40%	S/	-	-	20,470	20,381
			6.40%		-	-	32,326	31,913
			5.79%	US\$	-	-	18,471	18,382
Banco Citibank			8.45%		27,261	27,112	-	-
			9.65%		-	-	9,120	8,950
			11.62%	S/	9,436	9,146	-	-
Banco Santander México, HSBC Mexico, Multiva and Genaro Levinson Marcovich	Loan	2023	TIIE+ 6.5%	MXN	-	-	1,605,436	1,392,127
BBVA Bancomer	Bank loan		TIIE+0.90%		-	-	14,768	13,754
Notes purchase agreement	Senior notes	2028	9.75%	US\$	2,724,000	1,807,988	-	-
Secured bonds issues	Senior notes	2025	6.50%	US\$	1,267,009	1,090,486	1,369,470	1,145,626
HSBC México	Bank loan	2023	1.40% TIIE	MXN	40,106	38,391	-	-
Banco Regional de Monterrey			3%TIIE		11,512	10,970	-	-
Total					4,603,282	3,410,496	3,860,745	3,348,647
Current					-	379,389	-	2,040,980
Non-current					-	3,031,107	-	1,307,667

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

*IBR: Bank reference indicator**DTF: Term deposit rate**SOFR: Secured overnight financing rate*

The movement of loans and borrowings for the six months ended June 30, 2023 and 2022, is as follows:

<i>In thousands of soles</i>	2023	2022
Balance as of January 1	3,348,647	1,352,444
Changes in cash flows from financing		
Proceeds from loans and borrowings	2,261,000	664,239
Payment for borrowings from financial obligations	(2,111,504)	(28,746)
Interest paid	(253,325)	(44,031)
Total changes from financing cash flows	(103,829)	591,462
Effect of changes in foreign exchange rates	(41,057)	(51,497)
Changes arising from obtaining control of subsidiary Oncomedica S.A.	-	47,911
Other changes		
Interest expense	218,880	53,101
Transaction costs related to loans and borrowings	(12,145)	(2,420)
Balance as of June 30	3,410,496	1,991,001

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Other financing with Scotiabank Perú S.A.A.

This financing agreement requires compliance with the following covenant: maintain a consolidated debt service ratio equal to or greater than 1.20. As of June 30, 2023, the Group complies with this covenant.

Senior Notes

As of June 30, 2023, the senior notes have qualitative and quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries.

Since November 20, 2020 (the "Issue Date"), the Group has had to comply with the following covenants when incurring indebtedness:

- The Net Leverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is less than (i) 5:00 to 1:00, if such Incurrence of Indebtedness occurs before the first anniversary of the Issue Date; (ii) 4:50 to 1:00, if such Incurrence of Indebtedness occurs on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date; (iii) 4:25 to 1:00, if such Incurrence of Indebtedness occurs on or after the second anniversary of the Issue Date but before the third anniversary of the Issue Date and (iv) 3.75 to 1.00, if such Incurrence of Indebtedness occurs on or after the third anniversary of the Issue Date; and
- The Interest Coverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is at least 2.25 to 1.00.

As of June 30, 2023, the Group is in compliance with the covenants above indicated.

JPMorgan Bank

On April 20, 2022, the Group signed a loan agreement with JPMorgan Chase Bank, S.A. (hereinafter, "JPMorgan") through the subsidiary Auna Colombia for an amount of S/ 205,628 thousand (equivalent to US\$ 55,500 thousand). Such loan matures in April 2023 and bears interest at SOFR rate + 400 bps (1-3 months); 450 bps (4-6 months), 500 bps (7-9 months) and 600 bps (10-12 months).

The loan was used to acquire the shares of Oncomedica S.A. The transaction costs incurred in relation to the loan amounted to S/ 6,545 thousand (equivalent to US\$ 1,709 thousand) and are presented net of debt and amortized using the effective interest rate method.

This agreement had quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries. On September 30, 2022, the Group signed an amendment with JP Morgan Bank and updated the quantitative covenants. As of December 31, 2022, the Group complied with the quantitative terms of the following covenants:

- The consolidated leverage ratio is less than (i) 5.00 to 1.00 for the quarter ending December 31, 2022, and (ii) 4.50 to 1.00 for the quarter ending March 31, 2023.
- The consolidated interest coverage ratio is at least (i) 2.00 to 1.00 for the quarter ending June 30, 2022, (ii) 2.15 to 1.00 for the quarter ending September 30, 2022 and (iii) 2.25 to 1.00 for the quarters ending December 31, 2022 and March 31, 2023.

As of December 31, 2022, the Group is in compliance with the covenants above indicated.

As of June 30, 2023, these financial covenants are no longer in effect given that this credit agreement was pre-paid by the Group.

In April 2023, the loan was paid and did not generate penalties.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Banco Santander México, HSBC México, Multiva and Genaro Levinson Marcovich

On September 30, 2022, the Group signed a loan agreement with Banco Santander, HSBC México and Genaro Levinson Marcovich through its subsidiaries Grupo Salud Auna México, S.A. de C.V, Hospital y Clínica OCA, S.A. de C.V. and DRJ Inmuebles, S.A. de C.V. for an amount of S/ 1,338,927 thousand. The loan was used to acquire the shares of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Topleja HG, S.A. The transaction costs incurred in relation to the loan amounted to S/ 46,118 thousand and are presented net of debt and amortized using the effective interest rate method.

This agreement had quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries. As of December 31, 2022, the Group complied with the quantitative terms of the following covenants:

- The consolidated leverage ratio is less than (i) 5.00 to 1.00 for the quarter ending December 31, 2022, and (ii) 4.75 to 1.00 for the quarter ending March 31, 2023 and as of the end of each fiscal quarter thereafter.
- The consolidated interest coverage ratio is at least 2.25 to 1.00 for the end of each quarter.

As of December 31, 2022, the Group was in compliance with the covenants above indicated.

As of June 30, 2023, the financial covenants were no longer applicable given that these credit agreements were pre-paid by the Group.

On April 11, 2023, the loan with Banco Santander México, HSBC México, Multiva and Genaro Levinson Marcovich amounting to S/ 1,338,927 thousand and maturing in October 2023 was pre-paid by the Group with the resources obtained from the Senior secured notes. As a result of prepayment, the Group recorded a write-off the remaining debt issuance costs of S/ 101,645 thousand. These expenses are presented in 'finance costs' in the consolidated statement of profit or loss and other comprehensive income (note 16).

Notes Purchase Agreement

On April 11, 2023, the Group signed a Notes Purchase Agreement through Auna S.A.A and the subsidiary Grupo Salud Auna México for an amount of S/ 1,920,456 thousand (equivalent to US\$ 505,000 thousand). The transaction costs incurred in relation to the loan amounted to S/ 63,684 thousand (equivalent to US\$ 17,003 thousand) and are presented net of debt.

The loan was used to pay existing financial debt and reshape the current and non-current liabilities.

This agreement has quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries. As of June 30, 2023, the Group complies with the quantitative terms of the following covenants:

- The consolidated leverage ratio to be less than (i) 5.25:1.0 as of December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023, (ii) 4.75:1.00 as of December 31, 2023, March 31, 2024, June 30, 2024 and September 30, 2024, and (iii) 4.25:1.00 as of December 31, 2024, and as of the end of each fiscal quarter thereafter, in each case calculated for the period of four fiscal quarters ending on each such date.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

- The consolidated interest coverage ratio is at least than (i) 1.50:1.0 as of the end of each fiscal quarter of the fiscal year ending on December 31, 2023, (ii) 1.75:1.00 as of the end of each fiscal quarter of the fiscal year ending on December 31, 2024, and (iii) 2.25:1.00 as of the end of each fiscal quarter of the fiscal year ending on December 31, 2025, and as of the end of each fiscal quarter thereafter, in each case calculated for the period of four fiscal quarter ending on each such dates.
- The minimum net worth shall not permit, as of the end of each fiscal quarter, that the total assets minus the total liabilities of any subsidiary of Auna Colombia that is an “institución prestadora de servicios de salud” to be less than 50% of the paid-in capital of such subsidiary.

10. Trade Accounts Payable

As of June 30, 2023, and December 31, 2022, the trade accounts payable of the Group are stated in the following currencies:

<i>In thousands of soles</i>	2023	2022
Soles	182,574	199,582
US dollars	59,654	31,217
COP	298,086	233,627
MXN	66,409	48,234
	606,723	512,660
Current	602,306	512,587
Non-current	4,417	73

The trade accounts payable are mainly related to the acquisition of supplies, materials, and services for the Group’s performance. These accounts payable have current maturity and do not bear interest. As of June 30, 2023 and December 31, 2022, they include: i) medical fees payable by the Peruvian, Colombian and Mexican subsidiaries amounting to S/ 36,598 thousand and S/ 23,840 thousand, respectively, and ii) contract liabilities related to the advance consideration received from patients for healthcare services, for which revenue is recognized over time amounting to S/ 15,499 thousand and S/ 10,248 thousand, respectively. They are classified in soles, COP and MXN and have current maturity.

Likewise, the Group participates in a supply chain finance program under which its suppliers may elect to receive early payment of their invoices from a bank by factoring their receivables from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group later. The principal purpose of this program is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group has not derecognized the original liabilities to which the arrangement applies because neither a legal release was obtained, nor the original liability was substantially modified on entering into the arrangement. From the Group’s perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. As of June 30, 2023 and December 31, 2022, the amount related to supplier factoring facility are S/ 60,307 thousand and S/ 64,789 thousand, respectively. The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e., payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions and amounted to S/ 137,373 thousand during the six months ended at June 30, 2023 (S/ 97,532 thousand during the six months ended at June 30, 2022), respectively.

As of June 30, 2023 and December 31, 2022 the non-current portion corresponds to payments agreements with suppliers of the Colombian subsidiaries with maturities of up to 12 months.

11. Other Accounts Payable

The increase in Other Accounts payable mainly corresponds to the recognition of premiums payable for new derivative financial instruments contracts signed in 2023 (note 5). As of June 30, 2023, Derivatives premiums

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

payable amounted to S/ 183,603 thousand (S/ 75,375 thousand as of December 31, 2022).

Additionally, during 2023, a payment of the contingent consideration related to the past acquisitions was made in the amount of S/ 33,210 thousand.

12. Provisions

The movement of provisions for the six months ended June 30, 2023 and 2022, is as follows.

<i>In thousands of soles</i>	Outstanding claims reserve (i)	Other provisions	Total
As of January 1, 2022	113	8,563	8,676
Provision	-	396	396
Paid during the period	-	(602)	(602)
Exchange difference	-	(303)	(303)
As of June 30, 2022	113	8,054	8,167
As of January 1, 2023	113	19,861	19,974
Provision	-	200	200
Paid during the period	-	(1,258)	(1,258)
Exchange difference	-	1,483	1,483
As of June 30, 2023	113	20,286	20,399

- (i) Outstanding claims reserve represent the Group's outstanding third parties obligations and do not include amounts related to the Group's customers that are part of the insurance premium program.

Outstanding claims reserve

These provisions include unsettled events based on the notices of claims received up to the condensed consolidated interim financial statement date.

Other provisions

As of June 30, 2023, comprise mainly the estimate of provision for present obligations from civil, labor and tax judicial processes amounting to S/ 3,244 thousand of Colombian subsidiaries, S/ 2,309 thousand from Peruvian subsidiaries and S/ 14,733 thousand from Mexican subsidiaries. As of December 31, 2022, comprise mainly the estimate of provision for present obligations from civil, labor and tax judicial processes amounting to S/ 3,481 thousand of Colombian subsidiaries, S/ 3,147 thousand from Peruvian subsidiaries and S/ 13,987 thousand from Mexican subsidiaries.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

13. Insurance Contract Liabilities

IFRS 17 replaces IFRS 4, Insurance contracts, for annual periods on or after January 1, 2023. The Group has restated comparative information for 2022. The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued by the Group. Refer to note 24 for information related to the accounting policies adopted by the Group and the impact of IFRS 17 because of the transition to the new standard. The movement for the six months ended June 30, 2023 and 2022, is as follows:

	<i>Note</i>	2023				2022			
		Liabilities for incurred claims			Total	Liabilities for incurred claims			Total
		Liabilities for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Liabilities for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>In thousands of soles</i>									
Balances as of January 1,		8,626	2,829	244	11,699	14,785	2,455	208	17,448
Changes in the statement of profit or loss and OCI									
Insurance revenue		(391,584)	-	-	(391,584)	(347,796)	-	-	(347,796)
Insurance service expenses									
Incurred claims and other insurance service expenses		-	18,022	-	18,022	-	1,770	-	1,770
Amortization of insurance acquisition cash flows		62,050	-	-	62,050	63,355	-	-	63,355
Adjustments to liabilities for incurred claims		-	-	(6)	(6)	-	-	-	-
Total Insurance service expenses		62,050	18,022	(6)	80,066	63,355	1,770	-	65,125
Total Insurance service result		(329,534)	18,022	(6)	(311,518)	(284,441)	1,770	-	(282,671)
Effect of movements in exchange rates		9	111	-	120	-	-	-	-
Total changes in the statement of profit or loss and OCI		(329,525)	18,133	(6)	(311,398)	(284,441)	1,770	-	(282,671)
Cash flows									
Premiums received		404,536	-	-	404,536	332,169	-	-	332,169
Claims and other insurance service expenses paid		(6,449)	(16,684)	-	(23,133)	(12,133)	(936)	-	(13,069)
Insurance acquisition cash flows		(49,737)	-	-	(49,737)	(60,238)	-	-	(60,238)
Total cash flows		348,350	(16,684)	-	331,666	259,798	(936)	-	258,862
Acquisitions through business combinations	1.C	(1,005)	3,304	-	2,299	-	-	-	-
Closing assets		-	-	-	-	9,858	(3,289)	(208)	6,361
Closing liabilities		26,446	7,582	238	34,266	-	-	-	-

Auna S.A.A. and Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements**

June 30, 2023

Liability for Incurred Claims (LIC)

These provisions include the reserve for events incurred but not reported (IBNR), the claims pending settlement reserve and the risk adjustment for non-financial risk to the condensed consolidated interim financial statement date. As of June 30, 2023 and December 31, 2022, the reserves of the oncology healthcare plans and the general healthcare plan called “Auna Salud” were determined using a reserving model based on a mix of several methods. As of June 30, 2023 and December 31, 2022 the key assumptions of the oncologic healthcare plans and the general healthcare plan include the evolution of past claims, which are projected in the future.

Insurance expenses

The insurance expenses incurred by Oncosalud S.A.C., the Company’s insurance subsidiary and presented in its separate financial statements for the six months ended June 30, 2023 and 2022.

The insurance expenses incurred by Oncosalud S.A.C. follow:

<i>In thousands of soles</i>	Cost of sales and services (i)	
	Six-month period ended	
	June 30	
	2023	2022
Medicines	92,116	78,582
Room service for inpatients	16,470	15,176
Medical consultation fees	19,523	17,815
Auxiliary services and clinical laboratory	59,084	45,494
Surgery fees	12,396	9,417
Technical reserves for healthcare services	3,742	1,770
	203,331	168,254

- (i) These expenses are included in the cost of sales and services in the consolidated statement of income and other comprehensive income after deducting the margin mark-up. For the six-month period ended June 30, 2023 and 2022, the margin applied was calculated using the same basis as charged to third parties for these services and the overall average margin applied during each period was 14% and 10%, respectively. All balances and transactions with related parties are priced on an arm’s length basis.

Due to the vertical integration of the Group’s companies, these insurance expenses incurred by Oncosalud S.A.C. and the corresponding trade and other accounts payable are eliminated with the transactions performed with Oncocenter Perú S.A.C. and the Company’s healthcare services subsidiaries. See note 18.b.i.

The insurance technical reserves presented in Oncosalud S.A.C.’s separate financial statements and also presented in the Group’s condensed consolidated interim financial statements as of June 30, 2023 and as of December 31, 2022.

14. Equity

A. Share capital

As of June 30, 2023 and December 31, 2022, the share capital is represented by 236,545,679 class "A" and 1,000 class "B" ordinary shares with a par value of S/ 1.00 each.

Each share of our common stock represents the same economic interest, except that, as provided in the Group's by-laws, each year that dividends are distributed, the class A shares benefit from the right to receive a preferred dividend consisting of 100% of any dividends distributed until we have distributed US\$ 1 billion in the aggregate in dividends. The excess dividends that the general shareholders' meeting decides to distribute will be distributed proportionally to the equity interest held by shareholders in both class "A" and class "B" shares.

On April 25, 2022, the General Shareholder's Meeting approved the downstream merger between the Company, and its shareholder Enfoca Discovery 1 S.A.C. and Enfoca Discovery Parallel S.A.C. The Company has recognized this merger as common control transactions and it was recognized at historical cost. This transaction represents only an exchange of equivalent shares between the Company and its aforementioned shareholders, the effect of this transaction was S/ 50 thousand recognized in equity in merger reserve as a result of the difference between the consideration paid (shares issued) and the capital of the legally disappearing companies.

As a result of this merger the former shareholders Enfoca Discovery 1 S.A.C. and Enfoca Discovery Parallel S.A.C. ceased to exist and the shareholders of these companies received shares in the Company.

As a result of the aforementioned reorganization process as of June 30, 2023 and December 31, 2022, the share capital structure is as follows:

Range of shareholding percentage	Number of shareholders	Interest percentage
From 0.01 to 0.79	5	2.47
From 0.80 to 2.37	4	9.50
From 2.38 to 9.13	4	29.77
From 9.14 to 58.26	1	58.26
	14	100.00

B. Translation reserve

Translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign operations. As of June 30, 2023, the Group recognizes the translation differences of the consolidated financial statements of the Group's subsidiaries Auna Colombia and Auna Mexico in translation reserve of the consolidated statement of income and other comprehensive income.

C. Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contract and as well as the time value of purchased collar contracts. It is initially recognized in OCI and accounted for similarly to gains or losses in the hedging reserve.

D. Hedging reserve

Hedging reserve includes the effective portion of the accumulated net change in the fair value of the hedging instruments used in cash flow hedges with subsequent recognition in profit or loss. This reserve is recognized net of deferred income tax.

E. Merger reserve and other reserves

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Merger reserves represent the difference between the nominal value of the 89,599,965 shares issued with a par value of S/ 1.00 each in exchange for the nominal value of 4,590,656 shares of the subsidiary Oncosalud S.A.C. acquired under common control with a par value of S/ 1.00 each.

Also, it includes the difference between the carrying amount of NCI acquired of the subsidiary PMLA and the consideration paid to NCI was S/ 2,366 thousand. Furthermore, in October 2020 the non-controlling shareholders of the Group's subsidiary, Clínica Portoazul S.A., acquired 306 ordinary shares of this entity, as consequence the difference between the carrying amount of NCI acquired and the cash contribution was S/ 3,120 thousand.

In addition, this account includes "other reserves" of S/ 161,915 thousand as a result of the initial and subsequent recognition of the "put and call liability" with the non-controlling shareholders, in accordance with the SPA of Oncomédica S.A.

15. Revenue**A. Disaggregation of revenue**

The Group generates revenue primarily from the sale of oncologic health care plans and health care services to its customers.

This caption comprises the following:

	Six-month period ended	
	June 30	
<i>In thousands of soles</i>	2023	2022
Revenue from contracts with customers		
Healthcare services (i)	1,320,246	597,130
Sale of medicines	128,002	105,419
Total revenue from contracts with customers	1,448,248	702,549
Insurance revenue		
Oncology plans	351,700	325,447
General healthcare services plans	39,884	22,349
Total insurance revenue	1,839,832	1,050,345
Timing of revenue recognition		
Products transferred at a point in time	128,002	105,419
Products and services transferred over time	1,320,246	597,130
Total revenue from contracts with customers	1,448,248	702,549

- (i) The amounts reported in Healthcare services revenue line item do not include revenue recognized for customers that are part of the Company's insurance premium program.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

B. Disaggregation of revenue from contracts with customers

This caption comprises the following:

	Reportable segments		
<i>In thousands of soles</i>	Oncosalud Perú	Healthcare services	Total
For the six months ended June 30, 2023			
Primary geographical markets			
Perú	450,712	303,084	753,796
Colombia	-	533,812	533,812
Mexico	-	552,224	552,224
For the six months ended June 30, 2022			
Primary geographical markets			
Perú	382,420	263,010	645,430
Colombia	-	404,915	404,915

C. Contract balances

As of June 30, 2023, and December 31, 2022, the following table provides information about receivables and contract liabilities from contracts with customers:

<i>In thousands of soles</i>	Note	2023	2022
Trade accounts receivable	4	732,625	574,717
Contract liabilities, which are included in "trade accounts payable"	10	(17,426)	(14,222)

The contract assets primarily relate to the Group's rights to consideration for service completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. There are no contract assets as of June 30, 2023 and December 31, 2022.

The contract liabilities primarily relate to the advance consideration received from patients for healthcare services, for which revenue is recognized over time. This will be recognized as revenue over the next 12 months.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

16. Cost of Sales and Services, Selling Expenses and Administrative Expenses

This caption comprises the following:

For six months ended June 30, 2023 and 2022:

		Cost of sales and services		Selling expenses		Administrative expenses		Total	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<i>In thousands of soles</i>	<i>Note</i>								
Medicines		484,007	256,007	-	-	-	-	484,007	256,007
Auxiliary services and clinical laboratory		30,901	14,285	-	-	-	-	30,901	14,285
Room service for inpatients		22,224	11,039	-	-	-	-	22,224	11,039
Surgery fees		87,116	64,065	-	-	-	-	87,116	64,065
Medical consultation fees		47,484	32,500	-	-	-	-	47,484	32,500
Technical reserves for healthcare services		18,016	1,770	-	-	-	-	18,016	1,770
Personnel expenses (a)		314,622	215,877	34,692	31,840	159,537	98,119	508,851	345,836
Services provided by third parties (b)		66,189	31,481	58,994	52,500	95,452	74,812	220,635	158,793
Depreciation	6 and 8	71,771	32,231	6	6	10,826	5,598	82,603	37,835
Amortization	7	980	1,241	-	-	37,250	7,446	38,230	8,687
Other management charges		8,908	6,427	3,054	2,722	23,333	15,344	35,295	24,493
Tax expenses		-	15	25	19	9,063	8,964	9,088	8,998
		1,152,218	666,938	96,771	87,087	335,461	210,283	1,584,450	964,308

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

- (a) Personnel expenses comprise the following:

<i>In thousands of soles</i>	Six-month period ended June 30	
	2023	2022
Remunerations	325,135	225,874
Legal bonuses	32,708	27,937
Health insurance for employees	48,997	34,511
Severance payment	2,457	4,165
Vacations	19,563	16,849
Bonuses	28,084	10,594
Employees' profit sharing	13,200	2,778
Board of Directors' remuneration	2,434	1,975
Compensation to personnel	22,741	19,276
Training	1,057	515
Other benefits	12,475	1,362
	508,851	345,836

- (b) Services provided by third parties include the following:

<i>In thousands of soles</i>	Six-month period ended June 30	
	2023	2022
Sales commission	31,819	29,516
Advisory and consulting fees	28,605	29,757
Utilities	29,610	13,328
Service and repair	34,231	18,908
Leases	26,783	11,208
Credit card commission	13,319	10,527
Custodial and cleaning services	16,791	12,720
Advertisement	12,320	11,141
Hosting	6,530	4,152
Collection expenses	668	503
Travel and entertainment expenses	1,659	949
Others	18,300	16,084
	220,635	158,793

- (c) For the six-months period ended June 30, 2023 and 2022, personnel expenses, services provided by third parties and other management charges, include amortizations of insurance acquisition cash flows for S/ 62,050 thousand and S/ 63,355 thousand, respectively.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

17. Finance Costs

This caption comprises the following:

<i>In thousands of soles</i>	Six-month period ended June 30	
	2023	2022
Financial liabilities measured at amortized cost – interest expense	224,311	53,946
Interest from leases liabilities	6,394	5,285
Exchange difference	-	28,844
Financial assets at FVTPL – net change in fair value: Derivative Assets mandatorily measured at FVTPL	2,785	-
Cash flow hedges – reclassified from OCI for costs of hedging reserve	24,505	13,337
Change in fair value of contingent consideration (b)	2,011	1,772
Others (a)	8,233	2,388
	268,239	105,572

(a) For the six-months periods ended June 30, 2023 and 2022, include mainly cost of factoring for S/ 4,185 thousand and S/ 1,933 thousand, respectively.

(b) The movement of contingent consideration is the following:

<i>In thousands of soles</i>	2023	2022
Balances as of January 1,	69,470	848
Payment of contingent consideration	(33,210)	-
Reversal	(4,095)	-
Acquired through business combination	-	79,461
Change in fair value of contingent consideration	2,011	1,772
Exchange difference	7,701	(5,677)
Balances as of June 30,	41,877	76,404

18. Operating Segments**A. Basis for segmentation**

The Group has determined four reportable segments. These operating segments are components of a company about which separate financial information is available that is regularly evaluated by the Board of Directors (Chief operating decision maker) in deciding how to allocate resources and assess performance.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Oncosalud Peru	Including our prepaid oncologic healthcare plans and healthcare services related to the treatment of cancer.
Healthcare services in Peru	Corresponds to medical services within the network of clinics and health centers in Peru.
Healthcare services in Colombia	Corresponds to medical services within the network of clinics and health centers in Colombia.
Healthcare services in Mexico	Corresponds to medical services within the network of clinics and health centers, and the insurance business in Mexico.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because the chief operating decision maker believes that this information is the most relevant for the Group.

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
June 30, 2023

For the six months period ended June 30, 2023:

	Reportable segments						Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia	Healthcare services in Mexico	Total reportable segments			
<i>In thousands of soles</i>								
2023								
External revenues	431,608	322,188	533,812	552,224	1,839,832	-		1,839,832
Inter-segment revenue (i)	19,104	106,590	-	-	125,694	(125,694)		-
Segment revenue	450,712	428,778	533,812	552,224	1,965,526	(125,694)		1,839,832
External cost of service	(134,614)	(313,297)	(384,414)	(319,893)	(1,152,218)	-		(1,152,218)
Inter-segment cost of service (i)	(105,862)	(17,441)	-	-	(123,303)	123,303		-
Segment cost of service	(240,476)	(330,738)	(384,414)	(319,893)	(1,275,521)	123,303		(1,152,218)
Gross profit	210,236	98,040	149,398	232,331	690,005	(2,391)		687,614
External selling expenses	(79,581)	(9,464)	(2,928)	(4,528)	(96,501)	(270)		(96,771)
Segment selling expenses	(79,581)	(9,464)	(2,928)	(4,528)	(96,501)	(270)		(96,771)
External administrative expenses	(36,285)	(45,743)	(87,660)	(92,392)	(262,080)	-		(262,080)
Inter-segment administrative expenses	(405)	(2,676)	-	-	(3,081)	3,081		-
Corporate expenses	(38,279)	(33,220)	(2,946)	-	(74,445)	1,064		(73,381)
Segment administrative expenses	(74,969)	(81,639)	(90,606)	(92,392)	(339,606)	4,145		(335,461)
Impairment losses on trade receivables	388	1,085	(3,356)	(767)	(2,650)	(125)		(2,775)
Other expenses	-	-	-	-	-	-		-
Other income	518	2,580	12,876	12,024	27,998	1		27,999
Inter-segment other income	5,150	497	-	-	5,647	(5,647)		-
Other income	5,668	3,077	12,876	12,024	33,645	(5,646)		27,999
Segment operating profit (loss)	61,742	11,099	65,384	146,668	284,893	(4,287)		280,606
Share of profit of equity accounted investees, net of taxes	1,047	-	1,784	-	2,831	-		2,831
Exchange difference, net	1,476	1,723	76,365	17,556	97,120	(53,858)		43,262
Interest expense, net	(13,569)	(20,942)	(43,494)	(136,623)	(214,628)	(46,048)		(260,676)
Segment profit (loss) before tax	50,696	(8,120)	100,039	27,601	170,216	(104,193)		66,023
Other disclosures								
Depreciation and amortization	(14,524)	(20,258)	(18,865)	(62,648)	(116,295)	(4,538)		(120,833)
Capital expenditure	(7,436)	(7,141)	(39,474)	(10,197)	(64,248)	(4,633)		(68,881)
Segment assets	2,016,170	880,518	2,100,475	3,716,132	8,713,295	(1,526,330)		7,186,965
Segment liabilities	982,079	593,995	1,363,770	2,272,997	5,212,841	119,632		5,332,473

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements
June 30, 2023

For the six months period ended June 30, 2022:

<i>In thousands of soles</i>	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
2022						
External revenues	382,420	263,010	404,915	1,050,345	-	1,050,345
Inter-segment revenue (i)	13,044	84,799	-	97,843	(97,843)	-
Segment revenue	395,464	347,809	404,915	1,148,188	(97,843)	1,050,345
External cost of service	(118,183)	(265,881)	(282,874)	(666,938)	-	(666,938)
Inter-segment cost of service (i)	(84,708)	(12,499)	-	(97,207)	97,207	-
Segment cost of service	(202,891)	(278,380)	(282,874)	(764,145)	97,207	(666,938)
Gross profit	192,573	69,429	122,041	384,043	(636)	383,407
External selling expenses	(74,537)	(9,261)	(2,968)	(86,766)	(321)	(87,087)
Segment selling expenses	(74,537)	(9,261)	(2,968)	(86,766)	(321)	(87,087)
External administrative expenses	(29,737)	(41,931)	(70,267)	(141,935)	(2,823)	(144,758)
Inter-segment administrative expenses	(101)	(970)	-	(1,071)	1,071	-
Corporate expenses	(37,623)	(25,017)	(1,496)	(64,136)	(1,389)	(65,525)
Segment administrative expenses	(67,461)	(67,918)	(71,763)	(207,142)	(3,141)	(210,283)
Impairment losses on trade receivables	1,594	2,887	(2,157)	2,324	-	2,324
Other expenses	-	-	-	-	-	-
Other income	782	1,476	8,653	10,911	27	10,938
Inter-segment other income	4,008	215	-	4,223	(4,223)	-
Other income	4,790	1,691	8,653	15,134	(4,196)	10,938
Segment operating profit (loss)	56,959	(3,172)	53,806	107,593	(8,294)	99,299
Share of profit of equity accounted investees, net of taxes	1,041	-	1,188	2,229	-	2,229
Exchange difference, net	(3,320)	644	(42,364)	(45,040)	23,191	(21,849)
Interest expense, net	(21,700)	(10,671)	(20,599)	(52,970)	(22,878)	(75,848)
Segment profit (loss) before tax	32,980	(13,199)	(7,969)	11,812	(7,981)	3,831
Other disclosures						
Depreciation and amortization	(11,492)	(18,815)	(12,073)	(42,380)	(4,142)	(46,522)
Capital expenditure	21,266	27,291	46,722	95,279	8,588	103,867
Segment assets	1,913,430	787,628	2,012,472	4,713,530	(1,108,511)	3,605,019
Segment liabilities	1,033,566	488,281	1,397,463	2,919,310	269,865	3,189,175

- (i) Inter-segment cost of service (claims expense) from the Oncosalud Peru segment and intersegment revenue from our Healthcare Services in Peru segment are presented on a gross basis by adding the corresponding profit margin markup by our Healthcare Services in Peru segment and vice versa. Likewise, our Oncosalud Peru segment consolidates Oncocenter Perú S.A.C., a subsidiary providing healthcare services related to the exclusive treatment of cancer. In the separate financial statements of Oncocenter Perú S.A.C., the revenue mainly consists of the insurance claims expense recorded as cost of sales in the separate financial statements of Oncosalud S.A.C., our insurance subsidiary that is also consolidated in Oncosalud Peru segment. In the segment consolidation process the related revenues from such healthcare services are eliminated with the corresponding claims expense of our insurance subsidiary Oncosalud S.A.C., while the external cost (third parties) of services incurred by Oncocenter Perú S.A.C. remains.

19. Tax Matters

Tax regime applicable to income tax

- A. Income tax is determined on a separate basis; it is not consolidated. According to Peruvian and Colombian current legal legislation, the income tax is paid based on the statutory financial statements and tax losses, additions, and deductions established.

Tax rates

- B. Income tax expense is recognized at an amount determined by multiplying the profit (loss) before taxes for the interim reporting period by management's best estimate of the expected weighted-average annual income tax rate for the full fiscal year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements. The Group's consolidated effective tax rate for the six months ended June 30, 2023 was 65.72% (six months ended June 30, 2022: 230.44%).
- C. The effective tax rate for the second quarter of 2022 was mainly impacted by carryforward tax losses generated at the Mexican component level which have been considered not probable to be recovered and therefore no deferred income tax was recognized.

Tax losses carried forward

- D. The Group has recognized a deferred income tax asset related to the tax-loss carryforward of those subsidiaries where it is more likely than the tax-loss carryforward can be used to compensate future taxable net income.

20. Financial Risk and Insurance Management

Due to its business line, the Group assumes the risks inherent to its activities related to the insurance business, market, credit, liquidity and foreign currency.

Management is responsible for monitoring these risks, based on various measurement, analysis and control techniques to minimize potential effects, although the use of these mechanisms does not completely eliminate the inherent risk factors to which the Group is exposed.

Management is exposed to risks as a result of: i) the use of financial instruments and ii) the risks associated with the healthcare business. These risks have been categorized taking into consideration their nature and scope, as well as management, which are described below.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

A. Insurance risk

Insurance activities expose the Group mainly to incidence risk (level of occurrence of the insured event), frequency risk (level of prevalence of the event once it has occurred), and control risk of the healthcare benefit cost.

The table below shows the actual amount of the cost of service in the Oncosalud Peru segment, and the general healthcare plan called “Auna salud” as of June 30, 2023 and as of June 30, 2022 only includes the Oncosalud Peru segment. It also shows a sensitivity analysis for the most relevant variables affecting this cost: the frequency (number of patients/number of plan members) and the average cost per patient.

<i>In thousands of soles</i>	Frequency		Average cost per patient		Average cost per patient		Combined	
	5%	10%	5%	10%	5%	10%	5%	10%
2023								
Change %	5%	10%	5%	10%	5%	10%	5%	10%
Cost of segment								
Oncosalud Peru	240,476	252,500	264,524	252,500	264,524	265,125	290,976	
Frequency	3.59%	3.77%	3.95%	3.59%	3.59%	3.77%	3.95%	
Average cost per patient	5.56	5.56	5.56	5.84	6.12	5.84	6.12	
#plan members	1,204,040	1,204,040	1,204,040	1,204,040	1,204,040	1,204,040	1,204,040	
2022								
Change %	5%	10%	5%	10%	5%	10%	5%	10%
Cost of segment								
Oncosalud Peru	202,891	213,035	223,180	213,035	223,180	223,687	245,498	
Frequency	2.96%	3.11%	3.26%	2.96%	2.96%	3.11%	3.26%	
Average cost per patient	6.58	6.58	6.58	6.91	7.24	6.91	7.24	
#plan members	1,039,895	1,039,895	1,039,895	1,039,895	1,039,895	1,039,895	1,039,895	

As of June 30, 2023 and 2022, a reasonably possible changes in the most relevant variable in 5% and 10% could affect profit or loss by amounts shown below:

<i>In thousands of soles</i>	Fluctuations in variables (%)	Loss for the period	
		2023	2022
Frequency	5	(12,024)	(10,144)
Frequency	10	(24,048)	(20,289)
Average cost per patient	5	(12,024)	(10,144)
Average cost per patient	10	(24,048)	(20,289)
Combined	5	(24,649)	(20,796)
Combined	10	(50,500)	(42,607)

The Group adopts various mechanisms with the main objective of minimizing insurance risk as severity. Such mechanisms include the control of (i) price adequacy and (ii) control of healthcare benefit expenditures, in addition to selecting medical service providers based on various factors, such as specialization, experience, location, quality, and cost of services.

The adequacy of prices relies on past actuarial analyses and more recent service levels, combined with future projections of more recently observed trends. Price risk affects only future cash flows since new rates will impact premium levels earned once cancer health contracts are renewed.

Within the Group, the type of product is an oncologic healthcare insurance contract and general healthcare plans “Auna Salud”, both renewable annually. This enables the Group to review fees that respond fairly and quickly to the changes in service experience. The new fees are automatically applied at each renewal date; however, the client could not accept the increase, which would lead to the contract cancellation. This is a factor that significantly mitigates price risk. The Group does not enter into fixed premium contracts for a period longer than 12 months from the original date or the renewal date of the respective contracts.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Control risk of the cost of providing benefits (treatment and preventive care) is monitored through i) pre-authorization of the service; ii) use of a certain network of clinics and “agreed-upon” fees; and iii) monitoring adhesion to medical practice guides.

In general, the Group’s healthcare contracts contain terms and conditions establishing that only medical services are provided (the contracts benefit do not include refund or compensation amounts). Subject to specific circumstances, they provide reimbursement for medical expenses incurred in treatments related to chronic medical conditions.

In addition, when necessary, the Group negotiates its contracts with healthcare providers to obtain more favorable and competitive prices, to the extent possible. The Group also has a highly trained medical audit team who continually review invoices received from their service providers.

B. Market risk**i. Exchange risk**

The Group and its Subsidiaries invoice the rendering of local services in the currency of the country in which it operates, which enables them to meet their obligations in their functional currency. Exchange rate risk arises mainly from loans and other liabilities held in US dollars. To mitigate this risk, as of June 30, 2023 and December 31, 2022, the Group used derivative financial instruments to hedge the exposure to the exchange rate risk, for more than 90% of its financial obligations.

As of June 30, 2023 and 2022, the Group has the following assets and liabilities stated in U.S. dollars, COP and MXN:

<i>In thousands of</i>	2023			2022		
	US\$	COP	MXN	MXN	COP	MXN
Assets:						
Cash and cash equivalents	17,323	24,348,090	279,859,291	-	41,056,331	-
Trade accounts receivable	1,713	529,131,442	582,803,424	-	465,084,449	-
Other assets	700	60,374,618	51,558,344	4,315,924	30,789,885	4,315,924
Derivative financial instruments	19,302	-	-	-	-	-
	39,038	613,854,150	914,221,059	4,315,924	536,930,665	4,315,924
Liabilities:						
Loans and borrowings	(841,378)	(834,164,996)	(232,934,842)	-	(561,225,271)	-
Lease liabilities	(18,911)	(46,350,605)	-	-	(42,365,262)	-
Trade accounts payable	(10,711)	(342,233,642)	(313,383,392)	(496,385)	(257,706,092)	(496,385)
Other accounts payable	(22,677)	(273,381,651)	(955,526,904)	(912,273)	(241,904,376)	(912,273)
Derivative financial instruments	(178)	-	-	-	-	-
	(893,855)	(1,496,130,894)	(1,501,845,138)	(1,408,658)	(1,103,201,001)	(1,408,658)
(Liability) asset position, net	(854,817)	(882,276,744)	(587,624,079)	2,907,266	(566,270,336)	2,907,266

As of June 30, the exchange rate used by the Group to translate the balances of assets and liabilities into foreign currency has been published by the Peruvian Banking, Insurance and Pension Plan Agency (SBS), as follows:

<i>In soles</i>	June 30, 2023	June 30, 2022
US\$ 1 - Exchange rate - Buy (assets)	3.624	3.820
US\$ 1 - Exchange rate - Sale (liabilities)	3.633	3.830
COP 1 - Exchange rate	0.000871	0.000922
MXN 1- Exchange rate	0.211911	0.1906

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

For the six months ended at June 30, 2023 and 2022, the Group recorded gain for exchange difference, net amounting to S/ 43,262 thousand and S/ 21,849 thousand, respectively.

As of June 30, 2023 and 2022, a reasonably possible strengthening (weakening) of the U.S. dollar against the Peruvian Sol, COP and MXN at June 30, 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by amounts shown below:

		June 30, 2023		June 30, 2022	
	Fluctuations in exchange rates	Profit or loss for the six-month period	Other comprehensive income	Profit or loss for the six-month period	Other comprehensive income
<i>In thousands of soles</i>	(%)				
Weakening	5	158,760	(3,465)	83,543	(3,455)
Weakening	10	317,521	(6,931)	167,087	(6,910)
Strengthening	5	(158,760)	3,465	(83,543)	3,455
Strengthening	10	(317,521)	6,931	(167,087)	6,910

ii. Interest rate risk

The Group adopts a policy of ensuring that between 80% and 90% of its interest rate risk exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. As of June 30, 2023 and December 31, 2022, the Group does not have any financial derivative instrument in order to cover interest rate.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

C. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value				
	Fair value hedging instruments	Mandatorily at FVTPL - Others	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<i>In thousands of soles</i>									
As of June 30, 2023									
Financial assets measured at fair value									
Other investments	-	82,811	-	-	82,811	82,811	-	-	82,811
Derivative financial instruments	69,859	-	-	-	69,859	-	69,859	-	69,859
	69,859	82,811	-	-	152,670	82,811	69,859	-	152,670
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	258,786	-	258,786	-	-	-	-
Trade accounts receivable	-	-	732,625	-	732,625	-	-	-	-
Other assets (*)	-	-	33,972	-	33,972	-	-	-	-
	-	-	1,025,383	-	1,025,383	-	-	-	-
Financial liabilities measured at fair value									
Derivative financial instruments	668	-	-	-	668	-	668	-	668
Contingent consideration	-	-	-	42,855	42,855	-	-	42,855	42,855
Put and Call Liability	-	-	-	106,493	106,493	-	-	106,493	106,493
	668	-	-	149,348	150,016	-	668	149,348	150,016
Financial liabilities not measured at fair value									
Loans and borrowings	-	-	-	3,410,496	3,410,496	-	3,342,523	-	3,342,523
Lease liabilities	-	-	-	153,942	153,942	-	-	-	-
Trade accounts payable	-	-	-	606,723	606,723	-	-	-	-
Other accounts payable (**)	-	-	-	292,772	292,772	-	-	-	-
	-	-	-	4,463,933	4,463,933	-	3,342,523	-	3,342,523

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

	Carrying amount			Fair value			
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Level 3	Total
<i>In thousands of soles</i>							
As of December 31, 2022							
Financial assets measured at fair value							
Derivative financial instruments	82,606	-	-	82,606	82,606	-	82,606
	82,606	-	-	82,606	82,606	-	82,606
Financial assets not measured at fair value							
Cash and cash equivalents	-	208,694	-	208,694	-	-	-
Trade accounts receivable	-	574,717	-	574,717	-	-	-
Other assets (*)	-	127,469	-	127,469	-	-	-
	-	910,880	-	910,880	-	-	-
Financial liabilities measured at fair value							
Derivative financial instruments	15,317	-	-	15,317	15,317	-	15,317
Contingent consideration	-	-	69,470	69,470	-	69,470	69,470
Put Liability	-	-	136,938	136,938	-	136,938	136,938
	15,317	-	206,408	221,725	15,317	206,408	221,725
Financial liabilities not measured at fair value							
Loans and borrowings	-	-	3,348,647	3,348,647	3,115,560	-	3,115,560
Lease liabilities	-	-	162,922	162,922	-	-	-
Trade accounts payable	-	-	512,660	512,660	-	-	-
Other accounts payable (**)	-	-	194,557	194,557	-	-	-
	-	-	4,218,786	4,218,786	3,115,560	-	3,115,560

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

D. Measurement of fair values**i. Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at June 30, 2023 and December 31, 2022 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 3.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Contingent consideration	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	- Expected cash flows (June 30, 2023: US\$ 256 thousand and COP 89,662,066 thousand). - Risk - adjusted discount rate (12.3% – 12.71%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk adjusted discount rate were lower (higher).
Put and Call liability	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	- Expected cash flows (June 30, 2023: COP 216,727,273 thousand). - Risk - adjusted discount rate (8.00% – 13.80%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk adjusted discount rate were lower (higher).
Purchased collar and long forward (note 5)	For the purchased collar Garman–Kohlhagen: The fair value is determined using this model that treats foreign currencies as if they are equity securities that provide a known dividend yield, which uses the following inputs: Spot rate at the valuation date, strike price, implicit volatility, and risk free rate in both currencies. For the long forward Interest rate parity: It consists of estimating the present value of the future profit (loss) generated by the forward contract. The gain or loss is calculated as the difference between the forward exchange rate estimated according to the market and the strike.	Not applicable	Not applicable

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

E. Concentration of credit risk

The Group's financial assets are exposed to credit risk concentrations mainly comprising bank deposits and trade accounts receivable. Regarding bank deposits, the Group reduces the likelihood of credit risk concentrations because it keeps its deposits and places its cash investments at first-class financial entities (according to Apoyo & Asociados, a partner of Fitch Ratings) and limits the amount of exposure to credit risk in any of such financial entities.

Regarding trade accounts receivable, the significant credit risk concentrations, individual or group, are mitigated since the Group's policy is to monitor the payment behavior of customers and their financial position to comply with the respective payments on a regular basis.

F. Liquidity risk

Liquidity risk management involves maintaining enough cash and cash equivalents and the possibility of finding and/or having found funding through an adequate quantity of credit sources.

In addition, the Group has adequate levels of cash and cash equivalents considering:

- Auna can finance its current assets (accounts receivable, inventories and others) with current liabilities (accounts payable, deferred revenue and others).
- Not considering growth capex (new hospitals, acquisitions, etc.), Auna has enough cash flow from operations to finance its maintenance capex, current debt service (interest and principal), dividends and a portion of growth capex.
- Growth capex is financed mainly by long-term debt and cash flow from operations. In some cases, by capital contribution (for example: acquisition of PMLA).
- In addition, Auna has revolving credit lines of S/ 498,144 thousand to use in case of cash flow needs. As of June 30, 2023, we had S/ 338,534 thousand drawn and S/ 159,610 thousand of availability under the revolving credit facility. As of December 31, 2022, we had S/ 492,346 thousand drawn and S/ 146,092 thousand of availability under the revolving credit facility.
- These credit lines are renewed every year. The interest rate applicable is a fixed rate that is agreed upon with the bank before the reception of the cash in Auna accounts and depends on the credit terms (from 30 to 180 days). The revolving credit lines for Auna are with the following banks in Perú: Scotiabank: S/ 100,000 thousand; Banbif: S/ 29,024 thousand; BBVA: S/ 26,847 thousand; BCP: S/ 43,536 thousand; Interbank: S/ 14,512 thousand, Citibank: S/ 79,816 thousand, and Pichincha: S/ 29,024 thousand. The available credit lines in Colombia are around S/ 126,645 thousand and in Mexico are around S/ 48,739.

In addition, the Group monitors its liquidity risk based on the plans and guidelines established by Management.

The following table analyzes the Group's financial liabilities classified per maturity based on the remaining contractual period as of June 30, 2023 and December 31, 2022, consolidated statement of financial position. The amounts disclosed are contractual cash flows.

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows	Less than 1 year	From 1 to 2 years	From 3 to 5 years	More than 5 years
As of June 30, 2023						
Trade accounts payable	606,723	606,723	602,306	4,417	-	-
Other accounts payable (*)	442,120	448,422	218,172	62,716	167,534	-
Loans and borrowings (**)	3,410,496	4,603,282	613,192	296,541	3,534,650	158,899
Lease liabilities	153,942	213,754	41,456	36,483	72,664	63,151
Derivative financial instruments	668	668	-	-	668	-
	4,613,949	5,872,849	1,475,126	400,157	3,775,516	222,050

Auna S.A.A. and Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements**

June 30, 2023

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows	Less than 1 year	From 1 to 2 years	From 3 to 5 years	More than 5 years
As of December 31, 2022						
Trade accounts payable	512,660	512,660	512,587	73	-	-
Other accounts payable (*)	400,965	527,022	218,796	22,113	286,113	-
Loans and borrowings (**)	3,348,647	3,845,977	2,333,506	108,937	1,333,160	70,374
Lease liabilities	162,922	224,037	38,794	36,363	77,674	71,206
Derivative financial instruments	15,317	15,317	15,317	-	-	-
	4,440,511	5,125,013	3,119,000	167,486	1,696,947	141,580

(*) They do not include taxes payable, remunerations and other benefits payables.

(**) They include contractual interest.

Management monitors the risk related to the liabilities included in the above-mentioned categories and considers to be obtaining enough credit lines to comply with the plans established by the Management.

The Group administers the excess cash flow investing in short term investments. In addition, at the end of June 30, 2023 and December 31, 2022, the Group has credit lines for working capital that have not been used or used partially, enough to comply with short- and medium-term obligations.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

21. Related Parties

This caption comprises transaction value for the six months ended June 30, 2023 and 2022 and outstanding balances as of June 30, 2023 and December 31, 2022 as follow:

	Transaction value			
	For six months ended		Outstanding balances	
<i>In thousands of soles</i>	June 30, 2023	June 30, 2022	June 30, 2023	December 31, 2022
Sales of oncologic healthcare services				
Joint ventures	53	91	306	247
Others	58	7	67	1,895
	111	98	373	2,142
Cost of sales of oncologic healthcare services				
Joint ventures	1,887	1,684	724	1,182
Associates	5,832	4,060	2,721	1,945
Others	4,795	3,940	3,384	3,353
	12,514	9,684	6,829	6,480
Administrative expenses				
Services provided by third parties (i)	1,206	1,682	29	1,329
Other management charges	1,870	3,327	332	200
	3,076	5,009	361	1,529
Selling expenses				
Services provided by third parties (ii)	558	531	134	95
	558	531	134	95

All outstanding balances with these related parties are priced on arm's-length basis. None of the balances is secured. No expense has been recognized in the current year or prior year of loss for impairment of trade receivables in respect of amounts owned by related parties. No guarantees have been given or received.

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

i. Management expenses

For the six-month period ended June 30, 2023 and 2022, corresponded to administrative expenses provided by Enfoca to the Group mainly to management services for S/ 1,206 thousand and S/ 1,682 thousand, respectively.

ii. Selling expenses

For the six-month period ended June 30, 2023 and 2022, corresponded to selling expenses provided to the Group by companies related with shareholders mainly to sales commission for S/ 558 thousand and S/ 531 thousand, respectively.

Compensation to key personnel

For the six-month period ended June 30, 2023, and 2022, the compensation paid to the key management of the companies located in Peru amounts to S/ 41,045 thousand and S/ 45,345 thousand, respectively, in Colombian companies the amount is S/ 7,253 thousand at June 30, 2023 (S/ 7,919 thousand as of June 30, 2022) and Mexican companies the amount is S/ 11,081 thousand at June 30, 2023. The Group does not grant long-term benefits to its key management personnel.

Compensation to directors

During the six months ended at June 30, 2023 and 2022, the compensation paid to the board of directors of the companies located in Peru amounts to S/ 2,242 thousand and S/ 1,975 thousand, respectively.

Medical services

As of June 30, 2023 and 2022 certain directors provided medical services in the Group. For their medical services, they have received customary compensation and benefits commensurate with their level of responsibility within the Company, aligned with the compensation paid to other physicians and medical professionals of similar stature employed by the Group.

In addition, the Group reimbursed certain expenses incurred in connection with providing these services as at rent for office space, phone expenses, certain taxes, purchase of medical books and travel expenses related to his attendance at conferences on behalf of the Group.

22. Contingencies

As of June 30, 2023, the Group maintains various judicial processes (labor, regulatory, civil) that Management evaluated as possible. If the defense against those actions is unsuccessful, then the total payment could amount to S/ 38,246 thousand (S/ 35,936 thousand as of December 31, 2022).

23. Subsequent Events

On July 6, 2023, the merger of Auna S.A.A. with Auna S.A. was published in the Luxembourg Company Registry, therefore, it is effective as of that date. The purpose of Auna's new headquarters is to be located in a stable, business friendly and attractive jurisdiction, and as Luxembourg offers connectivity and access to talent, technology and global information, it is the clear choice in line with the growth platform for Auna.

Between July 1, 2023 and until the date of issuance of these financial statements (October 27, 2023), no additional events or events of importance have occurred in addition to that indicated in the previous paragraph that require adjustments or disclosures to the condensed consolidated interim financial statements as of June 30, 2023.

24. Significant Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2022.

As indicated in note 4.M of the annual financial statements as of and for the period ended December 31, 2022, the Company adopted the following accounting policies in a retrospective manner, for which reason the financial statements as of December 31, 2022 were restated. Consequently, the policy applicable to insurance contracts in these financial statements is as follows:

IFRS 17: Insurance contracts

The Group has restated comparative information for 2022 applying the transitional provisions in IFRS 17. The nature of the changes in accounting policies can be summarized, as follows:

The key principles of IFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.
- Recognizes profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognizes the loss immediately.
- Recognizes an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognized. Such an asset is derecognized when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates portfolios of insurance contracts issued:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Transition

On the transition date, January 1, 2022, the Group:

- Has identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

The Group has applied the full retrospective approach on transition to all contracts.

Recognition

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

The Group recognizes groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date;
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Or:

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio;
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance finance income and expense

The Group does not disaggregate finance income and expenses the effect are recognize through profit or loss. The Group has elected not to discount claims that are expected to be settled within one year from the date they are incurred.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. For the periods presented, all revenue has been recognized on the basis of the passage of time.

Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.

When identifying contracts in the scope of IFRS 17, the Group assesses whether a set of series of contracts needs to be treated as a single contract and whether embedded, investment components and goods and services components have to be separated and accounted for under another standard.

Level of aggregation

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risk and managed together, and dividing each group into annual cohorts. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous and the remainder. When a contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The Group considers the nature, risk and line of products as criteria for identifying its portfolios and has determined that all insurance contracts will be grouped as a single portfolio.

Insurance acquisition cash flows

For insurance acquisition cash flows, the Group recognizes the insurance acquisitions cash flows (IACF) are capitalized and amortized over the coverage period.

Measurement – Non-life contracts

On initial recognition, for a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as the premiums received on initial recognition, minus any insurance acquisition cash flows at that date, plus or minus any amount arising from the derecognition at that date of the asset or liability recognized for insurance acquisition cash flows that the Group pays or receives before the group of insurance contracts is recognized. The liability for remaining coverage does not include an adjustment for the time value of money as the premiums are received within one year of the coverage period.

Insurance contracts – subsequent measurement

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and the earned IACF that are deferred; and decreased by the amount recognized as insurance revenue for services provided and the IACF paid. The Group expects the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognize a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfillment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Group recognizes liability for incurred claims of a group of contracts at the amount of the fulfillment cash flows relating to incurred claims. As the future cash flows are expected to be paid in one year or less from the dates the claims are incurred, the Group decided not to discount the cashflows.

Insurance contracts – modification and derecognition

The Group derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired).

Auna S.A.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

Or:

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognizes the initial contract and recognizes the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and beginning a group of insurance contracts (issued or expected to be issued) that are directly attributable to the insurance contract portfolio to which the group belongs. These cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The Group has chosen to defer insurance acquisition cash flows using a systematic and rational method.

The summary of the effects of updating the Statement of Financial Position ended January 1, 2022 and December 31, 2022 is presented below:

Restatement for comparability purposes

The summary of the effects of updating the Consolidated Statement of Financial Position ended January 1, 2022 and December 31, 2022 is presented below:

Statement of financial position as of January 1, 2022

<i>In thousands of soles</i>	As of January 1, 2022	IFRS 17 effects	As of January 1, 2022
Assets			
Current assets			
Cash and cash equivalents	138,771	-	138,771
Trade accounts receivable	352,662	(9,342)	343,320
Other assets	118,683	(4,106)	114,577
Inventories	61,151	-	61,151
Total current assets	671,267	(13,448)	657,819
Non-current assets			
Trade accounts receivable	279	-	279
Other assets	17,179	-	17,179
Investments in associates and joint venture	14,286	-	14,286
Property, furniture, and equipment	1,232,218	-	1,232,218
Intangible assets	509,989	-	509,989
Right-of-use assets	119,006	-	119,006
Investment properties	1,531	-	1,531
Derivative financial instruments	144,424	-	144,424
Deferred tax assets	113,471	-	113,471
Total non-current assets	2,152,383	-	2,152,383
Total assets	2,823,650	(13,448)	2,810,202
Liabilities			
Current liabilities			
Loans and borrowings	29,731	-	29,731

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

<i>In thousands of soles</i>	As of January 1, 2022	IFRS 17 effects	As of January 1, 2022
Lease liabilities	16,883	-	16,883
Trade accounts payable	454,098	(3,907)	450,191
Other accounts payable	122,393	(5,799)	116,594
Provisions	11,085	(2,409)	8,676
Unearned premiums reserve	63,969	(63,969)	-
Insurance contract liabilities	-	17,448	17,448
Deferred income	326	-	326
Total current liabilities	698,485	(58,636)	639,849
Non-current liabilities			
Loans and borrowings	1,322,713	-	1,322,713
Lease liabilities	123,700	-	123,700
Trade accounts payable	1,938	-	1,938
Other accounts payable	26,071	-	26,071
Derivative financial instruments	50,892	-	50,892
Deferred tax liabilities	53,574	-	53,574
Deferred income	366	-	366
Total non-current liabilities	1,579,254	-	1,579,254
Total liabilities	2,277,739	(58,636)	2,219,103
Equity			
Share capital	236,547	-	236,547
Share premium	386,045	-	386,045
Reserves	(81,285)	-	(81,285)
Retained losses	(45,490)	45,188	(302)
Equity attributable to the owner of the Company	495,817	45,188	541,005
Non-controlling interest	50,094	-	50,094
Total equity	545,911	45,188	591,099
Total liabilities and equity	2,823,650	(13,448)	2,810,202

Statement of financial position as of December 31, 2022

<i>In thousands of soles</i>	As of December 31, 2022	IFRS 17 effects	As of December 31, 2022
Assets			
Current assets			
Cash and cash equivalents	208,694	-	208,694
Trade accounts receivable	588,757	(14,591)	574,166
Other assets	259,945	(4,350)	255,595
Inventories	87,578	-	87,578
Derivative financial instruments	69,064	-	69,064
Total current assets	1,214,038	(18,941)	1,195,097
Non-current assets			
Trade accounts receivable	551	-	551
Other assets	19,806	-	19,806
Investments in associates and joint venture	13,096	-	13,096

Auna S.A.A. and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2023

<i>In thousands of soles</i>	As of December 31, 2022	IFRS 17 effects	As of December 31, 2022
Property, furniture, and equipment	2,320,144	-	2,320,144
Intangible assets	2,758,917	-	2,758,917
Right-of-use assets	144,317	-	144,317
Investment properties	5,982	-	5,982
Derivative financial instruments	13,542	-	13,542
Deferred tax assets	122,211	-	122,211
Total non-current assets	5,398,566	-	5,398,566
Total assets	6,612,604	(18,941)	6,593,663
Liabilities			
Current liabilities			
Loans and borrowings	2,040,980	-	2,040,980
Lease liabilities	28,084	-	28,084
Trade accounts payable	513,310	(723)	512,587
Other accounts payable	221,889	(5,726)	216,163
Provisions	23,002	(3,028)	19,974
Derivative financial instruments	15,317	-	15,317
Unearned premiums reserve	71,834	(71,834)	-
Insurance contract liabilities	-	11,699	11,699
Deferred income	313	-	313
Total current liabilities	2,914,729	(69,612)	2,845,117
Non-current liabilities			
Loans and borrowings	1,307,667	-	1,307,667
Lease liabilities	134,838	-	134,838
Trade accounts payable	73	-	73
Other accounts payable	277,181	-	277,181
Deferred tax liabilities	470,159	-	470,159
Deferred income	567	-	567
Total non-current liabilities	2,190,485	-	2,190,485
Total liabilities	5,105,214	(69,612)	5,035,602
Equity			
Share capital	236,547	-	236,547
Share premium	386,045	-	386,045
Reserves	543,820	-	543,820
Retained losses	(141,362)	39,929	(101,433)
Equity attributable to the owner of the Company	1,025,050	39,929	1,064,979
Non-controlling interest	482,340	10,742	493,082
Total equity	1,507,390	50,671	1,558,061
Total liabilities and equity	6,612,604	(18,941)	6,593,663

25. Standards Issued but not yet Effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2023 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

This table lists new currently effective standards that are required to be adopted in annual periods beginning on January 1, 2023 and forthcoming requirements that are required to be applied for annual periods beginning after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2023.

New currently effective requirements

Effective date	New standards or amendments
	▪ Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 ▪ Definition of Accounting Estimate – Amendments to IAS 8 ▪ Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

Forthcoming requirements

Effective date	New standards or amendments
January 1, 2024	▪ Non-current Liabilities with Covenants – Amendments IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1 ▪ Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The Group is currently assessing the impacts of the future adoption of these forthcoming standards.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors Auna S.A.A.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Auna S.A.A. and subsidiaries (the “Company”) as of December 31, 2022, 2021 and 2020, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Emmerich, Córdova y Asociados S. Civil de R.L.

We have served as the Company’s auditor since 2016.

Lima, Peru

October 27, 2023

Auna S.A.A. and Subsidiaries
Consolidated Statement of Financial Position

As of December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	2022 Restated	2021	2020
Assets				
Current assets				
Cash and cash equivalents	5	208,694	138,771	343,454
Trade accounts receivable	6	574,166	352,662	370,643
Other assets	7	255,595	118,683	69,517
Inventories	8	87,578	61,151	52,568
Derivative financial instruments	9	69,064	-	-
Total current assets		1,195,097	671,267	836,182
Non-current assets				
Trade accounts receivable	6	551	279	367
Other assets	7	19,806	17,179	15,951
Investments in associates and joint venture	10	13,096	14,286	12,097
Property, furniture, and equipment	11	2,320,144	1,232,218	1,062,222
Intangible assets	12	2,758,917	509,989	490,892
Right-of-use assets	13	144,317	119,006	141,274
Investment properties		5,982	1,531	1,601
Derivative financial instruments	9	13,542	144,424	11,707
Deferred tax assets	14	122,211	113,471	78,778
Total non-current assets		5,398,566	2,152,383	1,814,889
Total assets		6,593,663	2,823,650	2,651,071

<i>In thousands of soles</i>	<i>Note</i>	2022 Restated	2021	2020
Liabilities				
Current liabilities				
Loans and borrowings	15	2,040,980	29,731	18,444
Lease liabilities	13	28,084	16,883	18,649
Trade accounts payable	16	512,587	454,098	351,247
Other accounts payable	17	216,163	122,393	109,784
Provisions	18	19,974	11,085	7,932
Derivative financial instruments	9	15,317	-	-
Unearned premiums reserve	19	-	63,969	60,245
Insurance contract liabilities	33	11,699	-	-
Deferred income		313	326	446
Total current liabilities		2,845,117	698,485	566,747
Non-current liabilities				
Loans and borrowings	15	1,307,667	1,322,713	1,190,225
Lease liabilities	13	134,838	123,700	127,519
Trade accounts payable	16	73	1,938	4,782
Other accounts payable	17	277,181	26,071	24,214
Derivative financial instruments	9	-	50,892	33,594
Deferred tax liabilities	14	470,159	53,574	51,154
Deferred income		567	366	765
Total non-current liabilities		2,190,485	1,579,254	1,432,253
Total liabilities		5,035,602	2,277,739	1,999,000
Equity				
Share capital	20	236,547	236,547	236,547
Share premium		386,045	386,045	386,045
Reserves		533,369	(81,285)	(9,038)
Retained losses		(90,982)	(45,490)	(12,623)
Equity attributable to the owner of the Company		1,064,979	495,817	600,931
Non-controlling interest		493,082	50,094	51,140
Total equity		1,558,061	545,911	652,071
Total liabilities and equity		6,593,663	2,823,650	2,651,071

The accompanying notes on pages 5 to 123 are an integral part of these consolidated financial statements.

Auna S.A.A. and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	2022 Restated	2021	2020
Revenue				
Insurance revenue	21	716,064	630,545	566,358
Healthcare services revenue	21	1,514,639	1,092,722	703,726
Sales of medicines	21	220,905	200,452	173,698
Total revenue from contracts with customers		2,451,608	1,923,719	1,443,782
Cost of sales and services	22	(1,571,904)	(1,236,784)	(914,354)
Gross profit		879,704	686,935	529,428
Selling expenses	22	(169,803)	(159,082)	(133,056)
Administrative expenses	22	(477,524)	(400,680)	(273,361)
Income (loss) for impairment of trade receivables	6	1,580	(27,129)	(16,358)
Other expenses	24	(1,028)	-	(321)
Other income	23	21,658	8,098	12,089
Operating profit		254,587	108,142	118,421
Finance income	25	6,910	7,606	3,773
Finance costs	25	(312,701)	(122,219)	(136,736)
Net finance cost		(305,791)	(114,613)	(132,963)
Share of profit of equity-accounted investees	10	3,757	3,345	1,320
Loss before tax		(47,447)	(3,126)	(13,222)
Income tax (expense) benefit	28	(29,383)	(19,897)	7,844
Loss for the year		(76,830)	(23,023)	(5,378)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Cash flow hedges		10,154	(6,810)	(28,406)
Foreign operations – Foreign currency translation differences		(217,832)	(78,468)	75,976
Remeasurements of defined benefit liability		(437)	-	-
Change in fair value of put and call liability		(9,666)	-	-
Equity-accounted investees – share of OCI	10	(77)	132	-
Income tax		(2,996)	2,009	7,987
Other comprehensive (loss) profit for the year, net of tax		(220,854)	(83,137)	55,557
Total comprehensive (loss) income for the year		(297,684)	(106,160)	50,179
(Loss) profit attributable to:				
Owner of the Company		(85,606)	(26,473)	(7,104)
Non-controlling interest	20.1	8,776	3,450	1,726
		(76,830)	(23,023)	(5,378)
Total comprehensive (loss) income attributable to:				
Owner of the Company		(264,389)	(105,114)	43,119
Non-controlling interest	20.1	(33,295)	(1,046)	7,060
		(297,684)	(106,160)	50,179
Earnings per share				
Basic and diluted earnings per share	26	(0.36)	(0.11)	(0.03)

The accompanying notes on pages 5 to 123 are an integral part of these consolidated financial statements.

Auna S.A.A. and Subsidiaries
Consolidated Statement of Changes in Equity

For the years ended December 31, 2022, 2021 and 2020

		Equity attributable to the owner of the Company								Non-controlling interest (note 20.I)	Total equity	
		Share Capital (note 20.A)	Share Premium (note 20.B)	Other capital reserve (note 20.C)	Translation reserve (note 20.D)	Cost of hedging reserve (note 20.E)	Hedging reserve (note 20.F)	Merger and other reserves (note 20.G)	Retained earnings (losses) (note 20.H)			Total
<i>In thousands of soles</i>	<i>Note</i>											
Balances as of January 1, 2020		236,547	386,045	32,083	(10,516)	-	(13,287)	(85,296)	17,244	562,280	16,538	578,818
Loss for the year		-	-	-	-	-	-	-	(7,104)	(7,104)	1,726	(5,378)
Other comprehensive income for the year		-	-	-	70,642	(18,932)	(1,487)	-	-	50,223	5,334	55,557
Total comprehensive income for the year		-	-	-	70,642	(18,932)	(1,487)	-	(7,104)	43,119	7,060	50,179
Transfer to legal reserve		-	-	12,763	-	-	-	-	(12,763)	-	-	-
Acquisition of non-controlling interest		-	-	-	-	-	-	2,366	-	2,366	(14,037)	(11,671)
Acquisition of subsidiary with NCI		-	-	-	-	-	-	-	-	-	35,755	35,755
Contributions from non-controlling shareholder		-	-	-	-	-	-	3,120	-	3,120	5,831	8,951
Shareholder’s downstream merger		-	-	-	-	-	-	46	-	46	-	46
Dividend distribution		-	-	-	-	-	-	-	(10,000)	(10,000)	(7)	(10,007)
Total transactions with the owners of the Company		-	-	12,763	-	-	-	5,532	(22,763)	(4,468)	27,542	23,074
Balances as of December 31, 2020		236,547	386,045	44,846	60,126	(18,932)	(15,314)	(79,764)	(12,623)	600,931	51,140	652,071
Balances as of January 1, 2021		236,547	386,045	44,846	60,126	(18,932)	(15,314)	(79,764)	(12,623)	600,931	51,140	652,071
Loss for the year		-	-	-	-	-	-	-	(26,473)	(26,473)	3,450	(23,023)
Other comprehensive loss for the year		-	-	-	(73,840)	59	(4,860)	-	-	(78,641)	(4,496)	(83,137)
Total comprehensive loss for the year		-	-	-	(73,840)	59	(4,860)	-	(26,473)	(105,114)	(1,046)	(106,160)
Transfer to legal reserve		-	-	6,394	-	-	-	-	(6,394)	-	-	-
Total transactions with the owners of the Company		-	-	6,394	-	-	-	-	(6,394)	-	-	-
Balances as of December 31, 2021		236,547	386,045	51,240	(13,714)	(18,873)	(20,174)	(79,764)	(45,490)	495,817	50,094	545,911
Adoption of IFRS 17	4.Z	-	-	-	-	-	-	-	45,188	45,188	-	45,188
Balances as of January 1, 2022		236,547	386,045	51,240	(13,714)	(18,873)	(20,174)	(79,764)	(302)	541,005	50,094	591,099
Loss for the year		-	-	-	-	-	-	-	(85,606)	(85,606)	8,776	(76,830)
Other comprehensive loss for the year		-	-	-	(176,675)	3,740	3,418	(9,266)	-	(178,783)	(42,071)	(220,854)
Total comprehensive loss for the year		-	-	-	(176,675)	3,740	3,418	(9,266)	(85,606)	(264,389)	(33,295)	(297,684)
Contributions from non-controlling shareholder		-	-	-	-	-	-	950,228	-	950,228	402,382	1,352,610
Acquisition of subsidiary with NCI		-	-	-	-	-	-	(161,915)	-	(161,915)	73,901	(88,014)
Transfer to legal reserve		-	-	5,074	-	-	-	-	(5,074)	-	-	-
Shareholder’s downstream merger		-	-	-	-	-	-	50	-	50	-	50
Total transactions with the owners of the Company		-	-	5,074	-	-	-	788,363	(5,074)	788,363	476,283	1,264,646
Balances as of December 31, 2022 Restated		236,547	386,045	56,314	(190,389)	(15,133)	(16,756)	699,333	(90,982)	1,064,979	493,082	1,558,061

The accompanying notes on pages 5 to 123 are an integral part of these consolidated financial statements.

Auna S.A.A. and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	2022 Restated	2021	2020
Cash flows from operating activities				
Loss for the year		(76,830)		(5,378)
			(23,023)	
Adjustments for:				
Depreciation	11	85,310	44,608	30,986
Depreciation of right-of-use assets	13	21,726	20,094	26,435
Amortization	12	31,055	12,693	7,278
Change in fair value of investment property		(173)	(60)	(57)
Impairment of inventories		4,655	450	419
Gain on a bargain purchase	1.C	-	-	(4,495)
Loss (gain) loss on disposal of property, furniture, and equipment	11	1,143	4,211	(6)
Loss on disposal of right-of-use assets net of leases	13	(32)	319	321
Loss on disposal of intangibles	24	1,028	37	20
Loss on disposal of assets held for sale		-	-	45
Loss for impairment of trade receivables	6	(1,580)	27,129	16,358
Share of profit of equity-accounted investees	10	(3,757)	(3,345)	(1,320)
Technical provisions and other provisions	18	380	4,403	2,614
Finance income	25	(6,910)	(7,606)	(3,773)
Finance costs	25	312,701	122,219	136,736
Tax expense (benefit)	28	29,383	19,897	(7,844)
Net changes in assets and liabilities				
Trade accounts receivable and other assets		(80,478)	(39,470)	(6,650)
Inventories		(22,911)	(10,781)	(14,166)
Trade accounts payable and other accounts payable		(63,168)	97,608	25,381
Provisions	18	(2,145)	(2,055)	(4,259)
Insurance contract liabilities		(5,749)	-	-
Unearned premium reserves		-	3,724	2,035
Cash generated from operating activities		223,648	271,052	200,680
Income tax paid		(67,767)	(89,307)	(47,083)
Interest received		6,760	1,598	2,699
Net cash from operating activities		162,641	183,343	156,296
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	1.C	(2,952,721)	(3,908)	259
Purchase of properties, furniture, and equipment	11	(102,497)	(233,255)	(90,743)
Purchase of intangibles	12	(49,472)	(56,114)	(38,174)
Dividends from equity-accounted investees	10	1,586	674	303
Other assets (Trust funds)	1.C.ii	(94,526)	-	-
Proceeds from sale of assets held for sale		-	-	1,333
Proceeds from sale of property, furniture, and equipment		176	609	1,094
Payment for contingent consideration		(397)	-	-
Advance payment for purchase of shares of associates		(11,592)	-	-
Net cash used in investing activities		(3,209,443)	(291,994)	(125,928)
Cash flows from financing activities				
Proceeds from loans and borrowings	15	2,287,819	38,408	1,481,639
Advance payment for purchase of non-controlling interest	7	-	1,148	-
Payment for loans and borrowings	15	(340,113)	(5,750)	(1,072,048)
Payment for lease liabilities	15	(34,758)	(29,577)	(90,089)
Penalty paid for debt prepayment	15	(9)	(50)	(3,400)
Payment for accounts payables to third parties	15	-	(2,325)	(1,908)
Payment for derivatives premiums	15	(26,461)	(19,977)	-
Payment for call spread premiums	15	-	-	(4,302)
Payment for settlement of derivatives	15	-	-	(5,296)
Interest paid	15	(108,303)	(84,010)	(37,276)
Dividends paid	21	(131)	-	(10,007)
Trust funds	7(c)	-	-	6,438
Contributions from non-controlling shareholders	15 & 20	1,352,610	-	8,951
Net cash (used in) from financing activities		3,130,654	(102,133)	272,702
Net (decrease) increase in cash and cash equivalents		83,852	(210,784)	303,070
Cash and cash equivalents at January 1		138,771	343,454	36,084
Cash and cash equivalents arising from shareholder's downstream merger		145	-	-
Effect of movements in exchange rates on cash held		(14,074)	6,101	4,300
Cash and cash equivalents at December 31		208,694	138,771	343,454
Transactions not representing cash flows				
Assets acquired through finance lease and other financing	13	36,617	7,960	42,853
Assets acquired from suppliers in installments	11	(14,003)	24,211	6,133
Capitalised borrowing costs	11	-	1,742	1,235

The accompanying notes on pages 5 to 123 are an integral part of these consolidated financial statements.

1. Economic Activity

A. Business activity

Auna S.A.A. (hereinafter the “Company” or “Auna”) is a subsidiary of Enfoca Group (ultimate controlling party), which holds a share capital of 72.93% acquired through different mechanisms. The Company is the controlling parent of a group of operating and pre-operating companies focused on the healthcare sector. It was incorporated in Peru in 2008 through the contribution of all the shares of the former shareholders of Oncosalud S.A.C. to the Company.

The Company’s registered office is at Av. República de Panamá N° 3461, San Isidro, Lima, Perú. The Company and its subsidiaries together are also referred to in these consolidated financial statements as the “Group”. The Group is a healthcare service provider primarily focused on services that provide cancer treatment through its subsidiary Oncosalud S.A.C., inpatient hospitals, outpatient care centers and specialized medical centers in Peru, since the end of 2018 in Colombia, through Promotora Médica Las Américas S.A. (hereinafter “PMLA”), since September 1, 2020 through Clínica Portoazul and since April 21, 2022 through Oncomedica S.A. In February 2022, the Group has established a holding company in Mexico, called Grupo Salud Auna Mexico S.A. de C.V. (hereinafter “Auna Mexico”), focus on healthcare investments. On October 5, 2022, the Group through Auna Mexico acquired Hospital y Clínica OCA S.A. de C.V. The structure of the Group is detailed in note 29.

B. Approval of the consolidated financial statements

The consolidated financial statements as of December 31, 2022, 2021 and 2020 were approved for issuance by the Board of Directors on October 27, 2023.

C. Acquisition of subsidiaries

i. Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Togleja HG, S.A. de C.V.

On February 21, 2022, Grupo Salud Auna México, S.A. de C.V., signed a share purchase agreement (hereinafter the “SPA”) with the shareholders of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Togleja HG, S.A. (hereinafter the entities) for the acquisition of 100% of shares, obtaining control over of the entities. Additionally, a group of properties was acquired as part of the acquisition. The transaction closing date was on October 5, 2022.

The entities are engaged in the direct provision of healthcare services. The entities registered office is at city of Monterrey - Mexico. The acquisition is expected to provide the Group with an entry into the healthcare services market in Mexico.

Grupo Salud Auna México, S.A. de C.V. signed a loan agreement with Santander México, Bank and HSBC México Bank and a loan with the former shareholder for an amount of S/ 1,385,045 thousand (equivalent to US\$ 350,000 thousand) and capital contribution from shareholders, which were used to pay for the acquisition.

This acquisition was recorded using the acquisition method of accounting. Under this method, assets and liabilities were recorded at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the statement of financial position of the acquired entity. The transaction costs associated with the acquisition to S/ 24,481 thousand were recorded as an expense and presented under 'administrative expenses' in the consolidated statement of income and other comprehensive income. The fair values of the acquired net assets are presented below:

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents		17,792
Trade accounts receivable and other accounts receivables		70,549
Inventory		10,009
Intangible assets	12	606,620
Property, furniture and equipment	11	1,083,894
Investment properties		4,647
Trade accounts payable and other accounts payable		(97,279)
Loans and borrowings	15	(13,830)
Contingent liabilities	18	(14,119)
Deferred tax liability	14	(410,754)
Total identifiable net assets acquired		1,257,529

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 80,749 thousand. At the date of acquisition, S/ 10,200 thousand were expected to be uncollectable.

The Group has agreed with the selling shareholders to defer a part of payment (holdback) for S/ 93,317 thousand (equivalent to US\$ 23,615 thousand) for a period of 450 days. As of December 31, 2022 this amount not includes interest accrued for S/ 620 thousand (equivalent to US\$ 162 thousand) and as a lower exchange difference for S/ 3,803.

The following table summarizes the fair value as at the acquisition date of each major class of consideration transferred:

<i>In thousands of soles</i>	
Cash	2,589,679
Holdback	93,317
Total consideration transferred	2,682,996

This acquisition resulted in goodwill, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	2,682,996
(Less)	
Fair value of identifiable net assets	(1,257,529)
Goodwill	1,425,467

The Group, through its subsidiary, Grupo Salud Auna México, S.A. de C.V., has recorded the goodwill on the acquisition for S/ 1,425,467 thousand in Healthcare services in México Segment as part of the 'intangibles assets' account in the consolidated statement of financial position. None of the goodwill recognized is expected to be deductible for tax purposes.

Factors that explain the transaction and the goodwill are related to the business model of the acquired companies, which are a group of clinics that provide healthcare services. According to Management, the

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

Group looked to acquire an entities with high experience in healthcare services, which would allow the Group to have a strategic position in the health sector in Mexico. In addition, goodwill represents other synergies in operating efficiencies expected to be achieved from the mix of operations and other efficiencies not included in intangibles.

The purchase accounting as of the date of these financial statements is incomplete and expected to be completed within one year from the date of acquisition, basically due to the working capital adjustment measured provisionally.

For the period ended December 31, 2022, the entities contributed revenues of S/ 216,121 thousand and profit before tax of S/ 34,206 thousand to the Group's results.

If the acquisition had been made as of January 1, 2022, revenues would have amounted to S/ 3,030,375 thousand and profit before tax for the period 2022 would have amounted to S/ 101,852 thousand in the consolidated statement of income and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	
Consideration transferred in cash	2,589,679
Cash and cash equivalents from the entities	(17,792)
Net cash flows incurred	2,571,887

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets and liabilities acquired	Valuation technique
Trademarks	'Oca' and 'Doctors' are the trademarks of the acquired group. These brands have a local presence and offer a broad portfolio of healthcare services to its patients. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Group considered the Relief from royalty (RFR) method within the income approach as the most appropriate to assess the value of the brands. The basic principle of the RFR method is that without ownership of the intangible in question, the user of that intangible would have to make a stream of payments to the asset owner in exchange for the rights to use that asset. By acquiring the intangible, the user avoids these payments. Based on the projections of the purchase model, the projected income and cash flow of the brands was estimated for the years 2022-2027, as of the year 2028, a growth of 2.3% was considered according to Management. This growth was used to calculate the terminal value of brands that have an indefinite useful life. The royalty rate used for brand valuation was 2.5%. This royalty rate was obtained from comparable companies. Brands valuation found a nominal discount rate in MXN (WACC) by estimating a cost of debt (Kd) and equity (CoK).

Assets and liabilities acquired	Valuation technique
Customer relationship	Contracts agreed with doctors in the healthcare services, mainly, in which number of services are contracted to an established population. It is considered that they meet the criteria established for the recognition of said intangible asset. The multi-period excess earnings method ("MPEEM") within the income approach is the most appropriate to value this asset. The MPEEM determines the value of an intangible as the present value of the incremental after-tax cash flows attributable only to the subject intangible after deducting the Contributory Asset Charges (CAC). The concept behind the CAC is that an intangible 'rents' or 'leases' from a hypothetical third party all the assets it requires to produce the cash flows resulting from its development, that each project leases only those assets it needs (including trading elements) and not those it does not need, and that each project pays to the owner of the assets a fair return (where appropriate) on the value of the leased assets.
Property, furniture and equipment and Investment properties	Market comparison technique and cost technique: The valuation model considers market prices quoted for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration, as well as functional and economic obsolescence.

ii. Oncomedica S.A.

On January 18, 2022, Auna Colombia S.A.S. signed a share purchase agreement (hereinafter SPA) with the shareholders of Oncomedica S.A. for the acquisition of 70% of shares (735,909,887 shares) of Oncomedica S.A. obtaining an interest of 70% and obtaining control. The transaction closing date was on April 21, 2022.

Oncomedica S.A. and its subsidiaries are engaged in the direct provision of healthcare services and other healthcare-related services. Oncomedica S.A.'s registered office is at city of Montería - Colombia. The acquisition is expected to provide the Group with an increased share of the healthcare services market in Colombia.

Auna Colombia signed a loan agreement with JPMorgan Chase Bank, S.A. for an amount of S/ 205,628 thousand (equivalent to US\$ 55,500 thousand) which was used to pay for the acquisition of Oncomedica S.A.

This acquisition was recorded using the acquisition method of accounting. Under this method, assets and liabilities were recorded at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the statement of financial position of the acquired entity. The transaction costs associated with the acquisition of S/ 1,195 thousand were recorded as an expense and presented under 'administrative expenses' in the consolidated statement of income and other comprehensive income. The fair values of the acquired net assets are presented below:

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents		15,966
Trade accounts receivable and other accounts receivables		198,129
Inventory		5,324
Intangible assets	12	66,053
Property, furniture and equipment	11	168,501
Right-of-use assets	13	21,679
Trade accounts payable and other accounts payable		(126,372)
Loans and borrowings	15	(48,440)
Lease liabilities	13	(21,551)
Deferred tax liability	14	(32,952)
Total identifiable net assets acquired		246,337

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 286,465 thousand. At the date of acquisition, S/ 88,336 thousand were expected to be uncollectable.

The Group has agreed to pay the selling shareholders a contingent consideration from S/ 73,439 thousand (equivalent to COP 74,031 million) to S/ 122,397 thousand (equivalent to COP 123,384 million) if the acquiree's EBITDA of the year 2022 is between S/ 85,471 thousand (equivalent to COP 86,160 million) and S/ 116,355 thousand (equivalent to COP 117,203 million). At the date of the acquisition, the Group has estimated the fair value of the consideration at S/ 79,461 thousand (COP 80,101,345 thousand).

To guarantee the payment of the contingent consideration, on the closing date, the share purchase agreement established a bank guarantee to be provided by the acquirer to the sellers. In this regard, the Group has deposited of S/ 94,526 thousand (COP 100,000 million) in a trust fund which have been accounted for as other financial assets and included in other assets in consolidated financial statement position. This amount has increased on this balance by S/ 675 thousand as higher exchange difference, see note 7(c).

The following table summarizes the fair value as of the acquisition date of each major class of consideration transferred:

<i>In thousands of soles</i>	
Cash	396,800
Contingent consideration	79,461
Total consideration transferred	476,261

The SPA establishes put and call options for the shares owned by the non-controlling interest (NCI) (hereinafter "put and call") that could be exercised if certain precedent conditions are met for:

- The non-controlling shareholders with 10.89% interest during the three years after the closing date.
- The non-controlling shareholders with 15.95% interest during the third year after closing date.

Considering the precedent conditions, the NCI still has access to the returns associated with the underlying ownership interest. Therefore, the Company used the present-access method to recognize the put and call liability at its fair value in "other accounts payable" for S/ 161,915 thousand against "merge and other reserves" in equity.

As of December 31, 2022, the balance of the put and call liability is S/ 136,938 thousand after recognizing the changes in fair value of S/ 9,666 thousand in “merger and other reserves” and the decrease in this balance due to changes in the COP exchange rate per Soles of S/ 34,643 thousand.

This acquisition resulted in a goodwill, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	476,261
Non-controlling interest	73,901
(Less)	
Fair value of identifiable net assets	(246,337)
Goodwill	303,825

The Group, through its subsidiary, Auna Colombia SAS has recorded goodwill on the acquisition of Oncomedica S.A. of S/ 303,825 thousand in Healthcare services in Colombia Segment as part of the ‘intangibles assets’ account in the consolidated statement of financial position. None of the goodwill recognized is expected to be deductible for tax purposes.

Factors that explain the transaction and the goodwill are related to the business model of the acquired company, which is a clinic that provides integral care to oncological patients. Indeed, the Group looked to acquire an entity with high experience in the specialty of oncology, which would allow the Group to have a strategic position in the health sector in this part of Colombia. In addition, goodwill represents other synergies in operating efficiencies that are expected to be achieved from the combination of operations and other efficiencies not included in the intangibles.

The purchase accounting as of the date of these financial statements is incomplete and expected to be completed within one year from the date of acquisition, basically due to the working capital adjustment measured provisionally.

According with the accounting policy choice used by Management for non-controlling interest measurement, the Group recognizes the non-controlling interests in the acquiree based on the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

For the period ended December 31, 2022, Oncomedica S.A. and Subsidiaries contributed revenues of S/ 210,323 thousand and profit before tax of S/ 55,233 thousand to the Group’s results.

If the acquisition had been made as of January 1, 2022, revenues would have amounted to S/ 2,533,991 thousand and losses before tax for the period 2022 would have amounted to S/ 34,394 thousand in the consolidated statement of income and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	
Consideration transferred	396,800
Cash and cash equivalents from Oncomedica S.A. and Subsidiaries	(15,966)
Net cash flows incurred	380,834

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets and liabilities acquired	Valuation technique
Trademarks	IMAT is the trademark of the acquired group. This brand has a local presence and offers a broad portfolio of healthcare services to its patients. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Company considered the Relief from royalty (RFR) method within the income approach as the most appropriate to assess the value of the IMAT brand. The basic principle of the RFR method is that without ownership of the intangible in question, the user of that intangible would have to make a stream of payments to the asset owner in exchange for the rights to use that asset. By acquiring the intangible, the user avoids these payments. Based on the projections of the purchase model, the projected income and cash flow of IMAT was estimated for the years 2022-2027, as of the year 2028, a growth of 2.93% was considered according to Management. This growth was used to calculate the terminal value of brands that have an indefinite useful life. The royalty rate used for brand valuation is 2.70%. This royalty rate was obtained from comparable companies. Brand valuation found a nominal discount rate in COP (WACC) by estimating a cost of debt (Kd) and equity (CoK). Additionally, a premium of 1.0% will be considered on the WACC related to the lower liquidity of the intangible asset compared to other assets (considered discount rate of 14.03%).
Property, furniture and equipment	Market comparison technique: The valuation model considers market prices quoted for similar items when they are available.
Loans and borrowings	Oncomedica S.A. and Subsidiaries loans and borrowings are private debt. Due to this, Management has used a valuation technique that maximizes the use of relevant observable inputs and has considered the contractual cashflows of the remaining debt discounted at the rate that best represents Oncomedica S.A. and Subsidiaries credit risk at the acquisition date.

iii. Patología Oncológica S.A.C.

On October 22, 2021, the subsidiary R y R Patólogos Asociados S.A.C. signed a shares purchase agreement (hereinafter the “SPA”) with the shareholder of Patología Oncológica S.A.C. for the acquisition of 100% of shares (160,000 shares) of Patología Oncológica S.A.C., obtaining control over this entity. The closing date of the transaction was on October 22, 2021, and for the shares acquired, R y R Patólogos Asociados S.A.C. paid on the same date the amount of S/ 1,973 thousand. The transaction costs associated with this acquisition amounting to S/ 266 thousand were recorded as an expense and presented under ‘administrative expenses’ in the consolidated statement of profit or loss and other comprehensive income. The fair values of the acquired net assets are presented below:

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents		380
Trade accounts receivable and other accounts receivables		514
Account receivable from former shareholder	7	557
Intangible assets	12	2,946
Property, furniture and equipment	11	281
Trade accounts payable and other accounts payable		(433)
Loans and borrowings	15	(293)
Deferred tax liabilities	14	(864)
Contingent liabilities	18	(1,254)
Total identifiable net assets acquired		1,834

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 367 thousand and S/ 161 thousand, respectively. At the date of acquisition, S/ 14 thousand were expected to be uncollectable.

The Group has agreed to pay the selling shareholders a contingent consideration of US\$ 100 thousand (S/ 396 thousand) if the acquiree’s contribution margin exceeds of S/ 1,250 thousand up to S/ 2,500 thousand in the first twelve months and US\$ 100 thousand (S/ 396 thousand) more if contribution margin exceeds of S/ 1,363 thousand up to S/ 2,725 thousand in the following twelve months. At the date of the acquisition, the Group has included a total of S/ 482 thousand as contingent consideration in “other account payable” (note 17), which represents its fair value. As of December 31, 2022 the contingent consideration for the results of the first twelve months after the acquisition was paid.

The following table summarises the fair value as of acquisition date of each major class of consideration transferred:

<i>In thousands of soles</i>	
Cash	1,973
Contingent consideration	482
Total consideration transferred	2,455

This acquisition resulted in a goodwill amounting to S/ 621 thousand, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	2,455
Less	
Fair value of identifiable net assets	(1,834)
Goodwill	621

The Group, through its subsidiary, R y R Patólogos Asociados S.A.C. has recorded the goodwill on the acquisition of Patología Oncológica S.A.C. in Healthcare services in Peru Segment as part of the ‘intangibles

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

assets' account in the consolidated statement of financial position. None of the goodwill recognized is expected to be deductible for tax purposes.

Patología Oncológica S.A.C. is engaged in the performance of pathological, cytopathological, immunohistochemical, molecular biology, clinical analyzes and other studies mainly related to oncology. Patología Oncológica's registered office is located in Lima, Peru. The acquisition is expected to provide the Group with an increased share of the oncology laboratory services market in Peru.

Other factors explaining the transaction and goodwill are related to the business model of the acquired business. Indeed, the Group searched for a business with experience, mainly in the oncology speciality. Furthermore, the goodwill represents future synergies expected to be achieved from the combination of operations, distribution channels, workforce, and other efficiencies not included in the intangibles of the current value of the business. The purchase accounting as of the date of these financial statements is complete.

For the year ended December 31, 2021, Patología Oncológica S.A.C. contributed revenues of S/ 825 thousand and profit before tax of S/ 263 thousand to the Group's results.

If the acquisition had been made as of January 1, 2021, revenues would have amounted to S/ 1,926,908 thousand and loss before tax for the period 2021 would have amounted to S/ 2,869 thousand in the consolidated statement of profit or loss and other comprehensive income.

The net cash flows incurred as a result of the acquisition are presented below:

<i>In thousands of soles</i>	
Consideration transferred in cash	1,973
Cash and cash equivalents from Patología Oncológica S.A.C.	(380)
	1,593

Measurement of fair values

The valuation techniques used for measuring the fair value of intangible assets acquired were as follows:

Assets acquired	Valuation technique
Customer relationship	Contracts agreed with clinics for laboratory services in the oncology specialty, mainly, in which number of services are contracted for an established population. It is considered that they meet the criteria established for the recognition of said intangible asset. The multi-period excess earnings method ("MPEEM") within the income approach is the most appropriate to value this asset. The MPEEM determines the value of an intangible as the present value of the incremental after-tax cash flows attributable only to the subject intangible after deducting the Contributory Asset Charges (CAC). The concept behind the CAC is that an intangible 'rents' or 'leases' from a hypothetical third party all the assets it requires to produce the cash flows resulting from its development, that each project leases only those assets it needs (including trading elements) and not those it does not need, and that each project pays to the owner of the assets a fair return (where appropriate) on the value of the leased assets.

iv. Oncogenomics S.A.C

On October 22, 2021, the subsidiary R y R Patólogos Asociados S.A.C. signed a shares purchase agreement (hereinafter the "SPA") with the shareholders of Oncogenomics S.A.C. for the acquisition of 100% of shares (1,000 shares) of Oncogenomics S.A.C., obtaining control over this entity. The closing date of the transaction was on October 22, 2021, and for the shares acquired, R y R Patólogos Asociados S.A.C. paid on the same date

the amount of S/ 2,368 thousand. The transaction costs associated with this acquisition amounting to S/ 303 thousand were recorded as an expense and presented under 'administrative expenses' in the consolidated statement of profit or loss and other comprehensive income. The fair values of the acquired net assets are presented below:

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents		53
Trade accounts receivable and other accounts receivables		593
Inventories		222
Intangible assets	12	1,948
Property, furniture and equipment	11	178
Trade accounts payable and other accounts payable		(284)
Deferred tax liabilities	14	(574)
Total identifiable net assets acquired		2,136

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 297 thousand and S/ 296 thousand, respectively. At the date of acquisition, there were not expected uncollectable amounts.

The Group has agreed to pay the selling shareholders a contingent consideration of US\$ 200 thousand (S/ 793 thousand) if the acquiree's contribution margin exceeds S/ 530 thousand up to S/ 1,060 thousand in the first twelve months and US\$ 200 thousand (S/ 793 thousand) more if contribution margin exceeds S/ 670 thousand up to S/ 1,340 thousand in the following twelve months. At the date of the acquisition, the Group has included a total of S/ 366 thousand as contingent consideration in "other account payable" (note 17), which represents its fair value. As of December 31, 2022 the contingent consideration for the results of the first twelve months after the acquisition was paid.

The following table summarises the fair value as of the acquisition date of each major class of consideration transferred:

<i>In thousands of soles</i>	
Cash	2,368
Contingent consideration	366
Total consideration transferred	2,734

This acquisition resulted in a goodwill amounting to S/ 598 thousand, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	2,734
Less	
Fair value of identifiable net assets	(2,136)
Goodwill	598

The Group, through its subsidiary, R y R Patólogos Asociados S.A.C. has recorded the goodwill on the acquisition of Oncogenomics S.A.C. in Healthcare services in Peru Segment as part of the 'intangibles assets' account in the consolidated statement of financial position. None of the goodwill recognized is expected to be deductible for tax purposes.

Oncogenomics S.A.C. is engaged in the performance of pathological, cytopathological, immunohistochemical, molecular biology, clinical analyzes and other studies mainly related to oncology. The Oncogenomics's

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

registered office is located in Lima, Peru. The acquisition is expected to provide the Group with an increased share of the oncology laboratory services market in Peru.

Other factors explaining the transaction and goodwill are related to the business model of the acquired business. Indeed, the Group searched for a business with experience, mainly in the oncology specialty. Furthermore, the goodwill represents future synergies expected to be achieved from the combination of operations, distribution channels, workforce, and other efficiencies not included in the intangibles of the current value of the business. The purchase accounting as of the date of these financial statements is complete.

For the year ended December 31, 2021, Oncogenomics S.A.C. contributed revenues of S/ 315 thousand and profit before tax of S/ 92 thousand to the Group's results.

If the acquisition had been made as of January 1, 2021, revenues would have amounted to S/ 1,924,458 thousand and loss before tax for the period 2021 would have amounted to S/ 3,023 thousand in the consolidated statement of profit or loss and other comprehensive income.

The net cash flows incurred as a result of the acquisition are presented below:

<i>In thousands of soles</i>	
Consideration transferred in cash	2,368
Cash and cash equivalents from Oncogenomics S.A.C.	(53)
	2,315

Measurement of fair values

The valuation techniques used for measuring the fair value of intangible assets acquired were as follows:

Assets acquired	Valuation technique
Customer relationship	Contracts agreed with clinics for laboratory services in the oncology specialty, mainly, in which number of services are contracted to an established population. It is considered that they meet the criteria established for the recognition of said intangible asset. The multi-period excess earnings method ("MPEEM") within the income approach is the most appropriate to value this asset. The MPEEM determines the value of an intangible as the present value of the incremental after-tax cash flows attributable only to the subject intangible after deducting the Contributory Asset Charges (CAC). The concept behind the CAC is that an intangible 'rents' or 'leases' from a hypothetical third party all the assets it requires to produce the cash flows resulting from its development, that each project leases only those assets it needs (including trading elements) and not those it does not need, and that each project pays to the owner of the assets a fair return (where appropriate) on the value of the leased assets.

Assets acquired	Valuation technique
Trademarks	Oncogenomics is the trademark of the acquired company. This trademark has a local presence and offers a broad portfolio of clinical laboratory services to its patients. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Company considered the Relief from royalty (RFR) method within the income approach as the most appropriate to assess the value of the Oncogenomics trademark.
Trademarks	The basic principle of the RFR method is that without ownership of the intangible in question, the user of that intangible would have to make a stream of payments to the asset owner in exchange for the rights to use that asset. By acquiring the intangible, the user avoids these payments. Based on the projections of the purchase model, the projected income and cash flow of Oncogenomics was estimated for the years 2021-2027, as of 2028, a zero growth was considered. This growth was used to calculate the terminal value of brands that have an indefinite useful life. The royalty rate used for trademark valuation is 2.86%. This royalty rate was obtained from comparable companies.

v. Clínica Portoazul S.A.

On August 14, 2020, Auna Colombia S.A.S. signed a capitalization agreement with the shareholders of Clínica Portoazul S.A. for the acquisition of 2,239 newly issued shares of Clínica Portoazul S.A., obtaining an interest of 66.55%, diluting the existing shareholders up to that date and obtaining control. The closing date of the transaction was on September 1, 2020.

Clínica Portoazul S.A. operations are regulated by the Superintendencia Nacional de Salud - Supersalud (Colombian Board of Health). It is engaged in the direct provision of healthcare services, sale of medicines, and other healthcare-related services. Clínica Portoazul's registered office is at Municipio de Puerto Colombia - Atlántico, Barranquilla, Colombia. The acquisition is expected to provide the Group with an increased share of the healthcare services market in Colombia.

For the shares acquired, the Group, through its Colombian subsidiary Auna Colombia S.A.S. made a capital contribution in cash on September 1, 2020 amounting to S/ 66,640 thousand. This contribution was funded with two loans received from local financial entities, amounting to S/ 53,100 thousand and with its own capital for S/ 13,540 thousand.

This acquisition was recorded using the purchase method of accounting, as established in *IFRS 3 Business Combinations*. Under this method, most assets and liabilities were recorded at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the statement of financial position of the acquired entity. The transaction costs associated with the acquisition incurred in 2020 amounting to S/ 2,137 thousand were recorded as an expense and presented under 'administrative expenses' in the consolidated statement of profit or loss and other comprehensive income. The fair values of the acquired net assets are presented below:

Identifiable assets acquired and liabilities assumed

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents (include the capital contribution)		66,899
Trade accounts receivable and other accounts assets		46,412
Inventories		567
Intangible assets	12	5,350
Property, furniture and equipment	11	133,946
Deferred tax assets	14	5,688
Trade accounts payable and other accounts payable		(47,910)
Loans and borrowings	15	(102,837)
Contingent liabilities	18	(1,225)
Total identifiable net assets acquired		106,890

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 48,002 thousand and S/ 1,815 thousand, respectively. At the date of acquisition, S/ 3,405 thousand were expected to be uncollectable.

This acquisition resulted in a gain, which has been determined as follows:

<i>In thousands of soles</i>	
Fair value of identifiable net assets	106,890
Less	
Consideration transferred	(66,640)
Non-controlling interest	(35,755)
Gain from purchase	4,495

The Group, through its Colombian subsidiary, Auna Colombia S.A.S. has recorded the gain on the acquisition of Clínica Portoazul S.A. for S/ 4,495 thousand in 'other income' in the consolidated statement of profit or loss and other comprehensive income.

The gain from the bargain purchase is the result of various factors, one of them relates to the current financial situation of the acquired business, which was highly leveraged. At the acquisition date, the financial obligations of the acquired business amounted to S/ 103,955 thousand, representing 184% of equity and bearing interests that have been reducing the profits over the years. Thus, an increase of capital shares was needed in the short term in order to improve this financial situation. In this respect, it should be noted that after the entrance of the Company, the acquired business repaid a substantial amount of financial obligations reducing it to S/ 56,851 thousand.

Other factors explaining the transaction are related to the business model of the acquired business. Indeed, Clínica Portoazul was also searching for a partner with expertise in the health industry, and other areas of specialization. Based on that, the Group offered its expertise and its current medical offer, including the oncological expertise, to supplement the current offer and provide synergies in benefit of the existing shareholders.

The purchase accounting as of the date of these financial statements is complete.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

According with the accounting policy choice used by Management for non-controlling interest measurement, Auna Colombia S.A.S. recognizes the non-controlling interests in the acquiree based on the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The shared held by Non controlling interests has the same rights as the shared held by Auna.

For the year ended December 31, 2020, Clínica Portoazul S.A. contributed revenues of S/ 50,441 thousand and profit before tax of S/ 3,583 thousand to the Group's results.

If the acquisition had been made as of January 1, 2020, revenues would have amounted to S/ 120,447 thousand and loss before tax for the period 2020 would have amounted to S/ 1,645 thousand in the consolidated statement of profit or loss and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	
Consideration transferred	66,640
Cash and cash equivalents from acquired company Clínica Portoazul	(66,899)
	(259)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, furniture and equipment	Market comparison technique and cost technique: The valuation model considers market prices quoted for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration, as well as functional and economic obsolescence.
Trademarks	Clínica Portoazul is the trademark of the acquired company as a health service provider. This brand has a local presence and offers a broad portfolio of health services to its patients. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Company considered the Relief from royalty (RFR) method within the income approach as the most appropriate to assess the value of the Clínica Portoazul brand. The basic principle of the RFR method is that without ownership of the intangible in question, the user of that intangible would have to make a stream of payments to the asset owner in exchange for the rights to use that asset. By acquiring the intangible, the user avoids these payments. Based on the projections of the purchase model, the projected income and cash flow of Clínica Portoazul was estimated for the years 2020-2025 and in perpetuity. A long-term growth rate corresponding to 3% was applied. The Company conducted a comparative study of the royalty rate in the market within the health sector. The aforementioned royalty rate was adjusted taking into account the following attributes: Market Share and Longevity. Thus, based on the market analysis, the Company applied a royalty rate of 0.3% of revenue.
Loans and borrowings	Portoazul loans and borrowings are private debt. Due to this, Management has used a valuation technique that maximizes the use of relevant observable inputs and has considered the contractual cashflows of the remaining debt discounted at the rate that best represents Portoazul's credit risk at the acquisition date.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

D. Regulatory agency for private healthcare services

Oncosalud S.A.C. is an indirect subsidiary of the Company. It is supervised by the Superintendencia Nacional de Salud - SUSALUD (Peruvian Board of Health). SUSALUD authorizes, regulates and supervises the operations of entities that provide healthcare services.

In the case of PMLA, Clínica Portoazul and Oncomedica S.A., this is regulated by the Superintendencia Nacional de Salud - Supersalud (Colombian Board of Health), an agency that authorizes, regulates and supervises the operation of entities providing healthcare services.

2. Basis for the Preparation of Consolidated Financial Statements

A. Basis of accounting

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (hereinafter, "IFRS"), issued by the International Accounting Standards Board (hereinafter, "IASB").

Details of the Group's accounting policies are included in note 4.

B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost principle, based on the accounting records maintained by the Group, except for the derivative financial instruments, investment properties and contingent consideration assumed in a business combination which have been measured at fair value.

C. Functional and presentation currency

These consolidated financial statements are presented in Soles (S/), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The functional currency of the Subsidiaries domiciled in Colombia is COP (Colombian Pesos) and the Subsidiaries domiciled in Mexico is MXN (Mexican Pesos).

D. Use of judgments and estimates

In preparing these consolidated financial statements, Management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

i. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- CGU: whether a group of assets that generate cash flows and that are largely independent of the cash inflows of other assets or groups of assets is a CGU (note 4.F);
- leases: whether an arrangement contains a lease (note 4.J);
- lease term: whether the Group is reasonably certain to exercise extension options (note 4.J); and
- reverse factoring: presentation of amounts related to supplier finance arrangements in the statement of financial position and in the statement of cash flow.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Revenue recognition: estimate of unbilled amounts (note 6);
- Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts (note 12);
- Recognition of deferred tax asset: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized (note 14);
- Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources (note 18);
- Measurement of defined benefit obligations: key actuarial assumptions (note 17)
- Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate (note 6); and
- Acquisition of subsidiary: fair value of the consideration transferred and fair value of the assets acquired and liabilities (note 1.C).

3. Changes in Significant Accounting Policies

For annual periods beginning on January 1, 2021

The Group has early adopted, during 2020, the amendment for COVID-19 Related to Rent Concessions, which in April 2021 was approved for an additional 12 months, that is, it allows tenants to apply it to rent concessions for which any reduction in lease affects only payments originally due on June 30, 2022 or before. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings as of January 1, 2021.

For annual periods beginning on January 1, 2020

The Group has early adopted the COVID-19 Related Rent Concessions - Amendment to IFRS 16 issued on May 28, 2020. The amendment presents an optional practical solution for leases where the Group is a lessee, for leases for which the Group applies the practical solution, the Group should not assess whether the eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group has applied the amendment retrospectively. The modification has no impact on retained earnings as of January 1, 2020.

4. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also note 3).

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transactions costs are expensed as incurred.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Also, in preparing the consolidated financial statements of the Company, the effects of all transactions between subsidiaries were eliminated.

iii. Non-controlling interest

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets as of the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Common control transactions

The Company presents common control transactions at the date the transaction occurs without re-presenting comparative information as if the transaction had occurred before the start of the earliest period presented.

v. Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

vi. Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as joint operations or as joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined that they are joint ventures.

Joint ventures are accounted for using the equity method. Under the equity method, equity in joint ventures is initially recognized at cost and subsequently adjusted to recognize the Group's share in profits or losses and other post-acquisition movements in other comprehensive income. When the Group's share in the losses of a joint venture is equivalent to or exceeds its share in such joint venture (including any long-term share that is substantially part of the Group's net investment in the joint venture), the Group does not recognize additional losses, unless it has assumed obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's share in such joint ventures. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

The profit resulting from the equity method is included in the consolidated statement of profit or loss and other comprehensive income.

vii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with companies whose investment is

recognized using the equity method are eliminated from the investment in proportion to the Group's interest in the investment. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

B. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

▪ Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost or at fair value through profit and loss.

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not measured at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets that are not cash flow hedge. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is assessed and reported to the key personnel of the group's Management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, value, and timing of sales in prior periods, the reasons for such sales and expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is assessed on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents the amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit

	or loss. However, see note 4.B.iv for derivatives designated as hedging instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The Group classified its financial assets at amortized cost and FVOCI.

▪ **Financial liabilities**

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative or if it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Group enters into transactions whereby it transfers assets recognized in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Group holds derivative financial instruments to hedge some of its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

For the Call spread option agreements with deferred premium and Swap agreements the Group has decided not to apply the cost of hedging model in IFRS 9; as a consequence, the forward points are not taken to OCI and accumulated in a separate component of equity. The Group designates only the change in the value of the spot element as the hedging instrument, the changes in fair value due to the forward points are immediately recognized as a profit or loss in the period.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognized in a costs of hedging reserve within equity.

The Group designates only the intrinsic value of purchased collar contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of purchased collar contract is separately accounted for as a cost of hedging and recognized in a costs of hedging reserve within equity.

In a cash flow hedge of the forward foreign currency risk of a payable or receivable, the amount accumulated in the hedging reserve and the cost of hedging reserve shall be reclassified from the separate component of the equity to profit or loss over the period the payable or receivable affects profit or loss, because changes in exchange rates will affect the amount of cash required to settle the item (as measured by reference to the entity's functional currency).

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in

equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

C. Impairment

i. Non-derivative financial assets

Financial instruments

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, loss of the value of money over time and individual analysis of the clients (considering their geographical location).

The Group considers a financial asset to be in default when the client is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor or issuer;
- A breach of contract such as a default or being more than 60 and 360 days past due;
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers and for corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

D. Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statement of financial position comprise cash on hand, demand deposits at banks and other highly marketable debt investments with maturity of three months or less that are not subject to significant risk of changes in value.

E. Inventories

Inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price of the inventories in the ordinary course of business, less discounts and other costs and expenses incurred to put the inventories to sale. Cost is determined using the weighted average method.

Provisions for obsolescence and net realizable value are estimated based on a specific analysis made at each reporting date of the consolidated financial statements. The reduction of the carrying amount of inventories to their net realizable value is recorded under 'provision for impairment of inventories' with a charge to profit or loss in the period in which it is estimated that such reductions will occur.

F. Intangibles

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of the Group's interest in the net identifiable assets at the date of the acquisition.

Goodwill arising from a business combination is allocated to each CGU or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of GCU to which goodwill is allocated represents the lowest level of cash-flow generating assets within the entity at which goodwill is monitored by Management.

The identification of the CGU requires a critical judgment of Management. The Group has defined its CGUs as each of the companies acquired because they are the smallest identifiable groups of assets that generate cash flows and that are largely independent of the cash inflows of other assets or groups of assets.

Goodwill is tested for impairment at least annually and recorded at cost less accumulated impairment losses. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of value in use and fair value less costs to sell. Any impairment is recognized immediately as an expense and cannot be reversed.

Acquired trademark

The trademark are “Oncogenomics” in Perú, “Clínica Portoazul”, “Las Américas” and “IMAT” in Colombia, and “OCA Hospital” in Mexico (note 1.C), which were identified in the acquisitions. The trademarks with presence in Mexico and Colombia offers a broad portfolio of healthcare services to its patients through the different entities under which OCA Hospital, Clínica Portoazul and PMLA operates and the trademarks with presence in Perú offers a broad portfolio of clinical laboratory services to its patients through the laboratoy Oncogenomics. The estimated market value was determined using the relief-from-royalty method. Management evaluated its recognition and growth in the Peruvian, Colombian and Mexican market, and assessed that they have an indefinite useful life.

Customers relationship

It includes the estimated market value of the contracts with insures for cardiology services and clients services identified as a result of the acquisition of Hospital y Clinica OCA S.A. de C.V., Patología Oncológica S.A.C., Oncogenomics S.A.C. (note 1.C.) The estimated useful life is 10 years for Promotora Médica las Américas S.A.; 8 years for Hospital y Clinica OCA S.A. de C.V., 18 years for Pagología Oncológica S.A.C. and 17 years for Oncogenomics S.A.C.

Other intangibles assets

Intangibles other than goodwill are acquired separately, and are measured at cost less subsequent amortization and impairment losses.

Surface right agreement

Corresponds to the surface rights agreement signed between Medicser and the Peruvian Red Cross Society, owner of the land, and acquired on 2011.

Amortization is charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis as follows:

	Years
Software	2 to 10
Customer relationships	10 to 18
Surface rights agreement	40

Assets that are subject to amortization are reviewed for impairment when events or circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income to reduce the carrying amount to recoverable amount.

G. Property, furniture and equipment

i. Recognition and measurement

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

Land, buildings and facilities, medical equipment, and furniture are measured at cost, less accumulated depreciation and any accumulated impairment losses. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of that asset.

Other disbursements for service and repair are charged to the consolidated statement of profit or loss and other comprehensive income in the period when incurred. In case significant spare parts of an item of property, furniture and equipment have different useful lives, then they are accounted for as separate items (major components) of property, furniture and equipment.

Any gain or loss on disposal of an item of land, buildings and facilities, medical equipment, and furniture is recognized in profit or loss.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset. The Group defines qualifying assets as construction projects or other assets for which a minimum period of twelve months is needed to get ready for its intended use or sale (note 11).

ii. Subsequent expenditure

Subsequent expenditures are included in the carrying amount of the asset or they are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of these assets can be measured reliably.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, furniture and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings and premises	10 to 94
Medical equipment	4 to 12
Vehicles	5
Furniture, fixtures and various equipment	8 to 15
IT equipment	4 to 8

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

H. Public service concession arrangements

Public Service Concession Arrangements are defined in the International Financial Reporting Interpretations IFRIC 12 *Service Concession Arrangements* and are accounted regarding the consideration received for the infrastructure.

In 2010, Consorcio Trecca S.A.C. (hereinafter, "Consorcio Trecca"), a subsidiary of the Group, entered into a 20-year concession agreement with the Peruvian Social Health Insurance (hereinafter, "EsSALUD"), a decentralized public agency attached to the Ministry of Labor and Employment Promotion, focused on granting prevention, promotion, economic benefits and social benefits that correspond to the Social Security contributory system. The concession was given to Consorcio Trecca, as operator of the concession, with the obligation to renovate, operate and maintain the Torre Trecca, located in the city of Lima. The Group holds a 99.99% interest in Consorcio Trecca.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

On July 15, 2011, Consorcio Trecca and EsSALUD agreed to suspend the obligations prior to the start date of the investment period. This suspension was extended until January 2018.

In November 2018, Consorcio Trecca and EsSALUD were able to make the direct deals associated with the agreements to update the investment amounts and the contractual rates, which will be in effect at the beginning of the operation period.

Since June 26, 2019, both agreed to start again with the coordination of the preparation of the engineering study and update of the schedule of the project development plan.

The Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from, or at the direction of, the grantor for the construction services. This right arises where the grantor has little or no discretion to avoid payment, usually because the agreement is enforceable by law. In the event that the fair value of the construction services provided exceeds the fair value of the recognized financial asset, the difference will be recognized as an intangible asset (note 7.i).

The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided (note 12).

I. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale or held for distribution to owners if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, the property, furniture and equipment are no longer depreciated.

J. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lease

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (IT equipment) and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Amendment applicable from January 1, 2020

In May 2020 the IASB published an amendment to IFRS 16 “Covid related rent concessions”. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.

A lessee applies the amendment for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020.

Also, in April 2021 the new amendment was approved for an additional 12 months to apply it to rent concessions for which any reduction in lease affects only payments originally due on June 30, 2022 or before.

The Group has applied the practical expedient for the first time in these financial statements for all rent concessions (mainly waiver and fee reductions of lease payments – note 13) related to real estate leases that meet the conditions stated in the amendment. The rent concessions are accounted for as a variable lease payment and are recognized in profit and loss in the period.

The effect of recognition of the amendment from January to December 2021 was a decrease in finance cost amounting to S/ 676 thousand (S/ 82 thousand from June to December 2020).

K. Trade accounts payable

Trade accounts payable are obligations to pay for medicines or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as ‘current liabilities’ if payment is to be made in a year or less; otherwise, they are presented as ‘non-current liabilities.’

Accounts payable are initially recognized at fair value, and subsequently they are measured at amortized cost using the effective interest method.

When the Group has an arrangement in which the bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later, the account payable under factoring are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and the payments to a supplier by the bank are considered non-cash transactions.

L. Employee benefits

Defined benefit plans

A benefit plan is defined as an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the combined statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the date of the combined statements of financial position less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit cost method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using discount rates that are denominated in the currency in which the benefits will be paid, and that have maturities that approximate the terms of the pension liability.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recorded directly in stockholders' equity in other comprehensive income in the year in which they occur and are not reclassified to profit or loss for the period.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

The Group determines the net financial expense (income) by applying the discount rate to the net defined benefit liability.

Past service costs are recognized immediately in the consolidated statements of income and other comprehensive income statement.

Profit sharing

For the Company and its Peruvian subsidiaries, the employees' profit sharing is calculated in accordance with current legal regulations (Legislative Decree 892) on the same net taxable base used to calculate the income tax. In the case of the Peruvian Subsidiaries, the rate of profit sharing is 5%, on the net taxable base of the current year. According to the Peruvian law, there is a limit in profit sharing that an employee can receive, equivalent to 18 monthly salaries.

In Colombian subsidiaries, employees' profit sharing is not applicable. It is replaced by a legal bonus composed of an additional month's salary that is paid two times during the year in June and December, respectively. This bonus is mandatory even if the company does not obtain earnings. Additionally, the Board is able to approve voluntary bonuses for certain employees with high performance during a profitable year.

Legal bonuses

The Group recognizes the expense for legal bonuses and their related liabilities under laws and regulations currently in force in Peru. The legal bonuses comprise an additional month's salary that is paid in July and December, respectively.

Termination benefits

Termination benefits are recognized in accordance with Peruvian, Colombian and Mexican legislation in profit or loss when paid, i.e., when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Severance payment (CTS for its Spanish acronym)

In Peru, severance payment of personnel from the Group's companies (CTS for its Spanish acronym) includes employees' indemnities calculated according to current legislation, which shall be deposited in May and November annually in bank accounts designated by employees. Severance payment is equivalent to 50% of a current remuneration as of the date of deposit. The Group has no obligation to make any additional payments once it has made the annual deposits of funds to which the employee is entitled.

In Colombia, severance payment of personnel from the Group's companies includes employees' indemnities calculated according to current legislation, which shall be transferred in the fund selected by the employee at the end of the year or when the work contract finished. Severance payment is equivalent to one current remuneration.

Vacations

Personnel's annual vacations are recognized on an accrual basis. The provision for estimated annual vacation obligations is recognized at each date of preparation of the consolidated statement of financial position.

M. Insurance contracts

Accounting policy applicable from January 1, 2022

The accounting policy was adopted as of and for the period ended December 31, 2022 to comply with the Topic 13: Effects of subsequent events on financial statements required in filings of the SEC Financial Reporting Manual.

IFRS 17: Insurance contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2022.

The nature of the changes in accounting policies can be summarized, as follows:

The key principles of IFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.
- Recognizes profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognizes the loss immediately.
- Recognizes an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognized. Such an asset is derecognized when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates portfolios of insurance contracts issued:

(i) Portfolios of insurance contracts issued that are assets and (ii) portfolios of insurance contracts issued that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Transition

On the transition date, January 1, 2022, the Group:

- Has identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied
- Derecognized any existing balances that would not exist had IFRS 17 always applied
- Recognized any resulting net difference in equity.

The Group has applied the full retrospective approach on transition to all contracts.

Recognition

The Group recognizes groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date; and
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance finance income and expense

The Group does not disaggregate finance income and expenses the effect are recognize through profit or loss. The Group has elected not to discount claims that are expected to be settled within one year from the date they are incurred.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. For the periods presented, all revenue has been recognized on the basis of the passage of time.

Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.

When identifying contracts in the scope of IFRS 17, the Group assesses whether a set of series of contracts needs to be treated as a single contract and whether embedded, investment components and goods and services components have to be separated and accounted for under another standard.

Level of aggregation

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risk and managed together, and dividing each group into annual cohorts. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. When a contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The Group considers the nature, risk and line of products as criteria for identifying its portfolios and has determined that all insurance contracts will be grouped as a single portfolio.

Insurance acquisition cash flows

For insurance acquisition cash flows, the Group recognizes the insurance acquisitions cash flows (IACF) are capitalized and amortized over the coverage period.

Measurement – Non-life contracts

On initial recognition, for a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as the premiums received on initial recognition, minus any insurance acquisition cash flows at that date, plus or minus any amount arising from the derecognition at that date of the asset or liability recognized for insurance acquisition cash flows that the Group pays or receives before the group of insurance contracts is recognized. The liability for remaining coverage does not include an adjustment for the time value of money as the premiums are received within one year of the coverage period.

Insurance contracts – subsequent measurement

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and the earned IACF that are deferred; and decreased by the amount recognized as insurance revenue for services provided and the IACF paid. The Group expects the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognize a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfillment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Group recognizes the liability for incurred claims of a group of contracts at the amount of the fulfillment cash flows relating to incurred claims. As the future cash flows are expected to be paid in one year or less from the dates the claims are incurred, the Group decided not to discount cashflows.

Insurance contracts – modification and derecognition

The Group derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognizes the initial contract and recognizes the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and beginning a group of insurance contracts (issued or expected to be issued) that are directly attributable to the insurance contract portfolio to which the group belongs. These cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The Group has chosen to defer insurance acquisition cash flows using a systematic and rational method.

The summary of the effects of updating the Statement of Financial Position ended January 1, 2022 and December 31, 2022 is presented below:

Restatement for comparability purposes

The summary of the effects of updating the Consolidated Statement of Financial Position as of January 1, 2022 and December 31, 2022 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income Statement for the year ended December 31, 2022 is presented below:

Consolidated statement of financial position as of January 1, 2022

<i>In thousands of soles</i>	As of January 1, 2022	IFRS 17 effects	As of January 1, 2022 Restated
Assets			
Current assets			
Cash and cash equivalents	138,771	-	138,771
Trade accounts receivable	352,662	(9,342)	343,320
Other assets	118,683	(4,106)	114,577
Inventories	61,151	-	61,151
Total current assets	671,267	(13,448)	657,819
Non-current assets			
Trade accounts receivable	279	-	279
Other assets	17,179	-	17,179
Investments in associates and joint venture	14,286	-	14,286
Property, furniture, and equipment	1,232,218	-	1,232,218
Intangible assets	509,989	-	509,989
Right-of-use assets	119,006	-	119,006
Investment properties	1,531	-	1,531
Derivative financial instruments	144,424	-	144,424
Deferred tax assets	113,471	-	113,471
Total non-current assets	2,152,383	-	2,152,383
Total assets	2,823,650	(13,448)	2,810,202
Liabilities			
Current liabilities			
Loans and borrowings	29,731	-	29,731
Lease liabilities	16,883	-	16,883
Trade accounts payable	454,098	(3,907)	450,191
Other accounts payable	122,393	(5,799)	116,594
Provisions	11,085	(2,409)	8,676
Unearned premiums reserve	63,969	(63,969)	-
Insurance contract liabilities	-	17,448	17,448
Deferred income	326	-	326
Total current liabilities	698,485	(58,636)	639,849
Non-current liabilities			
Loans and borrowings	1,322,713	-	1,322,713
Lease liabilities	123,700	-	123,700
Trade accounts payable	1,938	-	1,938
Other accounts payable	26,071	-	26,071
Derivative financial instruments	50,892	-	50,892
Deferred tax liabilities	53,574	-	53,574
Deferred income	366	-	366
Total non-current liabilities	1,579,254	-	1,579,254
Total liabilities	2,277,739	(58,636)	2,219,103
Equity			
Share capital	236,547	-	236,547

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Share premium	386,045	-	386,045
Reserves	(81,285)	-	(81,285)
Retained losses	(45,490)	45,188	(302)
Equity attributable to the owner of the Company	495,817	45,188	541,005
Non-controlling interest	50,094	-	50,094
Total equity	545,911	45,188	591,099
Total liabilities and equity	2,823,650	(13,448)	2,810,202

Consolidated statement of financial position as of December 31, 2022

<i>In thousands of soles</i>	As of December 31, 2022	IFRS 17 effects	As of December 31, 2022 Restated
Assets			
Current assets			
Cash and cash equivalents	208,694	-	208,694
Trade accounts receivable	588,757	(14,591)	574,166
Other assets	259,945	(4,350)	255,595
Inventories	87,578	-	87,578
Derivative financial instruments	69,064	-	69,064
Total current assets	1,214,038	(18,941)	1,195,097
Non-current assets			
Trade accounts receivable	551	-	551
Other assets	19,806	-	19,806
Investments in associates and joint venture	13,096	-	13,096
Property, furniture, and equipment	2,320,144	-	2,320,144
Intangible assets	2,758,917	-	2,758,917
Right-of-use assets	144,317	-	144,317
Investment properties	5,982	-	5,982
Derivative financial instruments	13,542	-	13,542
Deferred tax assets	122,211	-	122,211
Total non-current assets	5,398,566	-	5,398,566
Total assets	6,612,604	(18,941)	6,593,663
Liabilities			
Current liabilities			
Loans and borrowings	2,040,980	-	2,040,980
Lease liabilities	28,084	-	28,084
Trade accounts payable	513,310	(723)	512,587
Other accounts payable	221,889	(5,726)	216,163
Provisions	23,002	(3,028)	19,974
Derivative financial instruments	15,317	-	15,317
Unearned premiums reserve	71,834	(71,834)	-
Insurance contract liabilities	-	11,699	11,699
Deferred income	313	-	313
Total current liabilities	2,914,729	(69,612)	2,845,117
Non-current liabilities			
Loans and borrowings	1,307,667	-	1,307,667
Lease liabilities	134,838	-	134,838
Trade accounts payable	73	-	73
Other accounts payable	277,181	-	277,181
Deferred tax liabilities	470,159	-	470,159
Deferred income	567	-	567
Total non-current liabilities	2,190,485	-	2,190,485
Total liabilities	5,105,214	(69,612)	5,035,602
Equity			
Share capital	236,547	-	236,547
Share premium	386,045	-	386,045
Reserves	543,820	(10,451)	533,369

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Retained losses	(141,362)	50,380	(90,982)
Equity attributable to the owner of the Company	1,025,050	39,929	1,064,979
Non-controlling interest	482,340	10,742	493,082
Total equity	1,507,390	50,671	1,558,061
Total liabilities and equity	6,612,604	(18,941)	6,593,663

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2022

<i>In thousands of soles</i>	Year ended December 31, 2022	IFRS 17 effects	Year ended December 31, 2022 Restated
Revenue			
Premiums earned	716,064	-	716,064
Healthcare services revenue	1,514,639	-	1,514,639
Sales of medicines	220,905	-	220,905
Total revenue from contracts with customers	2,451,608	-	2,451,608
Cost of sales and services	(1,572,113)	209	(1,571,904)
Gross profit	879,495	209	879,704
Selling expenses	(175,077)	5,274	(169,803)
Administrative expenses	(477,524)	-	(477,524)
Income (loss) for impairment of trade receivables	1,580	-	1,580
Other expenses	(1,028)	-	(1,028)
Other income	21,658	-	21,658
Operating profit	249,104	5,483	254,587
Finance income	6,910	-	6,910
Finance costs	(312,701)	-	(312,701)
Net finance cost	(305,791)	-	(305,791)
Share of profit of equity-accounted investees	3,757	-	3,757
Loss before tax	(52,930)	5,483	(47,447)
Income tax (expense) benefit	(29,383)	-	(29,383)
Loss for the year	(82,313)	5,483	(76,830)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges	10,154	-	10,154
Foreign operations – Foreign currency translation differences	(217,832)	-	(217,832)
Remeasurements of defined benefit liability	(437)	-	(437)
Change in fair value of put and call liability	(9,666)	-	(9,666)
Equity-accounted investees – share of OCI	(77)	-	(77)
Income tax	(2,996)	-	(2,996)
Other comprehensive (loss) profit for the year, net of tax	(220,854)	-	(220,854)
Total comprehensive (loss) income for the year	(303,167)	5,483	(297,684)
(Loss) profit attributable to:			
Owner of the Company	(90,798)	5,192	(85,606)
Non-controlling interest	8,485	291	8,776
	(82,313)	5,483	(76,830)
Total comprehensive (loss) income attributable to:			
Owner of the Company	(269,581)	5,192	(264,389)
Non-controlling interest	(33,586)	291	(33,295)

	(303,167)	5,483	(297,684)
Earnings per share			
Basic and diluted earnings per share	(0.38)		(0.36)

Accounting policy applicable until December 31, 2021

The oncologic healthcare plans and general health plans are contracts that result in the transfer of a significant insurance risk and are accounted in accordance with IFRS 4 *Insurance Contracts*.

IFRS 4 allows entities to continue using their existing accounting policies for their insurance contracts provided that those policies meet certain minimum criteria such as that the amount of insurance obligation is subject to a liability adequacy test. This test considers current estimates of all contractual and related cash flows. If the liability adequacy test identifies that the insurance obligation is inadequate, the total deficit will be recognized in the consolidated statement of comprehensive income.

The Group defines an Insurance contract as the commitment that it assumes with its policyholders to provide coverage of oncologic services, exclusively, for cancer treatment services, in accordance with the particular limits and conditions indicated in each contract. It also defines as an insured event the occurrence of an uncertain future event that is covered by an insurance contract which, in this case, is the confirmatory diagnosis of the insured's oncological disease, as long as it has not occurred within the waiting period (the period during which a policyholder must participate in the plan in order to receive the benefits under the insurance contract).

The insurance contracts of the Company have the following characteristics:

- (i) All insurance policies are signed with a twelve (12) months period limit.
- (ii) All of the Company's insurance policies contain a provision providing for the automatic increase in premiums upon renewal, with the increase in the premium determined based on the expected claims of the program under which the policy is issued and based on the age profile of the policyholder population, which allows the Company to adjust the insurance premium at the end of the contracted period. The insurance policies are automatically renewed unless the policyholder states that he or she will not renew the contract, or is not in agreement with the modified the contractual terms by means of a written notice sent thirty (30) calendar days in advance of the scheduled renewal.
- (iii) If the policyholder does not make the corresponding premium payment for at least 30 days, the Company has the legal right to suspend the policyholder's rights of the contracted coverage. After 120 days of non-payment, the Company can terminate the contract automatically by sending a formal written communication to the policyholder at the address stated in the contract.

In accordance with such characteristics and considering the current market practice in the non-life insurance market in Peru, the recognition and measurement of the Company's insurance liabilities are based on short-term duration insurance contracts.

i. Technical reserves for healthcare insurance contracts

Technical reserves are provisions set aside by healthcare service providers to meet, as of the date of the consolidated statement of financial position, the obligations that may arise from healthcare services provided to plan policyholders that have not been reported (IBNR) and the unearned premium reserve (portion of insurance contracts for which the risk has not yet expired as of the date of the consolidated statements). The amounts of these reserves or provisions are determined as follows:

▪ IBNR

At the date of the consolidated financial statements, the reserve for events incurred but not reported (IBNR) is determined based on the total expense amounts to be claimed estimated by the Company's experts and reflected in the pre-authorization of service letters issued by Oncosalud S.A.C., our insurance subsidiary. The estimated total expense amounts to be claimed consist only

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

of expenses rendered/provided by third parties to the Company. Services provided by our healthcare services subsidiaries are not considered in this estimate as the claim expense activity is recorded as it is incurred or accrued by our healthcare services subsidiaries at each reporting date and there is therefore no gap between the event incurred and the recording of the related expenses, which reduces the Group's IBNR insurance reserve liability due to the integrated business model. See note 30.A.

In addition, in order to determine the best estimate of IBNR, the Company performs a liability adequacy test under an analysis of matricial triangles through the Bornhuetter Ferguson methodology, which considers the historical development of oncological medical attention reported in the last 10 years at December 31, 2022 (6 years at December 31, 2021 and 2020 through the Chain Ladder methodology), related to occurrences prior to the base date, aiming to establish a future projection of the claims incurred but not reported with third parties as of the date of the consolidated financial statements instead of a calculation considering the entire future projected treatment protocol, which is not performed due to the short-term nature of our contracts. The corresponding result of the liability adequacy test is compared with the amounts recorded as an obligation in the consolidated financial statements performed under the above paragraph.

Additionally, in the case of the general healthcare plan called "Auna Salud ", which includes providers outside the Group's Clinic network, for hospital care, the latest claims are estimated based on the amounts of the letters of guarantee for care in providers, outside the Group's Clinic network, and for outpatient care, are estimated according to the number of requests for care made by patients. Finally, the balance of the reserve is calculated by subtracting from the estimated value as recent claims (hospital and outpatient) the amounts corresponding to reported and processed claims.

As of December 31, 2022, 2021 and 2020, the amount of the reserve for incurred but not reported healthcare claims is recorded as part of the 'Provisions' in the current liabilities in the consolidated statement of financial position (note 18).

▪ ***Provision for outstanding claims***

The provision for outstanding claims is calculated based on the notifications sent by the legal department, which represents a legal obligation to refund the medical cost assumed by the policyholder recognized in "provisions" in the consolidated statement of financial position (note 18).

▪ ***Unearned premiums reserve***

Corresponds to the portion of payment received on oncological healthcare contracts that relates to risks that have not yet expired as of the date of the consolidated statement of financial position and is presented as a deferred revenue in the consolidated statement of financial position. The deferred revenue is calculated plan by plan considering proportionally the months not yet elapsed according to the coverage of the healthcare plan (note 19).

ii. Liability adequacy test

The Group assesses at the date of report whether its recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts and liability adequacy tests (minus the deferred acquisition cost). If the evidence shows that the liability is inadequate, the total amount of the difference will be recognized in the consolidated statement of profit or loss and other comprehensive income. The liability adequacy test, based on the best estimates made, shows that the technical reserves established by the Group are adequate and sufficient to meet the estimated value of future commitments of insurance contracts.

iii. Deferred acquisition costs (DAC)

Commissions are related to the underwriting of new contracts which are capitalized and to renewals of existing contracts and are presented as assets under 'other assets' in the consolidated statement of financial position (note 7). All other costs are recognized as expenses when incurred. DAC are subsequently amortized during the policy life.

DAC is reviewed at the end of each reporting period and are written off when they are no longer considered to be recoverable.

N. Provisions

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation, and it is possible to reliably estimate its amount.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

O. Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Such government grants may be given to an entity to help finance a particular asset or other expenditure.

Government grants should not be recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it and that the grant will be received.

The Group recognises an unconditional government grant in the income statement on a systematic basis over the periods in which the related costs towards which they are intended to compensate are recognised as expenses.

The loans are recognized and measured in accordance with IFRS 9 at its fair value, discounted using a market rate for a similar loan. The benefit of the below-market rate of interest, measured as the difference between the initial carrying value of the loan according to IFRS 9 and the proceeds received, is accounted for as a grant in accordance with IAS 20. The grant initially recognized as deferred income is recognized in profit or loss (compensating the finance cost) over the period of the loan covered.

P. Income tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Uncertain tax treatment

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Q. Share capital and share premium

Common shares are classified as equity and are determined using the par value of the shares that have been issued.

The share premium is the amount by which the fair value of the contribution exceeds the par value of the shares issued.

R. Dividend distribution

In 2018, the Group approved the Dividends Policy, which establishes the distribution of the available profits, up to S/ 10,000 thousand per year. The General Shareholders Meeting will determine the distribution of dividends and the respective payment schedule. During the year 2022 and 2021, the Group did not distribute dividends.

Dividend distribution is recognized as a liability in the consolidated financial statements in the period in which dividends are approved by the Group's shareholders.

S. Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements. They are only disclosed in the notes to the financial statements, unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the consolidated financial statements and are only disclosed when an inflow of economic resources is probable.

T. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenue when it identifies a contract with a customer, the performance obligations in the contract, determines the transaction price, and allocates the transaction price to the performance obligations in the contract as each performance obligation is met.

i. Revenue recognition from oncologic healthcare plans

Revenues arising from oncologic healthcare plans include payments from individuals and corporate clients. The Group has thirteen oncologic healthcare plans. Revenue is recognized over time in which the related plan participants are entitled to healthcare services. All oncologic healthcare plans have a one-year duration and are automatically renewed, unless terminated by either party. The portion of the payment received that relates to unexpired risks at the base date are recognized in the “unearned premiums reserve” in the consolidated statement of financial position. The obligation of the Company is to provide health coverage from the moment the client is diagnosed with cancer, and in turn, the client has the right to receive the treatment according to the conditions and duration of the contract.

ii. Revenue recognition from general healthcare services plan

Revenues arising from general healthcare services plan include payments from individual clients. The Group has one general healthcare plan called “Auna Salud”. Revenue is recognized over time in which the related plan participants are entitled to the general healthcare services. This plan have a one-year duration with recurring monthly charges. The obligation of the Group is to provide general healthcare coverage from the moment the client requests health services, and in turn, the client has the right to receive the treatment according to the conditions of the plan.

iii. Healthcare services

Revenue from healthcare services is recognized when services are rendered. Healthcare services revenue is recognized on the date the patient receives treatment and includes amounts related to certain services, products and supplies used in providing such treatment.

Contracts related to healthcare services include a variable consideration for which the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods and services to the insurance payers. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The variable consideration is only related to price concession provided to insurance payers after healthcare services have been provided. The Group uses the expected value method to estimate the variable consideration given the large number of insurance payers that have similar characteristics and based on statistics of historical percentages of the issued credit notes (price concession). The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. For the year ended December 31, 2022, the variable consideration recorded by our healthcare services subsidiaries amounted to S/ 7,803 thousand (S/ 3,983 thousand and S/ 3,897 thousand as of December 31, 2021 and 2020, respectively) and is recorded in the Healthcare services revenue line item in the consolidated statement of profit or loss and other comprehensive income.

iv. Sales of medicines

The sales of medicines are recognized when the medicines are delivered and have been accepted by customers. Revenue from the sale of medicines delivered during hospitalization is recognized at the time the medicine is used by the patient. The amount of revenue is recognized at the fair value of the medicines.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Healthcare services	The patient acquires control of the use of the healthcare service with the provision of the service, because the patient receives and consumes the benefits granted by the Group as it provides the service. Invoices are generated at that point in time, as services are rendered, with the exception of patients who have medical insurance, which are issued according to the contractual terms agreed with the insurance companies. Uninvoiced amounts are presented as revenue and trade receivables. Advances are primarily received from patients who do not have medical insurance for healthcare services such as hospitalization. These advances are recognized in revenue as services are rendered over time. Generally, invoices are payable within 120 to 150 days for insurance companies and third parties are charged within 30 to 60 days.	Revenue is recognized when services are rendered. Revenue is recognized over time based on the cost of the services, products and supplies utilized in providing such treatment. The variable consideration is determined using the expected value with statistics of historical percentages for the last year and is updated at the end of each month. Advances received were included in trade payable. Healthcare services revenue is recognized on the date the patient receives treatment and includes amounts related to certain services, products and supplies utilized in providing such treatment. The selling price is determined based upon the company's standard rates or at rates determined under reimbursement arrangements. These arrangements are generally with third parties such as commercial insurers. Revenue from contracts with third-party payers is recognized to the extent that it is highly probable that a significant reversal in the amount of accrued revenue will not occur. Therefore, the amount of the recognized income is adjusted by the expected claims that are estimated based on the historical data of the issued credit notes. Some contracts permit the insurers to get discounts for prompt pay, Management works with statistics which are estimated based on historical percentages and this are recognized as a lower value of revenue.
Sale of medicines	Customers acquire control of the medicines, when they are delivered and have been accepted, either as part of the hospitalization or as part of the pharmacy sale. Invoices are generated at the time the customers receive the medicines and in the case of hospitalization at the time of the medicine is delivered. In general, invoices are payable at the	Revenue is recognized when medicines are delivered and have been accepted by customers at their premises. Revenue from the sale of medicines delivered during hospitalization is recognized at the estimated net realization amount at the time the medicine is received by the patient.

Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into soles at the exchange rates at the reporting date. The income and expenses related to foreign operations are translated into soles at the average exchange rate for each month of the year. Foreign currency differences are recognized in OCI and presented in the 'translation reserve,' except to the extent that the translation difference is allocated to non-controlling interest.

X. Written Put and Call Options in Business combinations

The Group may write a put option or enter into a forward purchase agreement with non-controlling shareholders in an existing subsidiary on their equity interests in that subsidiary or in a subsidiary acquired in a business combination. If the put option or forward granted to the non-controlling shareholders provides for settlement in cash or in another financial asset by the entity, then the Group recognizes a liability for the present value of the exercise price of the option or of the forward price.

Non-controlling shareholders with present access to the returns:

If the non-controlling shareholders still have present access to the returns associated with the underlying ownership interest, the Group could choose an accounting policy, to be applied consistently, to use one of the following methods:

- The anticipated-acquisition method: The contract is accounted for as an anticipated acquisition of the underlying non-controlling interest as if the put option had been exercised already or the forward had been satisfied by the non-controlling shareholders. This is independent of how the exercise price is determined and how likely it is that the option will be exercised.
- The present-access method: Under this method, non-controlling interest continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests; therefore, the debit entry is to 'other' equity.

Non-controlling shareholders with no present access to the returns:

If this is the case the Group should apply the anticipated-acquisition method.

Substantially all of the returns associated with the underlying ownership interest are transferred to the parent only if both of the following tests are met:

- From an economic perspective, the instrument will be exercised in substantially all cases.
- The sensitivity of the exercise price to the variations in the fair value of the ownership interest is sufficiently low that substantially all of that variation accrues to the parent.

The Group applies the present-access method for all transactions where non-controlling shareholders still have the present access to the returns associated with the underlying ownership interest.

Subsequent to initial recognition of the liability using the present-access method, the Group choose an accounting policy to be applied consistently, to recognize changes in the carrying amount of the liability within profit or loss or equity. Subsequent changes in the carrying amount of the liability are recognized in equity.

Y. IFRS' new amendments of mandatory application as of the periods beginning on January 1, 2022

The following amendments to IFRS are required to be applied for annual periods beginning after 1 January 2022:

New standards or amendments	Effective date
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	Annual periods beginning on or after 1 January 2022.
Annual Improvements to IFRS Standards 2018 – 2020	
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	
Reference to the Conceptual Framework – Amendments to IFRS 3	

The Group adopted these amendments, not generating significant impacts on the consolidated financial statements as of December 31, 2022.

Z. Standards issued but not yet effective

The following accounting pronouncements issued are applicable to annual periods beginning after January 1, 2023, and have not been applied in the preparation of these financial statements. The Company plans to adopt the corresponding accounting pronouncements on their respective dates of application.

New standards or amendments	Effective date
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	
Definition of Accounting Estimates (Amendments to IAS 8)	
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

In order to promote uniformity of application and clarify the requirements for determining whether a liability is current or non-current, the IASB has amended IAS 1 Presentation of Financial Statements. As a consequence of this modification, entities must review their loan contracts to determine if their classification will change.

Modifications include the following:

- The right to defer settlement must be justified: current IAS 1 establishes that entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months following the date of exercise about which it is reported. As part of its amendments, the IASB has removed the requirement that the right be unconditional and instead states that the right to defer cancellation must be well-founded and exist at the end of the reporting period.
- The classification of revolving credit lines may change: entities classify a liability as non-current if they have the right to defer its cancellation for at least twelve months from the end of the reporting period. Now, the IASB has clarified that the right to defer exists only if the company meets the conditions specified in the loan agreement at the end of the reporting period, even if the lender does not verify compliance until a later date.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

- Liabilities with equity settlement characteristics: the amendments state that the settlement of a liability includes the transfer of the entity's own equity instruments to the other party. The amendment clarifies the way in which entities classify a liability that includes a conversion option of the other party, which could be recognized as equity or as a liability separately from the liability component provided for in IAS 32 Financial Instruments: Presentation.

The amendment is effective, retrospectively, for annual periods beginning on or after January 1, 2023. Earlier application is permitted. However, the companies will consider including the information to be disclosed in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in their following annual financial statements.

The Group is evaluating the impact, if any, of these amendments issued that are not yet effective as of the date of the consolidated financial statements.

Disclosures of accounting policies (Amendments to IAS 1 and Statement of Practice 2 Preparation of Judgments related to Materiality)

In October 2018, the Board refined the definition of materiality to make it easier to understand and apply. This definition is aligned with the entire IFRS framework including the conceptual framework. The changes to the definition of materiality complement the non-mandatory Practice Statement 2 Making Judgments related to Materiality, issued by the Board in 2017, which outlines a four-step procedure that can be used to help make materiality judgements. materiality in the preparation of the financial statements.

In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and an update to Practice Statement 2.

Modifications include the following:

- Requires companies to disclose their material accounting policies rather than significant accounting policies;
- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore do not need to be disclosed;
- Clarify that not all accounting policies that are related to material transactions, other events or conditions are in themselves material to the company's financial statements.

The amendments to Practice Statement 2 include two additional examples on the application of materiality in accounting policy disclosures.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Definition of accounting estimate (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus being the definition and clarification of accounting estimates.

The amendments clarify the relationship between policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective previously defined in an accounting policy.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Deferred taxes related to assets and liabilities arising from a single transaction (Amendment to IAS 12)

In May 2021, the Board issued amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction, to clarify how companies should account for deferred tax on certain types of transactions where an asset is recognized and a liability, such as leases and decommissioning obligations.

The amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and compensatory temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning obligation.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

On September 11, 2014, this amendment was issued that requires that, when transfers are made from subsidiaries to an associate or joint venture, the entire gain is recognized when the transferred assets meet the definition of "business" under IFRS 3 Combinations of Business. The amendment places strong pressure on the definition of "business" for recognition in results. The amendment also introduces new and unexpected accounting for transactions that consider partial maintenance in assets that are not businesses.

The effective date of application of this amendment has been postponed indefinitely.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

5. Cash and Cash Equivalents

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2022	2021	2020
Checking accounts (a)	173,037	73,505	142,553
Term deposits (b)	35,214	64,882	200,352
Cash funds	443	384	549
	208,694	138,771	343,454

- (a) As of December 31, 2022, checking accounts are held at local and foreign banks in local and foreign currency amounting to S/ 26,669 thousand and an equivalent of S/ 146,368 thousand respectively (S/ 17,861 thousand and an equivalent of S/ 55,644 thousand as of December 31, 2021, and S/ 47,861 thousand and an equivalent of S/ 94,692 thousand as of December 31, 2020).
- (b) As of December 31, 2022, it comprises overnight term deposits are held at local and foreign banks in local and foreign currency amounting for S/ 34,408 thousand and equivalent to S/ 806 thousand, respectively. These deposits were held in local and foreign financial entities, earned interest at market rates, and matured at the beginning of February 2023 (S/ 64,028 thousand and equivalent to S/ 854 thousand as of December 31, 2021 with maturity at the beginning of February 2022 and S/ 192,478 thousand and equivalent to S/ 7,874 thousand as of December 31, 2020, with maturity at the beginning of February 2021).

The quality of the financial institutions where the Group deposits its cash has been rated as follows:

- In accordance with the information provided by Apoyo y Asociados Internacionales S.A.C., an international rating agency (applicable to Peruvian financial entities):

<i>In thousands of soles</i>	2022	2021	2020
Bank deposits and accounts			
A+	73,458	64,018	235,129
AA	-	16,114	-
AA+	204	-	-
A	3,664	4,446	5,210

	77,326	84,578	240,339

- In accordance with the information provided by an international rating agency (applicable to Colombian financial entities):

<i>In thousands of soles</i>	2022	2021	2020
Bank deposits and accounts			
AAA	61,919	53,794	99,692
AA	-	15	-
AA+	8	-	35
AA-	29	-	979
BBB-	-	-	1,860
	61,956	53,809	102,566

- In accordance with the information provided by an international rating agency (applicable to Mexican financial entities):

<i>In thousands of soles</i>	2022	2021	2020
Bank deposits and accounts			
AAA	13,073	-	-
A	19	-	-
BBB	46,638	-	-
BBB+	9,194	-	-
BBB-	45	-	-
	68,969	-	-

6. Trade Accounts Receivable

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Trade accounts receivable		612,994	397,510	409,088
Trade accounts receivable from related parties	32	312	261	462
		613,306	397,771	409,550
Less: Loss for impairment of trade receivables		(38,589)	(44,830)	(38,540)
		574,717	352,941	371,010
Current		574,166	352,662	370,643
Non-current		551	279	367

The trade accounts receivable have current maturity, do not bear interest and do not have specific guarantees. The trade accounts receivable included the unbilled amount for S/ 141,722 thousand (S/ 125,232 thousand as December 31, 2021 and S/ 86,296 thousand as of December 31, 2020). These amounts will become billable within the first quarter of the next annual period.

As of December 31, 2022, 2021 and 2020 the non-current portion corresponds to receivables agreements with individual customers related to healthcare services, mainly with maturities between 24 and 36 months, and do not have specific guarantees.

The impairment estimate of trade accounts receivable is included in the "Loss for impairment of trade receivables" item in the consolidated statement of profit or loss and other comprehensive income. Amounts

charged to results of the impairment period are generally written off when there is no expectation of cash recovery.

Disaggregation of trade accounts receivable

This caption comprises the following:

<i>In thousands of soles</i>	2022	2021	2020
Premium earned	-	9,342	10,120
Healthcare services	574,717	343,599	360,890
	574,717	352,941	371,010

By primary geographical markets

2022

<i>In thousands of soles</i>	Peru	Colombia	México	Total
Healthcare services	130,066	367,352	77,299	574,717
	130,066	367,352	77,299	574,717

2021

<i>In thousands of soles</i>	Peru	Colombia	Total
Premium earned	9,342	-	9,342
Healthcare services	113,688	229,911	343,599
	123,030	229,911	352,941

2020

<i>In thousands of soles</i>	Peru	Colombia	Total
Premium earned	10,120	-	10,120
Healthcare services	133,429	227,461	360,890
	143,549	227,461	371,010

Transfer of accounts receivable

As of December 31, 2022 the Group maintain factoring agreements with Citibank del Perú S.A. in order to have more liquidity. According to these agreements, the Group sold without recourse trade receivables for S/ 128,775 thousand (S/ 45,292 thousand as December 31, 2021). These trade receivables have been derecognized from the consolidated statement of financial position, because the Group transferred substantially all of the risks and rewards.

Expected credit loss assessment for customers (ECL)

The Group uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics: geographic region, age of customer relationship and type of product purchased.

The Group's exposure to credit risk is mainly influenced by the characteristics of corporate and individual clients. The Group has established a credit policy under which the client is analyzed by group if it is individual or corporate to determine its solvency before payment and the terms and conditions of the service are offered. The Group's evaluation includes external qualifications, information from credit agencies, and considers that the main corporate clients are insurers that are supervised by the banking and insurance regulator.

The Group limits its exposure to the credit risk of trade accounts receivable by establishing a maximum payment period of one and three months for individual and corporate clients.

The composition of accounts receivable by geographic region and aging as of December 31, 2022, 2021 and 2020 is as follows:

2022

<i>In thousands of soles</i>	Peru	Colombia	México	Total
Current (not past due)	80,380	229,200	69,608	379,188
1 - 90 days past due	37,843	71,886	7,430	117,159
91 - 180 days past due	12,825	30,541	118	43,484
181 - 360 days past due	5,296	26,273	117	31,686
More than 360 days past due	24,908	16,727	154	41,789
	161,252	374,627	77,427	613,306

2021

<i>In thousands of soles</i>	Peru	Colombia	Total
Current (not past due)	88,696	170,620	259,316
1 - 90 days past due	31,022	30,761	61,783
91 - 180 days past due	5,838	11,638	17,476
181 - 360 days past due	5,509	13,681	19,190
More than 360 days past due	29,858	10,148	40,006
	160,923	236,848	397,771

2020

<i>In thousands of soles</i>	Peru	Colombia	Total
Current (not past due)	95,053	154,125	249,178
1 - 90 days past due	47,141	31,598	78,739
91 - 180 days past due	8,487	22,236	30,723
181 - 360 days past due	5,216	19,477	24,693
More than 360 days past due	17,498	8,719	26,217
	173,395	236,155	409,550

The following table provides information about the exposure to credit risk and ECLs for trade receivables from corporate customers as of December 31, 2022, 2021 and 2020:

2022

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	0.33%	335,439	1,114
1 - 90 days past due	2.04%	106,157	2,169
91 - 180 days past due	3.99%	41,016	1,636
181 - 360 days past due	8.52%	26,967	2,298
More than 360 days past due	57.61%	26,901	15,497
		536,480	22,714

2021

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	0.57%	254,921	1,443
1 - 90 days past due	3.23%	58,994	1,904
91 - 180 days past due	3.07%	16,370	502
181 - 360 days past due	27.58%	17,369	4,791
More than 360 days past due	80.13%	27,689	22,188
		375,343	30,828

2020

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	0.45%	246,372	1,102
1 - 90 days past due	1.43%	73,517	1,052
91 - 180 days past due	0.97%	28,215	275
181 - 360 days past due	18.59%	21,863	4,065
More than 360 days past due	89.21%	20,918	18,661
		390,885	25,155

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of December 31, 2022, 2021 and 2020:

2022

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	3.12%	43,749	1,363
1 - 90 days past due	14.53%	11,002	1,599
91 - 180 days past due	13.53%	2,468	334
181 - 360 days past due	29.18%	4,719	1,377
More than 360 days past due	75.24%	14,888	11,202
		76,826	15,875

2021

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	22.82%	4,395	1,003
1 - 90 days past due	19.79%	2,789	552
91 - 180 days past due	29.29%	1,106	324
181 - 360 days past due	39.37%	1,821	717
More than 360 days past due	92.60%	12,317	11,406
		22,428	14,002

2020

<i>In thousands of soles</i>	Weighted- average loss rate	Gross carrying amount	Loss allowance
Current (not past due)	7.23%	2,806	203
1 - 90 days past due	72.79%	5,222	3,801
91 - 180 days past due	93.18%	2,508	2,337
181 - 360 days past due	70.81%	2,830	2,004
More than 360 days past due	95.11%	5,299	5,040
		18,665	13,385

The annual movement of loss for impairment of trade accounts receivables is the following:

<i>In thousands of soles</i>	2022	2021	2020
Initial balance	44,830	38,540	22,328
Additions	5,255	27,412	17,333
Recovery	(6,835)	(283)	(975)
Write-off (a)	(2,828)	(20,195)	(543)
Exchange difference	(1,833)	(644)	397
Final balance	38,589	44,830	38,540

- (a) Corresponds to write-off of accounts receivables. On January 25, 2022, the Superintendencia Nacional de Salud - Supersalud (Colombian Board of Health) issued the liquidation to one of our insurance clients in Colombia (Comeva EPS SA) after evidencing the impossibility of correcting its financial situation. Of the S/ 16,866 thousand owed by the client, the Group does not expect to recover and additional allowance for impairment has been made in these consolidated financial statements for this amount, subsequently the Group has made the total write-off in 2021.

7. Other Assets

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	Note	2022	2021	2020
Tax credit from sales tax (VAT) (a)		55,794	50,252	36,639
Costs of anticipated equity transactions		23,242	18,317	5,615
Advance payment for purchase of shares (b)		11,373	-	1,148
Deferred acquisition costs (DAC) (j)	4.M(iii)	-	4,106	5,359
Trust fund (c)		95,201	-	-
Prepaid expenses (d)		3,852	5,282	7,717
Payments in advance of income tax (e)		47,287	33,539	2,820
Accounts receivables from credit cards		6,732	3,991	4,608
Claims to third parties (f)		1,429	1,203	1,879
Account receivable from former shareholders (g)		935	1,530	1,659
Guarantees furnished (h)		868	1,405	2,250

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Taxes receivable	4,900	1,668	1,465
Loans to personnel	1,427	1,404	1,345
Prepayments	1,484	468	1,221
Others (i)	20,877	12,697	11,743
	275,401	135,862	85,468
Current	255,595	118,683	69,517
Non-current	19,806	17,179	15,951

- (a) As of December 31, 2022, 2021 and 2020, it includes the tax credit (net) of value added tax (VAT).
- (b) As of December 31, 2022, it includes the payment as an advance for the acquisition of shared of the OCA Hospital through Auna Mexico, which agreed with former shareholder the deposit the amount of S/ 11,592 thousand and decreased on this balance by S/ 219 thousand as lower exchange difference. In January 2023, this amount was recovered in cash.

As of December 31, 2020, the payment in advance corresponds to the acquisition of shares of the minority interest shareholders of the PMLA, increasing its ownership from 97.32% to 99.77%. Four shareholders refused to sell their interest, as a result, the difference of S/ 1,148 thousand it is managed by BTG Pactual Fiduciary and it is included in 'other assets' and include S/ 63 thousand of exchange difference. In July 2021, this amount was recovered in cash.

- (c) It corresponds to the deposit of S/ 95,201 thousand (COP 100,000 million) in a trust fund to guarantee the payment of the contingent consideration in accordance with the acquisition of shares of the Oncomedica S.A. (note 1.C.ii).
- (d) It corresponds to insurance paid in advance, annual licenses of software and additionally includes incremental cost of obtaining a contract with a supplier for selling oncological healthcare plans.
- (e) It corresponds to payments in advance of income tax, which will be offset with future income tax in the 2023 fiscal year.
- (f) It includes a receivable for salaries of employees on leave that is to be refunded by the government for S/ 1,124 thousand for December 31, 2022 (S/ 998 thousand and S/ 1,015 thousand for December 31, 2021 and 2020, respectively).
- (g) As of December 31, 2022 and 2021, it corresponds to account receivables from former shareholders for tax and labor liabilities contingencies that were determined in the acquisition of Patología Oncológica for S/ 209 thousand (note 1.C.iii).

As of December 31, 2022 and 2021 and 2020, it includes the account receivables from former shareholders for medical liabilities contingencies that were determined in the acquisition of PMLA. In 2021, these contingencies were dismissed for S/ 686 thousand, as a result, the amount of account receivables from former shareholders is S/ 973 thousand as of December 31, 2021. In 2022, the effect as a lower exchange difference was for S/ 247 thousand.

- (h) It corresponds to funds under restriction in financial institutions mainly for the compliance with debts and guarantees for real estate rentals.
- (i) It includes accounts receivable from Consorcio Trecca for S/ 11,301 thousand for December 31, 2022 (S/ 10,901 thousand and S/ 9,224 thousand for December 31, 2021 and 2020, respectively) which corresponds to preoperative activities defined in the concession arrangement, that represents a contractual right to receive cash and the accounts receivable is accumulating when they are incurred.
- (j) The annual movement of deferred acquisition costs is the following:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Balances as of January 1		4,106	5,359	7,702
Adoption of IFRS 17		(4,106)	-	-
Additions		-	8,785	9,152
Amortization	22.b.i	-	(10,038)	(11,495)
Balances as of December 31		-	4,106	5,359

8. Inventories

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2022	2021	2020
Medicines	62,372	38,304	25,236
Medical supplies	18,220	14,622	21,949
Supplies and packaging	6,986	8,225	5,383
	87,578	61,151	52,568

In 2022, 2021 and 2020, inventories of S/ 623 millions, S/ 504 millions and S/ 383 millions, respectively, were recognised as an expense during these years and included in cost of sales and services.

As of December 31, 2022, 2021 and 2020, the Group recognized an impairment of inventories for S/ 4,655 thousand, S/ 450 thousand and S/ 419 thousand, respectively, that presented net in cost of sales and services.

9. Derivative Financial Instruments

A. Derivatives Foreign exchange operation agreements with deferred premium

On November 17, 2020, the Group signed a foreign exchange options which included purchased collar and long-forward agreement with Goldman Sachs Bank for S/ 1,092,750 thousand (US\$ 300,000 thousand). It covered 100% of the senior notes. The Group signed novation contracts with Citibank N.A. and with the Banco Santander S.A., banks of the below derivatives (9.B and 9.C), for the novation to Goldman Sachs Bank. These new instruments cover the exchange fluctuations ranging from S/ 3.4240 to S/ 3.8500 per US\$ 1.

On May 19, 2021, the Group signed an ammendment as a consequence of the increase in the fluctuations of the exchange rate due to the effect of macroeconomic factors. As result of this ammendment the exchange fluctuations of the derivative result in a new ranging from S/ 3.3240 to S/ 4.2000 per US\$ 1. As a result of change, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 32,094 thousand.

On November 29, 2022, the Group has negotiated a new agreement with Citibank N.A. on the previous derivate structure (purchased collar and long-forward) which is valid as of November 2023, to hedge the senior notes until November 2025. As result of this agreement the exchange fluctuations of the derivative result in a new ranging from S/ 4.2000 to S/ 4.3000 per US\$ 1. As a result of this negotiation, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 35,702 thousand.

On November 29, 2022, the Group signed a new foreign exchange options which included purchased collar agreement with Citibank N.A. for S/ 238,650 thousand (US\$ 55,500 thousand) to cover 100% of the loan agreement with JPMorgan Chase Bank, S.A. These new instruments cover the exchange fluctuations ranging from S/ 3.8750 to S/ 4.3000 per US\$ 1. As a result of this agreement, the Group recorded an increase of the derivative financial asset with the premiums payable by S/ 13,774 thousand.

As of December 31, 2022, 2021 and 2020, this caption comprises the following:

<i>In thousands of soles</i>	Reference value	Maturity date	2022	2021	2020
Derivative assets mandatorily measured at FVTPL					

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Fx operation Agreement – Purchased Collar	US\$ 55,500	2026	9,396	-	-
Derivative assets mandatorily measured at FVOCI					
Fx operation Agreements – Long forward	US\$ 300,000	2023	69,064	144,424	11,707
Fx operation Agreements – Purchased Collar (Long Put)	US\$ 300,000	2025	(9,835)	-	-
Fx operation Agreements – Purchased Collar (Short Call)	US\$ 300,000	2025	13,981	-	-
			82,606	144,424	11,707
Current			69,064	-	-
Non-current			13,542	144,424	11,707
Derivative liabilities mandatorily measured at FVOCI					
Fx operation Agreements – Purchased Collar (Long Put)	US\$ 300,000	2023	(50)	(25,775)	(12,603)
Fx operation Agreements – Purchased Collar (Short Call)	US\$ 300,000	2023	15,367	76,667	46,197
			15,317	50,892	33,594
Current			15,317	-	-
Non-current			-	50,892	33,594

Fx: Foreign exchange

These derivatives instruments are classified as current and non-current under the same structure as the hedged item (senior notes) given entire principal value will be paid at maturity.

As of December 31, 2022, there are outstanding premiums and other accounts payable of S/ 67,763 thousand and S/ 7,612 thousand (S/ 35,574 thousand and S/ 14,792 thousand, respectively as of December 31, 2021), which were included in Other Accounts Payable (note 17.c). The liabilities payable were incurred in connection with purchased collar and long forward agreements.

The effect of fair value of these derivative financial instrument, net of tax recognized in the consolidated other comprehensive income for the year ended December 31, 2022 was loss for S/ 50,297 thousand (loss for S/ 100,585 thousand and gain for S/ 58,745 thousand for the year ended December 31, 2021 and 2020, respectively).

During the year 2022, the effect reclassified from other comprehensive income to profit or loss as higher exchange difference was S/ 53,400 thousand and from other comprehensive income to profit or loss as finance cost was S/ 28,097 thousand (note 25), and neither includes S/ 24,042 thousand of tax.

During the year 2021, the effect reclassified from other comprehensive income to profit or loss as lower exchange difference was S/ 112,200 thousand and from other comprehensive income to profit or loss as finance cost was S/ 22,064 thousand (note 25), and neither includes S/ 26,590 thousand of tax.

During the year 2020, the effect reclassified from other comprehensive income to profit or loss as lower exchange difference was S/ 14,100 thousand and from other comprehensive income to profit or loss as finance cost was S/ 1,540 thousand (note 25), and neither includes S/ 3,705 thousand of tax.

B. Call spread option agreements with deferred premium

In December 2018, the Group signed two call spread agreements with Banco Citibank N.A. for S/ 181,980 thousand each (US\$ 54,000 thousand each). It covered 98% of the syndicated loan with Banco Nacional de México S.A. and Banco Santander S.A. related to the acquisition of PMLA. These instruments cover the exchange fluctuations ranging from S/ 3.383 to S/ 3.733 per US\$ 1.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

On January 3, 2019, the Group changed the conditions of the initial derivative related to notional amount, fixing dates, strike prices and the exchange fluctuations ranging, resulting in new derivatives, which were designated as cash flow hedging instruments to cover the exchange fluctuations ranging from S/ 3.374 to S/ 3.724 per US\$ 1 signing an amendment to two call spread agreements with Citibank N.A. with a new notional for US\$ 55,000 thousand each. It covered 100% of future capital contributions to the subsidiary Auna Colombia S.A.S. in order to pay the debt resulting from the acquisition of PMLA.

During 2020, derivative financial instruments as a consequence of the increase in the exchange rate generated gains in settlements for S/ 1,670 thousand recognized in the caption "financial income" (note 25) in the consolidated statement of comprehensive income. Also, the effect reclassified from other comprehensive income to profit or loss as finance cost was S/ 906 thousand and not include S/ 267 thousand of tax.

On November 30, 2020, the Group signed an agreement with Citibank N.A. for the transfer by novation of the derivative financial instrument to Goldman Sachs Bank, with which the Group released its respective rights and obligations of the derivative financial instrument including the financed premiums (note 17.c). The net effect of derecognizing the derivative financial instrument amounts to S/ 3,166 thousand and is recorded in the hedge reserve item of the consolidated statement of changes in equity, corresponding to S/ 4,491 thousand recognized in the financial cost as a lower value and S/ 1,325 thousand recognized in the caption of "income taxes" of the consolidated statement of comprehensive income.

At the date of transfer and novation of this derivative agreements, the existing call spread agreement had a fair value of S/ 16,798 thousand and remaining premiums payable of S/ 13,408 thousand. The net asset position of S/ 3,390 thousand had the effect of lowering the account payable liability to Goldman Sachs and is part of the remaining liability payable included in Other Accounts Payable (note 17(c)).

C. Swap agreements

In December 2018, the Group signed an interest rate swap agreement with Banco Santander S.A. to cover the interest rate fluctuation related to the debt of Auna Colombia S.A.S. with the same bank. The amount covered was US\$ 55,000 thousand and such instrument fixed an interest rate of 5.637%, which is shown below.

On January 2019, the Group signed a new interest rate swap agreement with Citibank N.A. to cover the interest rate fluctuation related to the debt of Auna Colombia S.A.S. with the same bank. The amount covered was US\$ 55,000 thousand and such instrument fixed an interest rate of 4.22% the two first years and then 5.08% the last three years.

In June 2019, the Banco Santander S.A. transferred 13.63% of its participation to Citibank N.A., becoming creditor of 50% to 36.37% of the debt of Auna Colombia. Consequently, Auna Colombia signed an interest rate swap agreement with Citibank N.A. for US\$ 15,000 thousand.

During 2020, derivative financial instruments generated settlements for S/ 5,296 thousand recognized in the caption "finance cost" (note 25) in the consolidated statement of comprehensive income.

On November 23, 2020, the Group signed an agreement with Banco Santander S.A. for the transfer by novation of the derivative financial instrument to Goldman Sachs Bank, with which the Group released its respective rights and obligations of the derivative financial instrument. The net effect of derecognizing the derivative financial instrument was of S/ 17,946 thousand and reclassified from hedge reserve in the statement of changes in equity, to income statement in 'finance cost' for S/ 26,008 thousand. The tax impact was S/ 8,062 thousand and it was included as income taxes.

At the date of transfer and novation of this derivative agreements, the existing swap agreement had a fair value of S/ 25,039 thousand. This liability position is part of the accounts payable included in Other Accounts Payable (note 17(c)).

10. Investments in Associates and Joint Venture

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	Percentage ownership interest	2022	2021	2020
Associates				
Ciclotrón Colombia S.A.S. (a)	32.50	4,929	7,678	6,604
Ciclotrón Perú S.A. (c)	49.00	4,315	3,530	2,854
Joint Venture				
Pet CT Perú S.A. (b)	50.00	3,852	3,078	2,639
		13,096	14,286	12,097

- (a) It is dedicated to the production and commercialization of radiopharmaceuticals used for diagnostic images of PET (positron emission tomography) and scintigraphy and its fiscal address is Calle 30 N 46 - 25 Medellín – Colombia.
- (b) It is dedicated to providing medical diagnostic imaging services and cancer treatment, using PET / CT molecular imaging technology.
- (c) It is dedicated to the production of radiopharmaceuticals used for diagnostic images of PET (positron emission tomography).

The Group has recognized the following amounts in the consolidated statement of profit or loss and other comprehensive income:

<i>In thousands of soles</i>	2022	2021	2020
Profit			
Associate			
Ciclotrón Colombia S.A.S.	2,198	2,230	1,020
Ciclotrón Perú S.A.	785	676	180
Joint Venture			
Pet CT Perú S.A.	774	439	120
	3,757	3,345	1,320
Other comprehensive income			
Associate			
Ciclotrón Colombia S.A.S.	(77)	132	-

The interest of the Group in the profit or loss, assets, and liabilities of its associate and joint venture is the following:

<i>In thousands of soles</i>	Assets	Liabilities	Income	Expenses	Interest (%)
As of December 31, 2022					
Ciclotrón Perú S.A.	12,741	4,681	9,124	7,522	49.0
Pet CT Perú S.A.	11,488	3,772	14,894	13,347	50.0
Ciclotrón Colombia S.A.S.	27,280	16,149	25,493	18,729	32.5
As of December 31, 2021					
Ciclotrón Perú S.A.	13,905	7,448	8,059	6,678	49.0
Pet CT Perú S.A.	11,617	5,460	19,643	18,766	50.0
Ciclotrón Colombia S.A.S.	25,952	7,364	23,765	16,901	32.5
As of December 31, 2020					
Ciclotrón Perú S.A.	8,927	3,853	5,086	4,719	49.0
Pet CT Perú S.A.	10,288	5,008	13,875	13,634	50.0
Ciclotrón Colombia S.A.S.	20,814	5,962	14,771	11,633	32.5

The annual movement of investments in the associate and joint venture during the year comprises:

<i>In thousands of soles</i>	2022	2021	2020
As of January, 1	14,286	12,097	9,907
Group's share in profit or loss	3,757	3,345	1,320
Group's share in other comprehensive income	(77)	132	-
Purchase of participation (i)	-	-	792
Collection of dividends	(3,545)	(674)	(303)
Exchange difference	(1,325)	(614)	381
As of December, 31	13,096	14,286	12,097

- (i) On January 2, 2020, the Group completed the acquisition of the shares of Ciclotron Perú S.A. which represent 9% of their share capital, increased its percentage ownership interest to 49%. The Company paid in December 2019 for the acquisition of these shares S/ 792 thousand.

This acquisition has not represented change in the accounting treatment due to the fact that the Company still does not have control over Ciclotron Perú S.A., because it is not exposed and it does not have the ability to affect its power or control over the investee.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

11. Property, Furniture and Equipment

The movement of property, furniture and equipment and the respective accumulated depreciation for the years ended December 31, 2022, 2021 and 2020 is as follows:

<i>In thousands of soles</i>	<i>Note</i>	Land (a)	Buildings and facilities (a)	Medical equipment and others (a)	Vehicles	Furniture and fixture	Works in progress (b)	Total
Cost								
Balances as of January 1, 2020		203,050	440,553	123,757	1,041	13,474	81,647	863,522
Additions		52	6,523	11,215	-	2,197	78,124	98,111
Business combination balances	1.C.v	12,620	106,242	14,607	4	473	-	133,946
Reclassifications to intangible assets		-	-	-	-	-	(622)	(622)
Reclassifications from right-of-use asset (c)		15,336	64,314	72,832	-	380	-	152,862
Transfers		-	32,142	124	-	44	(32,310)	-
Write-off		-	(991)	(1,290)	(19)	(105)	-	(2,405)
Disposals		-	(2,443)	-	-	-	-	(2,443)
Exchange difference		6,843	22,371	4,995	2	333	4,183	38,727
Balances as of December 31, 2020		237,901	668,711	226,240	1,028	16,796	131,022	1,281,698
Balances as of January 1, 2021		237,901	668,711	226,240	1,028	16,796	131,022	1,281,698
Additions		3,946	64,458	88,767	459	4,547	95,044	257,221
Business combination balances	1.C.iii & iv	-	136	275	-	48	-	459
Reclassifications from intangible assets		-	-	473	-	-	-	473
Reclassifications from right-of-use asset (c)		-	427	20,499	-	299	-	21,225
Transfers		-	59,691	533	-	38	(60,262)	-
Write-off (e)		-	(1,829)	(8,628)	(94)	(1,656)	-	(12,207)
Disposals		(65)	(39)	(623)	(27)	-	-	(754)
Exchange difference		(9,012)	(25,473)	(8,442)	(2)	(497)	(7,510)	(50,936)
Balances as of December 31, 2021		232,770	766,082	319,094	1,364	19,575	158,294	1,497,179
Balances as of January 1, 2022		232,770	766,082	319,094	1,364	19,575	158,294	1,497,179
Additions		522	27,993	25,765	4	4,581	27,676	86,541
Business combination balances	1.C.i & ii	150,085	958,868	133,817	455	4,421	4,749	1,252,395
Reclassifications to intangible assets		-	-	-	-	-	(306)	(306)
Reclassifications from right-of-use asset (c)		-	-	5,143	-	-	-	5,143
Transfers		-	151,521	2,998	-	2,069	(156,588)	-
Write-off (e)		-	(715)	(3,343)	-	(177)	-	(4,235)
Disposals		-	-	(628)	(608)	(115)	-	(1,351)
Exchange difference		(24,242)	(111,812)	(35,180)	(35)	(2,263)	(9,625)	(183,157)
Balances as of December 31, 2022		359,135	1,791,937	447,666	1,180	28,091	24,200	2,652,209

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	Land	Buildings and facilities	Medical equipment and others	Vehicles	Furniture and fixture	Works in progress	Total
Accumulated depreciation								
Balances as of January 1, 2020		-	(76,096)	(64,861)	(944)	(5,821)	-	(147,722)
Additions (d)		-	(14,979)	(14,562)	(12)	(1,433)	-	(30,986)
Reclassifications from right-of-use asset (c)		-	(4,227)	(37,997)	-	(121)	-	(42,345)
Write-off		-	991	1,128	19	99	-	2,237
Disposals		-	1,523	-	-	-	-	1,523
Exchange difference		-	(406)	(1,733)	(1)	(43)	-	(2,183)
Balances as of December 31, 2020		-	(93,194)	(118,025)	(938)	(7,319)	-	(219,476)
Balances as of January 1, 2021		-	(93,194)	(118,025)	(938)	(7,319)	-	(219,476)
Additions (d)		-	(19,165)	(23,633)	(45)	(1,765)	-	(44,608)
Reclassifications from right-of-use asset (c)		-	(52)	(12,279)	-	(220)	-	(12,551)
Write-off (e)		-	114	6,454	94	1,334	-	7,996
Disposals		-	3	117	25	-	-	145
Exchange difference		-	747	2,707	-	79	-	3,533
Balances as of December 31, 2021		-	(111,547)	(144,659)	(864)	(7,891)	-	(264,961)
Balances as of January 1, 2022		-	(111,547)	(144,659)	(864)	(7,891)	-	(264,961)
Additions (d)		-	(29,464)	(53,377)	(119)	(2,350)	-	(85,310)
Reclassifications from right-of-use asset (c)		-	-	(2,568)	-	-	-	(2,568)
Write-off (e)		-	576	2,441	-	75	-	3,092
Disposals		-	-	588	475	115	-	1,178
Exchange difference		-	3,626	12,446	(22)	454	-	16,504
Balances as of December 31, 2022		-	(136,809)	(185,129)	(530)	(9,597)	-	(332,065)
Net carrying amount								
Balances as of December 31, 2020		237,901	575,517	108,215	90	9,477	131,022	1,062,222
Balances as of December 31, 2021		232,770	654,535	174,435	500	11,684	158,294	1,232,218
Balances as of December 31, 2022		359,135	1,655,128	262,537	650	18,494	24,200	2,320,144

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

- (a) In 2022, the Group acquired medical equipment for S/ 25,765 thousand (S/ 88,767 thousand and S/ 11,215 thousand in 2021 and 2020, respectively) to expand the clinical services and improve and remodel the infrastructure of facilities for S/ 6,688 thousand (S/ 13,531 thousand and S/ 6,523 thousand in 2021 and 2020, respectively).

Also, the additions 2022 in infrastructure includes S/ 9,556 thousand of costs incurred for the construction of the radiotherapy unit, offices and parking of the Clínica Chiclayo completed on October 2022 (S/ 34,733 thousand of costs incurred for the construction of the Clínica Chiclayo completed on July, 2021. As of December 31, 2020 this construction was in progress). The costs incurred for the construction of the Clínica Chiclayo includes capitalised borrowing costs for S/ 1,742 thousand calculated using a capitalisation rate of 6.87%.

In addition during 2022 in infrastructure includes S/ 6,251 thousand of costs incurred for the construction of the expansion of Clínica Vallesur, S/ 5,498 thousand of cost incurred for the construction of the new clinic denominated Clínica del Sur in Colombia completed on December 2022 (S/ 16,194 thousand of costs incurred for the construction of new health ambulatory center called "Centro de Bienestar Ambulatorio – CBA" completed on December, 2021).

In 2021, the Group acquired one property located in Chiclayo for S/ 3,946 thousand (two mall stands locate in Chiclayo for S/ 52 thousand in 2020).

- (b) As of December 31, 2022, and 2021 and 2020, the constructions in progress in Peru correspond to real estate projects related to the expansion of Clínica Delgado and Clínica Oncosalud (Oncocenter). As of December 31, 2021 the constructions in progress in Colombia included the construction of real estate projects to build a new clinic through the subsidiary Clínica del Sur. As of December 31, 2020 the constructions in progress in Peru included the project Clínica Chiclayo with capitalised borrowing costs for S/ 1,235 thousand, calculated using a capitalisation rate of 6.77%.
- (c) Corresponds to transfers from right-of-use as a consequence of the termination of the lease agreement with option to purchase.
- (d) The depreciation recognized in the consolidated statement of profit or loss and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Cost of sales and services	22	73,583	38,062	24,944
Administrative expenses	22	11,727	6,546	6,042
		85,310	44,608	30,986

- (e) The write-off corresponds mainly to the physical inventory of fixed assets of the Group in 2021 with a cost of S/ 7,980 thousand and accumulated depreciation of S/ 6,080 thousand.

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

12. Intangibles Assets

The movement of intangibles and the corresponding accumulated amortization for the years ended December 31, 2022, 2021 and 2020, is as follows:

<i>In thousands of soles</i>	<i>Note</i>	Goodwill	Trademark	Customer relationships	Software	Public service concessions	Total
Cost							
Balances as of January 1, 2020		188,066	180,454	13,494	56,109	11,931	450,054
Additions		-	-	-	33,565	4,609	38,174
Business combination balances	1C.v	-	3,834	-	1,516	-	5,350
Reclassifications from property, furniture and equipment		-	-	-	-	622	622
Write-off		-	-	-	(20)	-	(20)
Exchange difference		9,646	10,813	777	1,732	-	22,968
Balances as of December 31, 2020		197,712	195,101	14,271	92,902	17,162	517,148
Balances as of January 1, 2021		197,712	195,101	14,271	92,902	17,162	517,148
Additions		-	-	-	56,154	1,947	58,101
Business combination balances	1C.iii & iv	1,219	200	4,691	3	-	6,113
Reclassifications to property, furniture and equipment		-	-	-	(473)	-	(473)
Write-off		-	-	-	(37)	-	(37)
Exchange difference		(13,970)	(15,389)	(1,126)	(2,256)	-	(32,741)
Balances as of December 31, 2021		184,961	179,912	17,836	146,293	19,109	548,111
Balances as of January 1, 2022		184,961	179,912	17,836	146,293	19,109	548,111
Additions		-	-	-	49,674	1,749	51,423
Business combination balances	1C.i & ii	1,729,292	278,264	390,889	3,520	-	2,401,965
Reclassifications from property, furniture and equipment		-	-	-	306	-	306
Disposal		-	-	-	(3,140)	-	(3,140)
Exchange difference		(108,363)	(50,893)	(6,133)	(8,518)	-	(173,907)
Balances as of December 31, 2022		1,805,890	407,283	402,592	188,135	20,858	2,824,758
Accumulated amortization							
Balances as of January 1, 2020		-	-	(1,314)	(17,146)	-	(18,460)
Annual amortization		-	-	(1,284)	(5,994)	-	(7,278)
Exchange difference		-	-	(219)	(299)	-	(518)
Balances as of December 31, 2020		-	-	(2,817)	(23,439)	-	(26,256)
Balances as of January 1, 2021		-	-	(2,817)	(23,439)	-	(26,256)
Annual amortization		-	-	(1,392)	(11,301)	-	(12,693)
Exchange difference		-	-	299	528	-	827
Balances as of December 31, 2021		-	-	(3,910)	(34,212)	-	(38,122)
Balances as of January 1, 2022		-	-	(3,910)	(34,212)	-	(38,122)
Annual amortization		-	-	(1,214)	(29,841)	-	(31,055)
Exchange difference		-	-	938	2,398	-	3,336
Balances as of December 31, 2022		-	-	(4,186)	(61,655)	-	(65,841)
Carrying amount							
Balances as of December 31, 2020		197,712	195,101	11,454	69,463	17,162	490,892
Balances as of December 31, 2021		184,961	179,912	13,926	112,081	19,109	509,989
Balances as of December 31, 2022		1,805,890	407,283	398,406	126,480	20,858	2,758,917

Amortization

The amortization recognized in the consolidated statement of profit or loss and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Cost of sales and services	22	2,329	2,300	1,625
Administrative expenses	22	28,726	10,393	5,653
		31,055	12,693	7,278

Software

As of December 31, 2022, 2021 and 2020, intangible assets include the costs related to the installation of software (SAP), Hospital Information System (HIS), a specialized system used at our network of facilities that, among other features, registers our patients' contact information; manages administrative services, such as hospital admissions and billing; and houses our EMR system and Matrix system (registers our patients). Also, during 2022 it includes S/ 11,754 thousand (S/ 19,631 thousand during 2021 and S/ 6,133 thousand during 2020) related to the retail digital pharmacy with last-mile delivery, Farmauna, and the telehealth platform, Clínica 360, which provides for clinical intervention with patients through remote access to physicians and other clinicians and telemedicine solutions.

In April 2022, in connection with its acquisition of IMAT, the group acquired the trademark "IMAT" for S/ 63,752 thousand, softwares for S/ 2,301 thousand and goodwill for S/ 303,825 thousand (note 1.C.ii). In October 2022, through the businesses combination the Group acquired in Mexico the trademark "OCA Hospital" for S/ 214,512 thousand, softwares for S/ 1,219 thousand, customer relationship for S/ 390,889 thousand and goodwill for S/ 1,425,465 thousand (note 1.C.i).

Surface rights agreement

Corresponds to surface rights agreement signed between Medicser and the Peruvian Red Cross Society.

Impairment testing

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

<i>In thousands of soles</i>	2022	2021	2020
Radioncología S.A.C. (Radioncología)	10,237	10,237	10,237
Laboratorio Cantella S.A.C.(Cantella)	4,585	4,585	4,585
R&R Patólogos Asociados S.A.C.(R&R)	23	23	23
Servimédicos S.A.C. (Servimédicos)	3,522	3,522	3,522
Clínica Bellavista S.A.C. (Bellavista)	2,219	2,219	2,219
Patología Oncológica S.A.C.	621	621	-
Oncogenomics S.A.C.	598	598	-
Promotora Médica Las Américas S.A.	45,110	56,301	61,122
Instituto de Cancerología S.A.	44,580	55,641	60,404
Laboratorio Médico Las Américas Ltda.	41,034	51,214	55,600
Oncomedica S.A.	240,732	-	-
Hospital y Clínica OCA S.A. de C.V.	1,412,629	-	-
Total goodwill	1,805,890	184,961	197,712

The key assumptions used in the estimation of value in use were as follows:

<i>In percent</i>	2022	2021	2020
<i>For companies located in Peru</i>			
Terminal value growth rate	2.5%	2.5%	2.5%
Discount rate – After-tax	9.9%	9.4%	8.2%
Discount rate – Pre-tax	12.1% - 12.7%	11% - 12%	10% - 10.4%
<i>For companies located in Colombia</i>			
Terminal value growth rate	3.0%	3.0%	3.0%
Discount rate – After-tax	11.6%	10.6%	8.7%
Discount rate – Pre-tax	15.2% - 16%	14% - 14.6%	11.1% - 11.2%
<i>For companies located in Mexico</i>			
Terminal value growth rate	2.5%	-	-
Discount rate – After-tax	10.9%	-	-
Discount rate – Pre-tax	14.5%	-	-

- Terminal value growth rate of 2.5% and 3%. The terminal growth rate represents Management's estimate of the long-term growth of each CGU, taking into account past and future growth and external sources of information.
- Projected cash flows are based on Management's operating EBITDA profit projections for a period of five years.

The ranges of projected EBITDA as a percentage of revenue by CGUs over the projected period are as follows:

	EBITDA as a percentage of revenue
Radioncología S.A.C. (Radioncología)	38.0% - 42.7%
Laboratorio Cantella S.A.C. (Cantella)	11.9% - 20.2%
R&R Patólogos Asociados S.A.C. (R&R)	13.2% - 19.1%
Servimédicos S.A.C. (Servimédicos)	0.5% - 27.0%
Clínica Bellavista S.A.C. (Bellavista)	(19.3%) - 0.6%
Patología Oncológica S.A.C.	29.8% - 29.7%
Oncogenomics S.A.C.	16.8% - 28.5%
Promotora Médica Las Américas S.A.	7.3% - 20.1%
Instituto de Cancerología S.A.	10.2% - 7.4%
Laboratorio Médico Las Américas Ltda.	42.2% - 49.3%
Oncomédica S.A.	30.0% - 34.1%
Hospital y Clínica OCA S.A. de C.V.	32.7% - 36.9%

- Projected cash flows include disbursements for capital investments.
- The discount rates used to calculate the value in use for each Group's CGU are an estimate that involves a market assessment of the time value of money and the risks inherent in each CGU where cash flows after-tax are generated taking into consideration the Group's business plans. The nominal after-tax discount rate used for the impairment assessment was 9.9% (after-tax) for the companies located in Peru, according to each Group's CGU assessed as of December 31, 2022 (9.4% and 8.2% after-tax as of 2021 and 2020, respectively). For the companies located in Colombia (Promotora Médica Las Américas, Instituto de Cancerología and Laboratorio Médico Las Américas), the nominal after-tax discount rate was 11.6% (10.6% as of 2021). For the companies located in Mexico (Hospital y Clínica OCA), the nominal after-tax discount rate was 10.9%.

- Projected cash flows include estimates of the revenue increase of each of the healthcare services at each CGU's (Radioncología, Bellavista, Servimédicos, Cantella, Promotora Médica Las Américas, Instituto de Cancerología and Laboratorio Médico Las Américas), rates and gross margins.
- The trademark has been allocated to the Group's CGUs as follows:

<i>In thousands of soles</i>	2022	2021	2020
Hospital y Clínica OCA S.A. de C.V.	212,579	-	-
Promotora Médica Las Américas S.A.	86,135	107,504	116,709
Instituto de Cancerología S.A.	49,094	61,272	66,519
Laboratorio Médico Las Américas Ltda.	5,623	7,019	7,619
Clínica Portoazul S.A.	3,138	3,917	4,254
Oncomedica S.A.	50,514	-	-
Oncogenomics S.A.C.	200	200	-
Total trademarks	407,283	179,912	195,101

- The customer relationship has been allocated to the Group's CGUs net of amortization as follows:

<i>In thousands of soles</i>	2022	2021	2020
Hospital y Clínica OCA S.A. de C.V.	387,369	-	-
Promotora Médica Las Américas S.A.	6,346	9,235	11,454
Patología Oncológica S.A.C.	2,943	2,943	-
Oncogenomics S.A.C.	1,748	1,748	-
Total customer relationship	398,406	13,926	11,454

With regard to the assessment of value in use of the CGUs, Management performed a sensitivity analysis and considered that no reasonably possible change in any of the above key assumptions would cause the carrying value of the entities to materially exceed its recoverable amount evaluated at the end of each financial reporting year.

The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	Discount rate			Terminal value growth rate		
	2022	2021	2020	2022	2021	2020
Radioncología S.A.C.	16.5	9.05	7.34	(14.3)	(29.20)	(14.84)
Laboratorio Cantella S.A.C.	115.1	24.46	34.07	Indet.	Indet.	Indet.
R&R Patólogos Asociados S.A.C.	68.1	89.7	Indet.	Indet.	Indet.	Indet.
Servimédicos S.A.C.	29.8	1.10	1.48	Indet.	(1.67)	(2.07)
Clínica Bellavista S.A.C.	12.6	2.20	32.34	(3.3)	(3.8)	Indet.
Patología Oncológica S.A.C.	66.8	-	-	Indet.	-	-
Oncogenomics S.A.C.	19.7	-	-	(27.9)	-	-
Promotora Médica Las Américas S.A.	Indet.	0.11	0.58	Indet.	(0.08)	(0.90)
Instituto de Cancerología S.A.	29.3	6.14	4.95	(131.4)	(13.80)	(10.84)
Laboratorio Médico Las Américas Ltda.	27.1	13.08	12.39	(141.0)	(149.9)	(192.94)
Oncomedica S.A.	12.7	-	-	0.9	-	-
Hospital y Clínica OCA S.A. de C.V.	15.5	-	-	(0.8)	-	-

As of December 31, 2022, 2021 and 2020, no provision for impairment of goodwill has been recorded in the consolidated financial statements.

13. Leases

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the fiscal year ended December 31, 2022, 2021 and 2020:

<i>In thousands of soles</i>	<i>Note</i>	Right-of-use assets					Total
		Lands	Buildings and facilities	Medical equipment and other	Vehicles	Furniture and fixture	
Balance at January 1, 2020		33,667	136,747	69,777	258	460	240,909
Additions of right-of-use assets (a)		-	1,454	40,544	827	28	42,853
Transfers to property, furniture and equipment		(15,336)	(60,087)	(34,835)	-	(259)	(110,517)
Annual depreciation (c)		(91)	(11,944)	(14,209)	(123)	(68)	(26,435)
Write-off (b)		-	(6,792)	(15)	-	-	(6,807)
Exchange difference		-	46	1,220	5	-	1,271
Balance at December 31, 2020		18,240	59,424	62,482	967	161	141,274
Balance at January 1, 2021		18,240	59,424	62,482	967	161	141,274
Additions of right-of-use assets (a)		-	2,104	5,846	10	-	7,960
Transfers to property, furniture and equipment		-	(375)	(8,220)	-	(79)	(8,674)
Annual depreciation (c)		(91)	(10,064)	(9,714)	(222)	(3)	(20,094)
Write-off (b)		-	(304)	(368)	-	-	(672)
Exchange difference		-	(57)	(722)	(8)	(1)	(788)
Balance at December 31, 2021		18,149	50,728	49,304	747	78	119,006
Balance at January 1, 2022		18,149	50,728	49,304	747	78	119,006
Additions of right-of-use assets (a)		-	1,495	34,672	450	-	36,617
Acquired through business combinations	1.C.ii	-	9,162	12,517	-	-	21,679
Transfers to property, furniture and equipment		-	-	(2,575)	-	-	(2,575)
Annual depreciation (c)		(91)	(9,870)	(11,534)	(228)	(3)	(21,726)
Write-off (b)		-	(1,199)	-	-	-	(1,199)
Exchange difference		-	(1,887)	(5,526)	(72)	-	(7,485)
Balance at December 31, 2022		18,058	48,429	76,858	897	75	144,317

- (a) In 2022, the additions of the Group mainly correspond to new lease agreements for use of commercial offices and equipment for medical use. The Group recognised S/ 36,617 thousand (S/ 7,960 thousand in 2021 and S/ 42,853 thousand in 2020) of right-of-use asset and lease liability.
- (b) In 2022 and 2021, its corresponds mainly to lease agreements terminated by the Group. On August 2020, the Group terminated the lease agreement for one administrative office in Lima
- (c) The depreciation recognized in the consolidated statement of profit or loss and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Cost of sales and services	22	18,955	16,729	21,124
Selling expenses	22	12	25	29
Administrative expenses	22	2,759	3,340	5,282
		21,726	20,094	26,435

i. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the corresponding movements during the fiscal year ended December 31, 2022, 2021 and 2020:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Balance at January 1		140,583	146,168	179,084
Additions		36,617	7,960	44,956
Acquired through business combination	1.C.ii	21,551	-	-
Interest expense		11,824	8,803	12,107
Leases prepayment penalty		9	50	140
Payments		(34,758)	(29,577)	(90,089)
Penalty paid for leases prepayment		(9)	(50)	(140)
Lease contracts cancelled		(1,231)	(353)	(6,486)
Exchange difference		(11,664)	7,582	6,596
Balance at December 31		162,922	140,583	146,168
Current		28,084	16,883	18,649
Non-current		134,838	123,700	127,519

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

14. Deferred Income Tax

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	Balances as of January 1	Recorded in the profit or loss for the year	Exchange difference	Shareholder's downstream merger	Business combination	Recorded in other comprehensive income	Balances as of December 31	Deferred tax assets	Deferred tax liabilities
2022									
Tax loss	163,090	9,589	(15,159)	49	-	-	157,569	131,913	25,656
Loss for impairment of trade receivables	10,984	(2,350)	(1,663)	-	9,638	-	16,609	13,585	3,024
Provision for unpaid vacations and annual performance bonuses	4,164	823	(58)	-	5,686	-	10,615	3,153	7,462
Trade accounts payable	258	86	(4)	-	395	-	735	305	430
Derivative financial instruments	9,180	7,260	-	-	-	(2,996)	13,444	13,444	-
Provisions	807	(1,312)	8	-	2,433	-	1,936	1,651	285
Intangibles	(58,576)	1,443	17,626	-	(203,933)	-	(243,440)	-	(243,440)
Investments in associates and others	(1,729)	157	328	-	-	-	(1,244)	(1,244)	-
Loans and borrowings	(438)	19,044	(5,378)	-	282	-	13,510	(11,955)	25,465
Property, furniture, and equipment	(73,456)	(6,231)	16,141	-	(258,207)	-	(321,753)	(33,407)	(288,346)
Others	5,613	(1,131)	(411)	-	-	-	4,071	4,766	(695)
Net tax	59,897	27,378	11,430	49	(443,706)	(2,996)	(347,948)	122,211	(470,159)

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

	Balances as of	Recorded in the	Exchange	Business	Recorded	Balances as of		Deferred tax
<i>In thousands of soles</i>	January 1	profit or loss for	difference	combination	in other	December 31	Deferred tax assets	liabilities
		the year			comprehensive			
					income			
2021								
Tax loss	132,501	35,728	(5,139)	-	-	163,090	96,172	66,918
Loss for impairment of trade receivables	11,899	(420)	(495)	-	-	10,984	11,135	(151)
Provision for unpaid vacations and annual performance bonuses	3,056	1,108	-	-	-	4,164	3,964	200
Trade accounts payable	-	258	-	-	-	258	258	-
Derivative financial instruments	10,650	(3,479)	-	-	2,009	9,180	9,180	-
Provisions	828	(21)	-	-	-	807	576	231
Intangibles	(62,025)	-	4,887	(1,438)	-	(58,576)	-	(58,576)
Investments in associates and others	(6,176)	3,672	775	-	-	(1,729)	(128)	(1,601)
Loans and borrowings	(5,760)	4,807	515	-	-	(438)	(1,787)	1,349
Property, furniture, and equipment	(61,279)	(15,627)	3,450	-	-	(73,456)	(11,152)	(62,304)
Others	3,930	2,101	(418)	-	-	5,613	5,253	360
Net tax	27,624	28,127	3,575	(1,438)	2,009	59,897	113,471	(53,574)

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

	Balances as of	Recorded in the		Business	Recorded	Balances as of		Deferred tax
<i>In thousands of soles</i>	January 1	profit or loss for the	Exchange difference	combination	in other	December 31	Deferred tax assets	liabilities
		year			comprehensive			
					income			
2020								
Tax loss	53,845	61,565	5,657	11,434	-	132,501	81,090	51,411
Loss for impairment of trade receivables	6,957	4,264	349	329	-	11,899	7,084	4,815
Provision for unpaid vacations and annual performance bonuses	2,369	687	-	-	-	3,056	2,930	126
Trade accounts payable	298	(298)	-	-	-	-	-	-
Derivative financial instruments	6,263	(3,680)	79	-	7,987	10,649	10,649	-
Provisions	60	768	-	-	-	828	579	249
Intangibles	(58,493)	622	(4,154)	-	-	(62,025)	-	(62,025)
Investments in associates and others	(3,034)	(3,219)	77	-	-	(6,176)	-	(6,176)
Loans and borrowings	(642)	(4,711)	(240)	(167)	-	(5,760)	(2,977)	(2,783)
Property, furniture, and equipment	(57,666)	4,246	(2,688)	(5,170)	-	(61,278)	(21,399)	(39,879)
Others	654	3,786	228	(738)	-	3,930	822	3,108
Net tax	(49,389)	64,030	(692)	5,688	7,987	27,624	78,778	(51,154)

15. Loans and Borrowings

As of December 31, 2022, 2021 and 2020, the terms and conditions of outstanding obligations are the following:

					Outstanding balances					
					2022		2021		2020	
<i>In thousands of soles</i>	Type of obligation	Maturity	Interest rate	Currency	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Entity										
Banco Davivienda	Bank loan	2022	IBR + 2.90%	COP	-	-	3,631	3,548	3,879	3,834
			27.27%		-	-	2	2	1	1
	Government	2025	IBR + 1.50%		8,503	6,944	12,035	10,474	14,966	12,861
	guaranted loan		IBR + 1.50%		2,549	2,201	4,090	3,629	4,780	4,147
			IBR + 5.55%		15,929	9,601	-	-	-	-
	Bank loan		IBR + 3.50%		5,478	4,497	8,489	7,552	11,694	10,327
		2027	IBR + 3.75	26,510	19,789	-	-	-	-	
Banco de Bogotá	Bank loan	2023	IBR + 2.68%	COP	15	15	-	-	-	-
			41.43%		4	4	-	-	-	-
			IBR + 2.20%		11,289	11,032	-	-	-	-
			26,16%		-	-	1	1	24	24
			IBR + 4.00%		1,345	1,289	2,196	2,159	2,366	2,340
Banco de Occidente			41.31%		4	4	3	3	2	2
Bancolombia	Bank loan	2023	41.31%	COP	26	26	-	-	-	-
					3	3	3	3	1	1
					3	3	2	2	-	-
					3	3	1	1	1	1
			2.91%		265	263	-	-	-	-
			IBR + 4.21%		2,257	2,029	-	-	-	-
			IBR + 4.62 %		2,450	2,189	-	-	-	-
			IBR+5.52 %		2,746	2,437	-	-	-	-
			2026		2,311	2,094	-	-	-	-
			Other financing		2033	DTF+3.95	47,569	33,616	-	-
Banco Citibank Colombia	Bank loan	2023	12.31%	COP	11,323	10,686	-	-	-	-
			15.08%		10,693	9,953	-	-	-	-
Itaú Corpbanca Colombia S.A.	Bank loan	2023	41.40%	COP	55	55	45	45	18	18
			8.64%		3,434	3,158	-	-	-	-
		IBR + 3.65%	17,111		16,008	-	-	-	-	
		2035	IBR + 2,98%		57,098	42,224	72,626	52,235	81,237	56,676
Boston Scientific Colombia It		2028	10.78%		2,045	1,425	-	-	-	-

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	Type of obligation	Maturity	Interest rate	Currency	Outstanding balances					
					2022		2021		2020	
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
JP Morgan Bank		2023	SOFR + 4%	US\$	214,827	212,263	-	-	-	-
	Bank loan	2023	8.48%	US\$	14,932	14,565	-	-	-	-
Banco de Crédito del Perú	Government	2023	0.89%	S/	45	38	128	127	-	-
	guaranted loan		1.99%		61	53	129	126	-	-
Scotiabank Perú S.A.A.	Bank loan	2023	4.20%	US\$	105,541	102,232	-	-	-	-
	Other financing	2027	6.30%	S/	85,995	70,054	93,113	76,164	45,552	36,330
Banco BBVA Continental			7.50%		19,293	19,285	-	-	-	-
Banco ITAU			4.85%		72,141	71,196	-	-	-	-
			6.00%		15,586	15,558	-	-	-	-
Banco Interamericano de Finanzas			7.20%	US\$	15,647	15,356	-	-	-	-
Banco Internacional del Perú S.A.A.	Bank loan	2023	6.30%		15,598	15,366	-	-	-	-
Banco Pichincha			9.40%	S/	20,470	20,381	-	-	-	-
			6.40%	US\$	32,326	31,913	-	-	-	-
Banco Citibank			5.79%		18,471	18,382	-	-	-	-
			9.65%	S/	9,120	8,950	-	-	-	-
Banco Santander México, HSBC Mexico, Multiva and Genaro Levinson Marcovich	Loan	2023	TIIE+ 6.5%	MXN	1,605,436	1,392,127	-	-	-	-
BBVA Bancomer	Bank loan		TIIE+0.90%		14,768	13,754	-	-	-	-
Secured bonds issues	Senior notes	2025	6.50%	US\$	1,369,470	1,145,626	1,511,244	1,196,373	1,147,844	1,082,107
Total					3,860,745	3,348,647	1,707,738	1,352,444	1,312,365	1,208,669
Current						2,040,980		29,731		18,444
Non-current						1,307,667		1,322,713		1,190,225

DTF: Term deposit rate

IBR: Bank reference indicator

TIIE: Interbank equilibrium interest rate

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

(a) Bank loans for the acquisition of PMLA

Banco Nacional de México and Banco Santander

On December 26, 2018, the Group signed a syndicated loan agreement with Banco Nacional de México S.A. (hereinafter, "Citibanamex") and Banco Santander S.A. (hereinafter, "Santander") through the subsidiary Auna Colombia for an amount of US\$ 110,000 thousand. Each entity granted US\$ 55,000 thousand. Such a loan matures in December 2023, comprises quarterly payments from March 2019, and bears interest for the trench of Citibanamex at a Libor rate of 3 months + 1.30% (first two years) and a Libor rate of 3 months + 1.40% (last three years). For the trench of Santander, it bears interest at a Libor rate of 3 months + 2.90% (first five years).

The loan was used to acquire the shares of PMLA through the subsidiary Auna Colombia S.A.S. The transaction costs incurred in relation to the loan amounted to US\$ 1,346 thousand (equivalent to S/ 4,595 thousand) and are presented net of debt and amortized using the effective interest rate method.

On November 20, 2020, the syndicated loan with Banco Nacional de México and Banco Santander amounting to US\$ 90 million and maturing in 2023 was pre-paid by the Group with the resources obtained from senior notes issued. Upon termination of the debt agreement, Management wrote off the remaining debt issuance costs of S/ 3,003 thousand. The expense is presented in 'finance costs' in the consolidated statement of profit or loss and other comprehensive income (note 25).

Commitments related to the loans for the acquisition of PMLA

- The Group and its shareholders have pledged 51% of the shares of Oncosalud S.A.C. and 99% of the shares of Medicser S.A.C.
- The Group and its shareholders have pledged the shares of Auna Colombia S.A.S. for a value of US\$ 232,657 thousand.
- The Group mortgaged 16 properties of the subsidiaries for the value of US\$ 135,106 thousand.
- Joint guarantee by Auna Colombia S.A.S, Medicser S.A.C. and Oncocenter Perú S.A.C. for US\$ 67,000 thousand.

Upon termination of the associated debt agreement, Management released the aforementioned commitments as of December 31, 2020.

(b) Other bank loans with covenants

Scotiabank Perú S.A.A.

On December 26, 2018, the Group signed a new credit agreement with Scotiabank for S/ 185 million, where the terms of the agreement were substantially different from those included in the original credit agreement. Therefore, the first loan and the respective transaction costs as of that date had to be paid and the difference between the carrying amount of the original liability and the consideration paid were recognized in the consolidated statement of profit or loss and other comprehensive income. These costs amounting to S/ 2,526 thousand were recognized in 'Finance Costs' (note 25). The new debt, which was initially measured at fair value, comprises quarterly payments from March 2019 and bears interest at an annual rate of 8.00%. The transaction costs related to the new loan amounted to S/ 3,093 thousand and are presented net of debt and amortization using the effective interest rate method.

On December 28, 2018, Scotiabank partially assigned the debt to BD Capital Sociedad Administradora de Fondos de Inversión S.A.C. for an amount of S/ 33,500 thousand, under the same terms of the debt renegotiation.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

As of December 31, 2019, the loan granted by Scotiabank Perú S.A.A. has qualitative and quantitative covenants calculated based on the consolidated financial statements of Auna S.A. and Subsidiaries. As of December 31, 2019, the Group complies with the qualitative and quantitative terms of the following covenants:

- EBITDA / financial expenses + amortizations: equal to or higher than 1.20.
- net financial debt / EBITDA: equal to or below 4.75 during the first two years, 4.5 during the third, 3.5 during the fourth year and 2.5 during the last year.

As of December 31, 2019, the Group is in compliance with the covenants above indicated. As of December 31, 2020, the financial covenants does not applicable due to these credit agreements were pre-paid by the Group.

On November 20, 2020, the loan with BD Capital Sociedad Administradora de Fondos de Inversión S.A.C. and Scotiabank Perú S.A.A. amounting to S/ 153 million and maturing in 2023 was pre-paid by the Group with the resources obtained from the senior notes issued. As a result of prepayment, the Group recorded penalties for early termination for S/ 2,971 thousand and wrote-off the remaining debt issuance costs of S/ 1,675 thousand. These expenses are presented in 'finance costs' in the consolidated statement of profit or loss and other comprehensive income (note 25).

Bancolombia

As of December 31, 2019, the balance payable to Bancolombia includes short- and medium-term loans granted to PMLA and subsidiaries mainly for working capital and new investments amounting to S/ 3,959 thousand and S/ 17,014 thousand (equivalent to COP 3,810,614 thousand and COP 16,375,795 thousand), respectively. These loans accrued interest at fixed rates, ranging from 7.46% to 9.46%, and at variable rates, ranging from DTF + 2.42% to DTF + 2.80% and IBR + 5.00%. Likewise, medium-term loans have maturities between 2023 and 2029. In December 2020, these loans were prepaid and not generated penalties for early termination.

Bancoomeva

As of December 31, 2019, the balance payable to Bancoomeva includes short- and medium-term loans granted to PMLA for working capital and new investments amounting to S/ 1,039 thousand and S/ 13,962 thousand (equivalent to COP 1,000,000 thousand and COP 13,437,499 thousand), respectively. These loans accrued interest at variable rates such as DTF + 6.00% and IBR + 5.25%. Likewise, medium-term loans have maturities until 2029. In December 2020, these loans were prepaid and not generated penalties for early termination.

Banco Davivienda

As of December 31, 2019, the balance payable to Banco Davivienda includes short- and medium-term loans granted to PMLA and Subsidiaries for working capital and new investments amounting to S/ 1,890 thousand and S/ 8,262 thousand (equivalent to COP 1,819,020 thousand and COP 7,952,027 thousand), respectively. These loans accrued interest at fixed rates, ranging from 6.31% to 7.60%, and at variable rates, ranging from DTF + 2.50% to DTF + 3.00% and IBR + 4.30% to IBR + 4.67%. Likewise, medium-term loans have maturities from 2020 to 2021. In December 2020, these loans were prepaid and did not generate penalties for early termination.

During 2020, Colombian subsidiaries obtained two medium-term loans for S/ 14,161 thousand equivalent to COP 13,296,497 thousand. These loans accrue interests at variable rates, ranging from IBR + 2.90% to IBR + 3.50% with maturities from 2021 to 2025. As of December 31, 2022 the medium-term loans payable to Banco Davivienda are amounting to S/ 4,497 thousand equivalent to COP 5,721,858 thousand.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

On June and July 2020, Colombian subsidiaries, PMLA and Instituto de Cancerología, received government guaranteed loans for S/ 12,861 thousand and S/ 4,147 thousand respectively, with annual interest rates of IBR + 1.50%. As of December 31, 2022 the government guaranteed loans payable to Banco Davivienda are amounting to S/ 11,052 thousand equivalent to COP 11,634,603 thousand. These loans were recognized at fair values with market interest annual rate for IBR + 4.56% and IBR + 4.0% respectively. The government guaranteed loans received were recorded in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The commitments related to the government guaranteed loans are subject to the funds being used for working capital. As of December 31, 2022, 2021 and 2020, the Group is in compliance with the commitments above indicated.

Banco de Bogotá

As of December 31, 2019, the balance payable to Banco de Bogotá includes short- and medium-term loans granted to PMLA and Subsidiaries for working capital and new investments amounting to S/ 113 thousand and S/ 8,478 thousand (equivalent to COP 108,297 thousand and COP 8,159,306 thousand), respectively. These loans accrued interest at fixed rates, ranging from 7.77% to 9.35%, and at variable rates such as DTF + 2.22% and IBR + 5.90%. Likewise, medium-term loans have maturities until 2029. In December 2020, these loans were prepaid and did not generate penalties for early termination.

Banco de Occidente

As of December 31, 2019, the balance payable to Banco de Occidente includes short- and medium-term loans granted to PMLA and Subsidiaries for working capital and new investments for amounts equivalent to S/ 4,317 thousand and S/ 2,038 thousand (equivalent to COP 1,961,857 thousand and COP 4,154,751 thousand), respectively. These loans accrued interest at a fixed rate of 8.64%, and at variable rates, ranging from IBR + 2.50% to IBR + 5.90%. Likewise, medium-term loans have maturities until 2029. In December 2020, these loans were prepaid and did not generate penalties for early termination.

As of December 31, 2019, loans with Bancolombia, Bancoomeva, Banco Davivienda, Banco de Bogotá and Banco de Occidente (Colombian banks), require compliance with quantitative and qualitative covenants that are calculated based on PMLA's separate financial statements, which are in compliance with the quantitative and qualitative terms. As of December 31, 2020, the financial covenants does not applicable due these credit agreements was pre-paid by the Group.

The main guarantees granted in favor of these Colombian banks are described in note 31.B.

Senior Notes

On November 20, 2020, Auna S.A.A. successfully issued US\$ 300 millions in senior notes in the international market, under Rule 144A and Regulation S of the United States Securities Act of 1933, for a maturity of 5 years with an interest annual rate of 6.50 percent.

The amount collected from senior notes issue was used to pay the existing financial debt, re-profile the current and non-current liabilities and finance future investments in fixed assets.

As of December 31, 2022, 2021 and 2020, the senior notes have qualitative and quantitative covenants calculated based on the Group's consolidated financial statements.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

Since November 20, 2020 (the "Issue Date"), the Group has to comply the following covenants when planning to incur new indebtedness:

- The Net Leverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is less than (i) 5:00 to 1:00, if such Incurrence of Indebtedness occurs before the first anniversary of the Issue Date; (ii) 4:50 to 1:00, if such Incurrence of Indebtedness occurs on or after the first anniversary of the Issue Date but before the second anniversary of the Issue Date; (iii) 4:25 to 1:00, if such Incurrence of Indebtedness occurs on or after the second anniversary of the Issue Date but before the third anniversary of the Issue Date and (iv) 3.75 to 1.00, if such Incurrence of Indebtedness occurs on or after the third anniversary of the Issue Date; and
- The Interest Coverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is at least 2.25 to 1.00.

As of December 31, 2022, the Group is in compliance with the covenants above indicated.

JPMorgan Bank

On April 20, 2022, the Group signed a loan agreement with JPMorgan Chase Bank, S.A. (hereinafter, "JPMorgan") through the subsidiary Auna Colombia for an amount of S/ 205,628 thousand (equivalent to US\$ 55,500 thousand). Such a loan matures in April 2023 and bears interest at SOFR rate + 400 bps (1-3 months); 450 bps (4-6 months), 500 bps (7-9 months) and 600 bps (10-12 months).

The loan was used to acquire the shares of Oncomedica S.A. (note 1.C.ii). The transaction costs incurred in relation to the loan amounted to S/ 6,545 thousand (equivalent to US\$ 1,709 thousand) and are presented net of debt and amortized using the effective interest rate method.

This agreement has quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries. On September 30, 2022 the Group signed a addendum with JPMorgan Bank and updated the quantitative covenants. As of December 31, 2022, the Group complies with the quantitative terms of the following covenants:

- The consolidated leverage ratio is less than (i) 5.50 to 1.00 for the quarter ending September 30, 2022, (ii) 5.00 to 1.00 for the quarter ending December 31, 2022, and (iv) 4.75 to 1.00 for the quarter ending March 31, 2023.
- The consolidated interest coverage ratio is at least 2.25 to 1.00 for the end of each quarter.

Other financing with Scotiabank Perú S.A.A.

Correspond to a financing agreement with Scotiabank for a credit line of S/ 70 million maturing in February 2027, and which is used for the construction of the ongoing project "Clinica Chiclayo". In October 2021, the credit line extended to S/ 77 million. As of December 31, 2022, the credit line used net of the transaction cost amounted to S/ 70,054 thousand (S/ 76,164 thousand as of December 31, 2021 and S/ 36,330 thousand as of December 31, 2020). In the month of November 2020, the modifications of compliance with the agreements were approved as indicated below:

- Maintain a debt service ratio equal to or greater than 1.2x.
- Maintain a consolidated leverage ratio, defined as the ratio of our net debt / EBITDA, less than or equal to 5.00x between December 1, 2020 and December 1, 2021, 4.5x between December 1, 2021 and on December 1, 2022, 4.25x between December 1, 2022 and December 1, 2023 and 3.75x between December 1, 2023 onwards.
- Maintain an interest coverage ratio equal to or greater than 2.25x from December 1, 2020 onwards.

As of December 31, 2020, the Group is in compliance with the covenants above indicated.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

On June 30, 2021, the Group signed an addendum with Scotiabank replacing the compliance of the covenants aforementioned as indicated below:

- Maintain a debt service ratio equal to or greater than 1.2x.

As of December 31, 2022, the Group is in compliance with the covenants above indicated.

Banco Santander México, HSBC México, Multiva and Genaro Levinson Marcovich

On September 30, 2022, the Group signed a loan agreement with Banco Santander, HSBC México, Multiva and Genaro Levinson Marcovich through its subsidiaries Grupo Salud Auna México, S.A. de C.V., Hospital y Clínica OCA, S.A. de C.V. and DRJ Inmuebles, S.A. de C.V. for an amount of S/ 1,338,927 thousand. The loan was used to acquire the shares of Hospital y Clínica OCA, S.A. de C.V., DRJ Inmuebles, S.A. de C.V., Inmuebles JRD 2000, S.A. de C.V. and Topleja HG, S.A. (note 1.C.i). The transaction costs incurred in connection with this loan amounted to S/ 46,118 thousand and are presented net of debt and amortized using the effective interest rate method.

This agreement has quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries. As of December 31, 2022, the Group complies with the quantitative terms of the following covenants:

- The consolidated leverage ratio is less than (i) 5.50 to 1.00 for the quarter ending September 30, 2022, (ii) 5.00 to 1.00 for the quarter ending December 31, 2022, and (iv) 4.75 to 1.00 for the quarter ending March 31, 2023 and as of the end of each fiscal quarter thereafter.
- The consolidated interest coverage ratio is at least 2.25 to 1.00 for the end of each quarter.

- (c) Other bank loans with no covenants

Banco BBVA Peru

As of December 31, 2019, the balance payable to Banco BBVA Peru comprises a short-term loan that accrued interest at an annual variable rate of DTF+3.20%, which will be paid in 2021 (3.75% as of December 31, 2017, which was repaid in January 2018). In December 2020, these loans were prepaid and did not generate penalties for early termination.

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

(d) Reconciliation of movement in liabilities to cash flows arising from financing activities:

<i>In thousands of soles</i>	Financial loan	Deferred Income	Lease liabilities	Derivatives premiums payable	Share capital/ premium	Retained earnings (losses)	Merge reserve	Non- controlling interest	Total
Balance as of January 1, 2022	1,352,444	692	140,583	50,366	622,592	(45,490)	(79,764)	50,094	2,091,517
Changes in cash flows from financing									
Proceeds from contributions from non-controlling shareholder	-	-	-	-	-	-	960,679	391,931	1,352,610
Proceeds from loans and borrowings	2,287,819	-	-	-	-	-	-	-	2,287,819
Payment for borrowings from financial obligations	(340,113)	-	-	-	-	-	-	-	(340,113)
Payment of lease liabilities	-	-	(34,758)	-	-	-	-	-	(34,758)
Interest paid	(108,303)	-	-	-	-	-	-	-	(108,303)
Penalty paid for debt prepayment	-	-	(9)	-	-	-	-	-	(9)
Payment for derivatives premiums	-	-	-	(26,461)	-	-	-	-	(26,461)
Total changes from financing cash flows	1,839,403	-	(34,767)	(26,461)	-	-	960,679	391,931	3,130,785
Effect of changes in foreign exchange rates	(99,192)	(128)	(11,664)	-	-	-	-	-	(110,984)
Changes arising from obtaining control of new subsidiaries	62,270	-	21,551	-	-	-	(161,915)	73,901	(4,193)
Changes in fair value	(620)	620	-	-	-	-	-	-	-
Total equity-related other changes	-	-	-	-	-	(95,872)	(9,216)	(33,586)	(138,674)
Other changes									
Assets acquired through new leases	-	-	36,617	-	-	-	-	-	36,617
Acquisition of derivative with premiums financing	-	-	-	49,476	-	-	-	-	49,476
Lease contracts cancelled	-	-	(1,231)	-	-	-	-	-	(1,231)
Interest expense	194,363	(304)	11,824	1,994	-	-	-	-	207,877
Transaction costs related to loans and borrowings	(21)	-	-	-	-	-	-	-	(21)
Financial debt prepayment penalty	-	-	9	-	-	-	-	-	9
Balance as of December 31, 2022	3,348,647	880	162,922	75,375	622,592	(141,362)	709,784	482,340	5,261,178

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

	Financial	Deferred Income	Lease liabilities	Derivatives premiums payable	Account payables to third parties	Share capital/ premium	Retained earnings (losses)	Merge reserve	Advance payments	Non-controlling interest	Total
<i>In thousands of soles</i>	loan										
Balance as of January 1, 2021	1,208,669	1,211	146,168	35,845	2,407	622,592	(12,623)	(79,764)	(1,148)	51,140	1,974,497
Changes in cash flows from financing											
Proceeds from loans and borrowings	38,408	-	-	-	-	-	-	-	-	-	38,408
Payment for borrowings from financial obligations	(5,750)	-	-	-	-	-	-	-	-	-	(5,750)
Payment of lease liabilities	-	-	(29,577)	-	-	-	-	-	-	-	(29,577)
Interest paid	(84,010)	-	-	-	-	-	-	-	-	-	(84,010)
Penalty paid for debt prepayment	-	-	(50)	-	-	-	-	-	-	-	(50)
Payment for other financing of third party	-	-	-	-	(2,325)	-	-	-	-	-	(2,325)
Payment for derivatives premiums	-	-	-	(19,977)	-	-	-	-	-	-	(19,977)
Advance payment for purchase of non-controlling interest	-	-	-	-	-	-	-	-	1,148	-	1,148
Total changes from financing cash flows	(51,352)		(29,627)	(19,977)	(2,325)				1,148		(102,133)
Effect of changes in foreign exchange rates	103,270	(67)	7,582	-	(82)	-	-	-	-	-	110,703
Refinancing of commercial debt to financial debt	4,700	-	-	-	-	-	-	-	-	-	4,700
Changes arising from obtaining control of new subsidiaries	293	-	-	-	-	-	-	-	-	-	293
Changes in fair value	-	-	-	32,094	-	-	-	-	-	-	32,094
Total equity-related other changes	-	-	-	-	-	-	(32,867)	-	-	(1,046)	(33,913)
Other changes											
Assets acquired through new leases	-	-	7,960	-	-	-	-	-	-	-	7,960
Lease contracts cancelled	-	-	(353)	-	-	-	-	-	-	-	(353)
Interest expense	85,122	(452)	8,803	2,404	-	-	-	-	-	-	95,877
Capitalised borrowing costs	1,742	-	-	-	-	-	-	-	-	-	1,742
Financial debt prepayment penalty	-	-	50	-	-	-	-	-	-	-	50
Balance as of December 31, 2021	1,352,444	692	140,583	50,366	-	622,592	(45,490)	(79,764)		50,094	2,091,517

Auna S.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

	Financial loan	Deferred Income	Lease liabilities	Call spread premiums payable	Derivatives premiums payable	Interest rate swap contracts used for hedging liabilities	Account payables to third parties	Trust funds	Share capital/ premium	Retained earnings (losses)	Merge reserve	Advance payments	Non- controlling interest	Total
<i>In thousands of soles</i>														
Balance as of January 1, 2020	637,743	-	179,084	15,927	-	15,478	4,342	(6,438)	622,592	17,244	(85,296)	(12,756)	16,538	1,404,458
Changes in cash flows from financing														
Proceeds from loans and borrowings	1,481,639	-	-	-	-	-	-	-	-	-	-	-	-	1,481,639
Payment for borrowings from financial obligations	(1,072,048)	-	-	-	-	-	-	-	-	-	-	-	-	(1,072,048)
Payment of lease liabilities	-	-	(90,089)	-	-	-	-	-	-	-	-	-	-	(90,089)
Dividends paid	-	-	-	-	-	-	-	-	-	(10,000)	-	-	(7)	(10,007)
Interest paid	(36,995)	-	-	-	-	-	(281)	-	-	-	-	-	-	(37,276)
Penalty paid for debt prepayment	(3,260)	-	(140)	-	-	-	-	-	-	-	-	-	-	(3,400)
Trust funds	-	-	-	-	-	-	-	6,438	-	-	-	-	-	6,438
Payment for other financing of third party	-	-	-	-	-	-	(1,908)	-	-	-	-	-	-	(1,908)
Payment for call spread premiums	-	-	-	(4,302)	-	-	-	-	-	-	-	-	-	(4,302)
Payment for settlement of derivatives	-	-	-	-	-	(5,296)	-	-	-	-	-	-	-	(5,296)
Contributions from non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	3,120	-	5,831	8,951
Total changes from financing cash flows	369,336	-	(90,229)	(4,302)	-	(5,296)	(2,189)	6,438	-	(10,000)	3,120	-	5,824	272,702
Effect of changes in foreign exchange rates	47,317	-	6,595	1,345	-	(720)	(27)	-	-	-	-	(63)	-	54,448
Refinancing of commercial debt to financial debt	4,239	-	-	-	-	-	-	-	-	-	-	-	-	4,239
Changes arising from obtaining control of subsidiary Portoazul	102,837	-	-	-	-	-	-	-	-	-	-	-	35,755	138,592
Changes in fair value	(5,608)	5,608	-	-	-	10,281	-	-	-	-	-	-	-	10,281
Total equity-related other changes	-	-	-	-	-	-	-	-	-	(19,867)	-	-	7,060	(12,807)
Other changes														
Assets acquired through new leases	-	-	44,956	-	-	-	-	-	-	-	-	-	-	44,956
Cash flow hedges settlement	-	-	-	-	-	5,296	-	-	-	-	-	-	-	5,296
Acquisition of derivative with premiums financing	-	-	-	-	14,054	-	-	-	-	-	-	-	-	14,054
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,366	11,671	(14,037)	-
Lease contracts cancelled	-	-	(6,486)	-	-	-	-	-	-	-	-	-	-	(6,486)
Interest expense	48,310	(4,397)	12,107	438	142	-	281	-	-	-	-	-	-	56,881
Capitalised borrowing costs	1,235	-	-	-	-	-	-	-	-	-	-	-	-	1,235
Financial debt prepayment penalty	3,260	-	140	-	-	-	-	-	-	-	-	-	-	3,400
Unwind of derivative financial instruments net of premiums payable	-	-	-	(13,408)	21,649	(25,039)	-	-	-	-	-	-	-	(16,798)
Others	-	-	-	-	-	-	-	-	-	-	46	-	-	46
Balance as of December 31, 2020	1,208,669	1,211	146,167	-	35,845	-	2,407	-	622,592	(12,623)	(79,764)	(1,148)	51,140	1,974,497

16. Trade Accounts Payable

As of December 31, the trade accounts payable of the Group are stated in the following currencies:

<i>In thousands of soles</i>	2022	2021	2020
Soles	199,582	208,320	175,970
US dollars	31,217	58,416	24,901
COP	233,627	189,300	155,158
MXN	48,234	-	-
	512,660	456,036	356,029
Current	512,587	454,098	351,247
Non-current	73	1,938	4,782

The trade accounts payable are mainly related to the acquisition of supplies, materials and services for the Group's performance. These accounts payable have current maturity and do not bear interest. As of December 31, 2022, 2021 and 2020, they include: i) medical fees payable by the Peruvian, Colombian and Mexican subsidiaries amounting to S/ 23,840 thousand, S/ 46,105 thousand and S/ 23,336 thousand, respectively, and ii) contract liabilities related to the advance consideration received from patients for healthcare services, for which revenue is recognised over time amounting to S/ 14,222 thousand, S/ 10,248 thousand and S/ 14,124 thousand, respectively. They are stated in soles, COP and MXN and have current maturity.

Likewise, the Group participates in a supply chain finance program under which its suppliers may elect to receive early payment of their invoices from a bank by factoring their receivables from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group later. The principal purpose of this program is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group has not derecognized the original liabilities to which the arrangement applies because neither a legal release was obtained, nor the original liability was substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. As of December 31, 2022, December 31, 2021 and December 31, 2020, the amounts related to supplier factoring facility are S/ 64,789 thousand, S/ 54,190 thousand and S/ 37,215 thousand, respectively. The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e., payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions and amounted to S/ 281,788 thousand, S/ 108,370 thousand and S/ 45,201 thousand at December 31, 2022, December 31, 2021 and December 31, 2020, respectively.

As of December 31, 2022, 2021 and 2020 the non-current portion corresponds to payments agreements with suppliers of the Colombian subsidiaries with maturities between 12 and 36 months.

17. Other Accounts Payable

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Current				
Employee benefits (d)		62,960	56,322	51,593
Taxes payable		24,197	18,265	21,061
Derivatives Fx premiums and accounts payable for "unwind" (c)		29,223	24,684	11,631
Constructions in progress and medical equipment payable		3,794	4,635	11,614
Deposits in guarantee		1,942	2,274	2,404
Commissions payable (a)		7,459	5,917	5,584
Account payables to third parties (b)		-	-	2,407
Contingent consideration	1.C.ii, iii, iv	69,470	459	-
Other accounts payable (e)		17,118	9,837	3,490
		216,163	122,393	109,784
Non-current				
Employee benefits (d)		3,957	-	-
Derivatives Fx premiums and accounts payable for "unwind" (c)		46,152	25,682	24,214
Contingent consideration	1.C.ii, iii, iv	-	389	-
Put and call liability	1.C.ii	136,938	-	-
Account payables to former shareholder		90,134	-	-
		277,181	26,071	24,214

- (a) Corresponds to the sales commissions payable for the sales of corporate and individual oncologic healthcare plans.
- (b) As of December 31, 2020, corresponds mainly to accounts payable to third parties for outstanding payment for the purchase of shares of PMLA's subsidiaries for S/ 2,407 thousand, (S/ 4,342 thousand as of December 2019). During 2021, the outstanding balance was paid completely.
- (c) Derivatives premiums financing
As of December 31, 2022, 2021 and 2020, the balance corresponds to the liabilities payable of the premiums of the "purchase collar and long forward" agreements with semi-annual equal payments (note 9).

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current Portion	Non-current portion	December 31, 2022
Goldman Sachs Bank	2023	S/	3.52%	18,198	-	18,198
Citibank	2025	S/	1.67%	-	35,767	35,767
Citibank	2026	S/	1.67%	3,413	10,385	13,798
				21,611	46,152	67,763

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current Portion	Non-current portion	December 31, 2021
Goldman Sachs Bank	2023	S/	3.52%	17,458	18,116	35,574
				17,458	18,116	35,574

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current portion	Non-current portion	December 31, 2020

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Goldman Sachs Bank	2023	S/	3.52%	4,603	9,582	14,185
				4,603	9,582	14,185

Accounts payable for novation of the old derivatives.

As of December 31, 2022, 2021 and 2020, the outstanding balance corresponds to the liabilities payable to Goldman Sachs Bank as a consequence of the transfer for novation of the old derivatives call spread and swaps agreements with semi-annual equal payments (note 9).

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current portion	Non-current portion	December 31, 2022
Goldman Sachs Bank	2023	S/	3.52%	7,612	-	7,612
				7,612	-	7,612

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current portion	Non-current portion	December 31, 2021
Goldman Sachs Bank	2023	S/	3.52%	7,226	7,566	14,792
				7,226	7,566	14,792

<i>In thousands of soles</i>	Maturity	Currency of origin	Annual nominal interest rate	Current portion	Non-current portion	December 31, 2020
Goldman Sachs Bank	2023	S/	3.52%	7,028	14,632	21,660
				7,028	14,632	21,660

- (d) Corresponds to compensation and other short-term benefits payable to personnel to S/ 61,657 thousand (S/ 56,322 thousand and S/ 51,593 thousand for December 31, 2021 and 2020, respectively). Also, includes a defined benefit liability of Mexican Subsidiaries as of December 31, 2022 amounted to S/ 5,260 thousand. There is no plan assets.

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components:

		Seniority premium	Retirement Benefits	Total
<i>In thousands of soles</i>	Note	2022	2022	2022
Business combination balances	1.C	4,420	298	4,718
Included in profit or loss				
Current service cost		93	5	98
Interest cost		98	5	103
Benefits paid		(22)	(25)	(47)
		169	(15)	154
Included in OCI				
Remeasurement of actuarial loss (gain) arising from:				
Experience adjustment		393	(54)	339
Financial assumptions		95	3	98
Exchange difference		(47)	(2)	(49)
		441	(53)	388
Balance at December 31,		5,030	230	5,260
Current				1,303
Non-current				3,957

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

<i>In percent</i>	Seniority premium	Retirement Benefits
Discount rate	9.5%	9.5%
Salary growth rate	5.0%	5.0%
Rate of increase in minimum wage	5.2%	5.2%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Seniority premium	Retirement Benefits	Total
<i>In thousands of soles</i>	2022	2022	2022
Discount rate sensitivity analysis			
Effect of an increase of 0.50%			
Defined Benefit Obligation impact	79	3	98
Current Service Cost impact	7	1	8
Effect of a decrease of 0.50%			
Defined Benefit Obligation impact	(83)	(3)	(85)
Current Service Cost impact	(7)	(1)	(8)

- (e) As of December 31, 2022, other accounts payable include collections in favor of Citibank del Perú S.A.A. for S/. 18,800 thousand, under the factoring contracts signed with the Group's companies.

18. Provisions

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	Note	IBNR (i)	Outstanding claims reserve (i)	Other provisions	Total
As of January 1, 2020		1,886	1,155	4,979	8,020
Annual provision		1,514	-	1,100	2,614
Paid during the year		(1,886)	(1,014)	(1,359)	(4,259)
Business combination balances	1.C.v	-	-	1,225	1,225
Exchange difference		-	-	332	332
As of December 31, 2020		1,514	141	6,277	7,932
As of January 1, 2021		1,514	141	6,277	7,932
Annual provision		2,244	-	2,159	4,403
Paid during the year		(1,349)	(28)	(678)	(2,055)
Business combination balances	1.C.iii	-	-	1,254	1,254
Exchange difference		-	-	(449)	(449)
As of December 31, 2021		2,409	113	8,563	11,085
Adoption of IFRS 17		(2,409)	-	-	(2,409)
As of January 1, 2022		-	113	8,563	8,676
Annual provision		-	-	380	380
Paid during the year		-	-	(2,145)	(2,145)
Business combination balances	1.C.i	-	-	14,119	14,119
Exchange difference		-	-	(1,056)	(1,056)
As of December 31, 2022		-	113	19,861	19,974

- (i) IBNR and outstanding claims reserve are related to insurance contract liabilities and only represent our outstanding third party obligations and do not include amounts related to our customers that are part of the insurance premium program note 4.M.i.

▪ **Insurance provisions and expenses**

Incurred but not reported (IBNR)

These provisions include the reserves for IBNR to the consolidated financial statement date (note 4.M.i). As of December 31, 2022, 2021 and 2020, the reserves of the oncology healthcare plans were determined using the Chain Ladder methodology. As of December 31, 2022, these reserves were estimated using a new reserving model based on a mix of several methods. As of December 31, 2022 for the general healthcare plan called "Auna Salud ", the claims reserves are estimated through the projection of the latest claims based on hospital guarantee letters and outpatient care requests. As of December 31, 2022, 2021 and 2020 the key assumptions of the oncologic healthcare plans, and the general healthcare plan, include the weighted average of the evolution of past claims, which are projected in the future, for an amount of S/ 1,978 thousand, S/ 745 thousand and S/ 1,163 thousand, respectively.

Outstanding claims reserve

These provisions include unsettled events based on the notices for claims received up to the consolidated financial statement date.

Insurance expenses

The insurance expenses incurred by Oncosalud S.A.C., the Groups's insurance subsidiary and presented in its separate financial statements for the years ended December 31, 2022, 2021 and 2020 were considered to perform the liability adequacy test in accordance with IFRS 4 "Insurance Contracts" (note 4.M.ii).

The insurance expenses incurred by Oncosalud S.A.C. are as follows:

<i>In thousands of soles</i>	Cost of sales and services (i)		
	2022	2021	2020
Medicines	167,278	160,642	142,532
Room service for inpatients	34,091	22,844	16,015
Medical consultation fees	41,334	44,960	20,502
Auxiliary services and clinical laboratory	122,800	67,130	50,763
Surgery fees	20,934	15,785	11,227
Technical reserves for healthcare services	2,138	2,244	1,514
	388,575	313,605	242,553

- (i) These expenses are included in the cost of sales and services in our consolidated statement of profit or loss and other comprehensive income after deducting the margin mark-up. For the years ended December 31, 2022, 2021 and 2020, the margin applied was calculated using the same basis as what we charge third parties for these services and the overall average margin applied in each period was 18%, 14% and 11%, respectively.

Due to the vertical integration of the Group's companies, these insurance expenses incurred by Oncosalud S.A.C. and the corresponding trade and other accounts payable are eliminated with the transactions performed with Oncocenter Perú S.A.C. and the Company's healthcare services subsidiaries note 27.b.i.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

The insurance technical reserves presented in Oncosalud S.A.C.'s separate financial statements and also presented in the Group's consolidated financial statements as of December 31, 2022, 2021 and 2020 such as unearned premium reserve (see note 19), IBNR and outstanding claims reserve have been adequate and sufficient to meet the estimated value of future commitments of insurance contracts.

Other provisions

As of December 31, 2022, comprise mainly the estimate of provision for present obligation from civil, labor and tax judicial processes amounting to S/ 3,481 thousand of Colombian subsidiaries, S/ 3,147 thousand for the Group's Peruvian subsidiaries and S/ 13,987 thousand from Mexican subsidiaries. As of December 31, 2021, comprise mainly the estimate of provision for present obligations amounting to S/ 5,241 thousand of Colombian subsidiaries provisions from civil, labor and tax and S/ 3,322 thousand from Peruvian subsidiaries. As of December 31, 2020, comprise mainly the estimate of provision for present obligation amounting to S/ 5,150 thousand for the Group's Colombian subsidiaries provisions from civil and labor and S/ 1,127 thousand from the Group's Peruvian subsidiaries.

19. Unearned Premiums Reserve

As of December 31, 2021 and 2020, the Company maintain premiums paid in advanced by customers relate to risks that have not yet expired as of the date of the consolidated statement of financial position for S/ 63,969 thousand and S/ 60,245 thousand, respectively. See note 4.M.i .

20. Equity**A. Share capital**

As of December 31, 2022, 2021 and 2020, the share capital is represented by 236,545,679 class "A" and 1,000 class "B" ordinary shares with a par value of S/ 1.00 each.

Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, each year that dividends are distributed, the class A shares benefit from the right to receive a preferred dividend consisting of 100% of any dividends distributed until we have distributed US\$ 1 billion in the aggregate in dividends. The excess dividends that the general shareholders' meeting decides to distribute will be distributed proportionally to the equity interest held by shareholders in both class "A" and class "B" shares.

On February 24, 2020, the General Shareholder's Meeting approved the downstream merger between the Company, and its shareholder Ventura Salud S.A.C. and Enfoca Salud S.A.C. The Company has recognized this merger as common control transactions according with IFRS 3 and it was recognized at historical cost. This transaction represents only an exchange of equivalent shares between the Company and its aforementioned shareholders, the effect of this transaction was S/ 46 thousand recognized in equity in merger reserve as a result of the difference between the consideration paid (shares issued) and the capital of the legally disappearing companies.

On April 25, 2022, the General Shareholder's Meeting approved the downstream merger between the Company, and its shareholder Enfoca Discovery 1 S.A.C. and Enfoca Discovery Parallel S.A.C. The Company has recognized this merger as common control transactions and it was recognized at historical cost. This transaction represents only an exchange of equivalent shares between the Company and its aforementioned shareholders, the effect of this transaction was S/ 50 thousand recognized in equity in merger reserve as a result of the difference between the consideration paid (shares issued) and the capital of the legally disappearing companies.

As a result of this merger the former shareholders Ventura Salud S.A.C. and Enfoca Salud S.A.C. ceases to exist and the shareholders of these companies received shares in the Company.

As a result of the aforementioned reorganization process as of December 31, 2022, the new share capital structure is as follows:

Range of shareholding percentage	Number of Shareholders	Participation Percentage
From 0.01 to 0.79	5	2.47
From 0.80 to 2.37	4	9.50
From 2.38 to 9.13	4	29.77
From 9.14 to 58.26	1	58.26
	14	100.00

As of December 31, 2021 and 2020 the share capital structure is as follows:

Individual shareholding percentage	Number of Shareholders	Participation Percentage
From 0.01 to 0.85	5	3.22
From 0.86 to 2.37	4	9.48
From 2.38 to 9.83	5	37.49
From 9.84 to 49.81	1	49.81
	15	100.00

B. Share premium

On December 20, 2018, the General Shareholder's Meeting approved an increase in the capital by S/ 242,114 thousand through cash contributions received from Enfoca Group distributed as follows: i) S/ 32,184 thousand to share capital and ii) S/ 209,930 thousand to share premium.

C. Other capital reserves

According to the Companies Act, the Company is required to allocate at least 10% of its annual net income to a legal reserve after deducting accumulated losses. This allocation is required until the reserve equals 20% of paid-in capital. The legal reserve can be used to compensate losses in the absence of nondistributed earnings or nonrestricted reserves and must be restored with future earnings. This reserve may also be capitalized, but it shall be subsequently restored.

As of December 31, 2022, the Group allocated S/ 5,074 thousand to a legal reserve (S/ 6,394 thousand and S/ 12,763 thousand at December 31, 2021 and 2020).

D. Translation reserve

Translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign operations. As of December 31, 2022, 2021 and 2020, the Group recognizes the translation differences of the consolidated financial statements of the subsidiary Auna Colombia in translation reserve of the consolidated statement of profit or loss and other comprehensive income.

E. Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contract and as well as the time value of purchased collar contracts. It is initially recognized in OCI and accounted for similarly to gains or losses in the hedging reserve.

F. Hedging reserve

Hedging reserve includes the effective portion of the accumulated net change in the fair value of the hedging instruments used in cash flow hedges with subsequent recognition in profit or loss. This reserve is recognized net of deferred income tax.

G. Merger reserve and other reserves

Merger reserve represents the difference between the nominal value of the 89,599,965 shares issued with a par value of S/ 1.00 each in exchange for the nominal value of 4,590,656 shares of the subsidiary Oncosalud S.A.C. acquired under common control with a par value of S/ 1.00 each. Also, the merge reserve includes the difference between the carrying amount of NCI acquired and the consideration paid to NCI.

During 2020, the difference between the carrying amount of NCI acquired of the subsidiary PMLA and the consideration paid to NCI was S/ 2,366 thousand (note 20.I). Also in October 2020, the non-controlling shareholders of the subsidiary Clínica Portoazul S.A. acquired 306 ordinary shares of this entity, as consequence the difference between the carrying amount of NCI acquired and the cash contribution was S/ 3,120 thousand.

In addition, this account includes “other reserves” of S/ 161,915 thousand as a result of the initial and subsequent recognition of the “put and call liability” with the non-controlling shareholders, in accordance with the SPA of Oncomedica S.A.

On September 28, 2022, the General Shareholder’s Meeting of the subsidiary Auna Salud S.A.C approved an increase in the capital by S/ 1,352,610 thousand through cash contributions received from Heredia Investments S.A.C., an indirect subsidiary of Enfoca Group (ultimate controlling party), as follows: i) S/ 214,431 thousand to share capital and ii) S/ 1,138,179 thousand to share premium. This contribution by this Non-controlling interest diluted the participation of Auna S.A.A. in Auna Salud S.A.C. from 100% to 78.80% and its controlled subsidiaries.

H. Dividends

The dividends distributed to the shareholders other than entities domiciled in Peru are subject to an income tax of 5.0% in 2020 and 2019 to be paid by the shareholders. Such a tax is withheld and liquidated by the Group.

The Annual General Shareholders’ Meeting, held on June 30, 2020, approved the distribution of dividends for S/ 10,000 thousand (S/ 1 thousand per common share). In addition, the Annual General Shareholders’ Meeting of PMLA held on March 1, 2020 approved the distribution of dividends for S/ 7 thousand to non-controlling shareholders. During the year 2021, the Group did not distribute dividends.

I. Non-controlling interests

The following table summarizes the information related to each of the Group’s subsidiaries that has material NCI, before any intra-group eliminations.

In thousands of soles	Clínica Vallesur	Clínica Miraflores	PMLA	Clinica Portoazul	Oncomedica	Auna Salud	Total
December 31, 2022							
NCI percentage	30.47%	23.30%	21.38%	51.93%	44.84%	21.20%	
Net assets	2,243	(2,444)	493,913	116,815	230,063	1,054,425	1,895,015
Net assets attributable to NCI	684	(569)	105,605	60,664	103,160	223,538	493,082
Profit (loss)	1,149	802	(34,894)	20,895	38,702	(58,988)	(32,334)
Other Comprehensive Income (OCI)	-	-	(111,752)	(28,666)	(54,977)	100,761	(94,633)
Total comprehensive income	1,149	802	(146,646)	(7,771)	(16,275)	41,774	(126,967)
Profit allocated to NCI	350	187	(7,461)	10,851	17,354	(12,505)	8,776
OCI allocated to NCI	-	-	(23,894)	(14,887)	(24,652)	21,362	(42,071)
Total comprehensive income allocated to NCI	350	187	(31,355)	(4,036)	(7,298)	8,856	(33,295)

In thousands of soles	Clínica Vallesur	Clínica Miraflores	PMLA	Clinica Portoazul	Total

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

December 31, 2021					
NCI percentage	11.77%	5.83%	0.23%	39.00%	
Net assets	1,096	(1,509)	636,087	124,590	760,264
Net assets attributable to NCI	129	(88)	1,463	48,590	50,094
Profit (loss)	(1,139)	(1,418)	(651)	9,429	6,221
Other Comprehensive Income (OCI)	-	-	(49,583)	(11,237)	(60,820)
Total comprehensive income	(1,139)	(1,418)	(50,234)	(1,808)	(54,599)
Profit allocated to NCI	(134)	(83)	(1)	3,677	3,459
OCI allocated to NCI	-	-	(114)	(4,382)	(4,496)
Total comprehensive income allocated to NCI	(134)	(83)	(115)	(705)	(1,037)

	Clínica	Clínica		Clinica	
<i>In thousands of soles</i>	Vallesur	Miraflores	PMLA	Portoazul	Total
December 31, 2020					
NCI percentage	11.77%	5.83%	0.23%	39.00%	
Net assets	2,234	(86)	686,957	126,415	815,520
Net assets attributable to NCI	263	(5)	1,580	49,302	51,140
Profit (loss)	(5,333)	(1,816)	16,670	6,210	15,731
Other Comprehensive Income (OCI)	-	-	17,422	13,574	30,996
Total comprehensive income	(5,333)	(1,816)	34,092	19,784	46,727
Profit allocated to NCI	(628)	(106)	38	2,422	1,726
OCI allocated to NCI	-	-	40	5,294	5,334
Total comprehensive income allocated to NCI	(628)	(106)	78	7,716	7,060

As of December 31, 2019, the Group paid in advance the amount S/ 12,756 thousand equivalent to 2.68% of shares of the non-controlling interest in 2019. On January 3, 2020, the Group completed the acquisition of additional 2.45% interest, equivalent to S/ 11,671 thousand, of Promotora Médica Las Américas S.A., increasing its ownership from 97.32% to 99.77%. The carrying amount of non controlling interest adquired on the date of the acquisition was S/ 14,037 thousand. Four shareholders refused to sell their interest, as a result, the difference of S/ 1,148 thousand, that include S/ 63 thousand of exchange difference, it is managed by BTG Pactual Fiduciary and it is included in 'other assets'. In July 2021, this amount was recovered in cash.

In October 2020, the non-controlling shareholders of Clínica Portoazul S.A. acquired 306 ordinary shares of this entity for a cash consideration of S/ 8,951 thousand, equivalent to additional 5.55% interest, increasing its ownership from 33.45% to 39.00%. In 2022, the cash contribution of Heredia Investment S.A.C. (note 20.G) in Auna Salud S.A.C. the non-controlling interests increase from 39.00% to 51.93%.

21. Revenue

A. Revenue streams

The Group generates revenue primarily from the sale of oncologic healthcare plans and healthcare services to its customers.

This caption comprises the following:

<i>In thousands of soles</i>	2022	2021	2020
Revenue from contracts with customers			
Healthcare services (i)	1,514,639	1,092,489	703,544
Sale of medicines	220,905	200,452	173,698
Loyalty program	-	233	182
Total revenue from contracts with customers	1,735,544	1,293,174	877,424
Insurance revenue	716,064	630,545	566,358
Total revenue	2,451,608	1,923,719	1,443,782

Premiums earned comprises the following:

<i>In thousands of soles</i>	2022	2021	2020
Oncology plans	664,971	606,580	560,086
General healthcare services plans	51,093	23,965	6,272
Total insurance revenue	716,064	630,545	566,358
Timing of revenue recognition			
Products transferred at a point in time	220,905	200,451	173,698
Products and services transferred over time	1,514,639	1,092,723	703,726
Total revenue from contracts with customers	1,735,544	1,293,174	877,424

- (i) The amounts reported in Healthcare services revenue line item do not include revenue recognized for customers that are part of the Company's insurance premium program.

B. Disaggregation of revenue from contracts with customers

This caption comprises the following:

	Reportable segments		Total
<i>In thousands of soles</i>	Oncosalud Peru	Healthcare services	
For the year ended December 31, 2022			
Primary geographical markets			
Peru	789,093	551,028	1,340,121
Colombia	-	895,366	895,366
Mexico	-	216,121	216,121
For the year ended December 31, 2021			
Primary geographical markets			
Peru	737,836	510,850	1,248,686
Colombia	-	675,033	675,033
For the year ended December 31, 2020			
Primary geographical markets			
Peru	640,480	383,922	1,024,402
Colombia	-	419,380	419,380

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

C. Contract balances

The following table provides information about receivables from contracts with customers.

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Receivables, which are included in "trade accounts receivable"	6	589,308	352,941	371,010
Contract liabilities, which are included in "trade accounts payable"	16	(14,222)	(10,248)	(14,124)

The contract assets primarily relate to the Group's rights to consideration for service completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from patients for healthcare services, for which revenue is recognized over time. This will be recognized as revenue over the next 12 months.

22. Cost of Sales and Services, Selling Expenses and Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Cost of sales and services			Selling expenses			Administrative expenses			Total		
		2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Medicines		622,923	503,951	383,106	-	-	-	-	-	-	622,923	503,951	383,106
Auxiliary services and clinical laboratory		37,346	26,494	17,821	-	-	-	-	-	-	37,346	26,494	17,821
Room service for inpatients		25,395	23,894	17,108	-	-	-	-	-	-	25,395	23,894	17,108
Surgery fees		142,065	110,184	57,609	-	-	-	-	-	-	142,065	110,184	57,609
Medical consultation fees		71,675	49,233	39,366	-	-	-	-	-	-	71,675	49,233	39,366
Technical reserves for healthcare services		-	2,244	1,514	-	-	-	-	-	-	-	2,244	1,514
Insurance contracts		1,929	-	-	-	-	-	-	-	-	1,929	-	-
Personnel expenses (a)		482,845	396,285	292,962	60,166	51,940	46,596	188,029	184,617	142,412	731,040	632,842	481,970
Services provided by third parties (b)		79,189	55,927	49,668	103,656	102,434	82,196	192,598	143,848	84,945	375,443	302,209	216,809
Depreciation	11, 13	92,538	54,791	46,068	12	25	29	14,486	9,886	11,324	107,036	64,702	57,421
Amortization	12	2,329	2,300	1,625	-	-	-	28,726	10,393	5,653	31,055	12,693	7,278
Other management charges		13,643	11,448	7,354	5,924	4,663	4,200	36,290	36,373	16,335	55,857	52,484	27,889
Tax expenses		27	33	153	45	20	35	17,395	15,563	12,692	17,467	15,616	12,880
		1,571,904	1,236,784	914,354	169,803	159,082	133,056	477,524	400,680	273,361	2,219,231	1,796,546	1,320,771

(a) Personnel expenses comprise the following:

<i>In thousands of soles</i>	2022	2021	2020
Remunerations	492,354	408,851	304,140
Legal bonuses	57,491	52,794	39,165
Health insurance for employees	75,419	61,793	49,871
Bonuses	6,916	18,791	14,762
Severance payment	39,316	34,842	26,673
Vacations	36,029	31,307	22,700
Employees' profit sharing	4,375	5,269	8,086
Board of Directors' remuneration	4,006	4,036	2,770
Compensation to personnel	7,004	5,076	2,338
Training	1,290	1,096	436
Other benefits	6,840	8,987	11,029
	731,040	632,842	481,970

(b) Services provided by third parties include the following:

<i>In thousands of soles</i>	2022	2021	2020
Sales commission (i)	56,837	58,277	51,334
Advisory and consulting fees	79,639	55,079	34,173
Leases	30,173	20,611	14,479
Credit card commission	22,386	19,923	16,548
Service and repair	51,866	40,909	27,783
Custodial and cleaning services	26,141	27,631	20,621
Advertisement	22,344	25,089	13,642
Utilities	34,004	20,689	15,893
Hosting	11,887	10,184	5,265
Collection expenses	1,516	1,090	1,247
Travel and entertainment expenses	2,373	1,484	626
Others	36,277	21,243	15,198
	375,443	302,209	216,809

(i) For the years ended December 31, 2021 and 2020, Sales commission, recognized in Selling Expenses, include amortization of deferred acquisitions costs for S/ 10,038 thousand and S/ 11,495 thousand, respectively (note 7.(j))

(c) For the year ended December 31, 2022, personnel expenses, services provided by third parties and other management charges, include amortizations of insurance acquisition cash flows for S/ 115,119 thousand (note 33).

23. Other Income

This caption comprises the following:

<i>In thousands of soles</i>	Note	2022	2021	2020
Gain on bargain purchase of subsidiary	1.C.v	-	-	4,495
Income for parking (a)		3,227	2,146	1,589
Indemnization for claims		1,551	390	629
Investment property rentals		4,374	988	1,045
Increase in fair value of investment property		173	60	-
Receivable recoveries (b)		10,743	759	-
Tax recoveries		20	44	205

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

Gain on sale of property, furniture and equipment	111	-	174
Debt Forgiveness and donations received	-	134	1,992
Others	1,459	3,577	1,960
	21,658	8,098	12,089

(a) Corresponds to the administration, parking, and valet parking services provided by the clinics. Income for parking is recognized once the service has been rendered.

(b) Mainly corresponds to recoveries of receivables that were expected as uncollectable at the acquisition date of Oncomedica S.A.

24. Other Expenses

<i>In thousands of soles</i>	2022	2021	2020
Loss on disposal of intangibles	1,028	-	-
Loss on disposal of right-of-use assets net of leases	-	-	321
	1,028	-	321

25. Net Finance Costs

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Finance income				
Cash flow hedges settlement – call spread		-	-	1,670
Interest income under the effective interest		150	158	1,074
Interest on term deposits		6,734	1,590	1,014
Exchange difference (a)		-	5,851	-
Others		26	7	15
		6,910	7,606	3,773
Finance cost				
Financial liabilities measured at amortized cost – interest expense (c)		196,673	87,074	44,774
Interest from leases liabilities		11,824	8,803	12,107
Exchange difference (a)		57,771	-	45,545
Cash flow hedges – reclassified from OCI for costs of hedging reserve		28,097	22,064	1,540
Change in fair value of contingent consideration (d)		6,692	-	-
Financial assets at FVTPL – net change in fair value: Derivate assets mandatorily measured at FVTPL		4,377	-	-
Cash flow hedges – reclassified from OCI for hedging reserve		-	-	906
Cash flow hedges settlement – interest rate swaps	9	-	-	5,296
Unwind of derivative financial instruments measured at FVOCI		-	-	21,517
Financial debt prepayment penalty		9	50	3,400
Others (b)		7,258	4,228	1,651
		312,701	122,219	136,736

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

- (a) In 2022, the net exchange difference includes an effect for S/ 53,400 (S/ 112,200 thousand and S/ 14,100 thousand in 2021 and 2020, respectively) for the cash flow hedges reclassified from OCI (note 9.A).
- (b) For years 2022, 2021 and 2020, its includes mainly cost of factoring for S/ 5,191 thousand, S/ 1,172 thousand and S/ 468 thousand, respectively.

- (c) For years 2022, 2021 and 2020, its includes S/ 304 thousand, S/ 457 thousand and S/ 4,397 thousand related to government grants of interest expenses (note 4.O), respectively.
- (d) The movement of contingent consideration is the following:

<i>In thousands of soles</i>	2022	2021
Balances as of January 1,	848	-
Acquired through business combination	79,461	848
Change in fair value of contingent consideration	6,692	-
Payment of contingent consideration	(397)	-
Exchange difference	(17,134)	-
Balances as of December 31,	69,470	848

26. Earnings per Share

The net earnings per ordinary share were determined based on the net income attributable to shareholders of the Group and weighted-average number of class A shares outstanding as follows:

<i>In thousands of soles</i>	2022	2021	2020
Net loss for the year attributable to owners of the Company	(85,315)	(26,473)	(7,104)
Number of shares (class A)	236,545,679	236,545,679	236,545,679
Weighted average number of ordinary shares at December 31	236,545,679	236,545,679	236,545,679
Basic and diluted earnings per share	(0.36)	(0.11)	(0.03)

The earnings per share calculated include only class "A" shares because the net profit for the year ended December 31, 2022, 2021 and 2020, does not exceed the limited of US\$ 1 billion to distribute dividends to class "B" shares (note 20.A).

The Group has no dilutive potential ordinary shares as of December 31, 2022, 2021 and 2020.

There have been no other transactions involving common shares and investment shares between the reporting date and the date of the authorization of these consolidated financial statements.

27. Operating Segments

A. Basis for segmentation

The Group has determined three reportable segments. These operating segments are components of a company about which separate financial information is available that is regularly evaluated by the Board of Directors (Chief operating decision maker) in deciding how to allocate resources and assess performance.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Oncosalud Peru	Including our prepaid oncologic healthcare plans and healthcare services related to the treatment of cancer.
Healthcare services in Peru	Corresponds to medical services within the network of clinics and health centers in Peru.
Healthcare services in Colombia	Corresponds to medical services within the network of clinics and health centers in Colombia.

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because the chief operating decision maker believes that this information is the most relevant for the Group.

<i>In thousands of soles</i>	Reportable segments				Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia	Healthcare services in Mexico			
2022							
External revenues	789,093	551,028	895,366	216,121	2,451,608	-	2,451,608
Inter-segment revenue (i)	26,031	179,303	-	-	205,334	(205,334)	-
Segment revenue	815,124	730,331	895,366	216,121	2,656,942	(205,334)	2,451,608
External cost of service	(240,855)	(553,885)	(620,407)	(156,757)	(1,571,904)	-	(1,571,904)
Inter-segment cost of service (i)	(178,882)	(24,409)	-	-	(203,291)	203,291	-
Segment cost of service	(419,737)	(578,294)	(620,407)	(156,757)	(1,775,195)	203,291	(1,571,904)
Gross profit	395,387	152,037	274,959	59,364	881,747	(2,043)	879,704
External selling expenses	(146,016)	(15,881)	(5,741)	(718)	(168,356)	(1,447)	(169,803)
Segment selling expenses	(146,016)	(15,881)	(5,741)	(718)	(168,356)	(1,447)	(169,803)
External administrative expenses	(69,159)	(76,153)	(153,137)	(46,193)	(344,642)	-	(344,642)
Inter-segment administrative expenses	(228)	(2,586)	-	-	(2,814)	2,814	-
Corporate expenses	(79,570)	(52,910)	(5,895)	-	(138,375)	5,493	(132,882)
Segment administrative expenses	(148,957)	(131,649)	(159,032)	(46,193)	(485,831)	8,307	(477,524)
Impairment losses on trade receivables	2,359	4,097	(4,744)	(132)	1,580	-	1,580
Other expenses	-	-	-	-	-	(1,028)	(1,028)
Other income	(360)	3,663	15,318	1,909	20,530	1,128	21,658
Inter-segment other income	9,393	764	-	-	10,157	(10,157)	-
Other income	9,033	4,427	15,318	1,909	30,687	(9,029)	21,658
Segment operating profit (loss)	111,806	13,031	120,760	14,230	259,827	(5,240)	254,587
Share of profit of equity accounted investees, net of taxes	1,559	-	2,198	-	3,757	-	3,757
Exchange difference, net	(3,863)	778	(131,039)	(1,651)	(135,775)	78,004	(57,771)
Interest expense, net	(40,733)	(25,619)	(62,142)	(63,021)	(191,515)	(56,505)	(248,020)
Segment profit (loss) before tax	68,769	(11,810)	(70,223)	(50,442)	(63,706)	16,259	(47,447)
Other disclosures							
Depreciation and amortization	(25,375)	(38,835)	(27,816)	(37,698)	(129,724)	(8,367)	(138,091)
Capital expenditure	(43,702)	(38,342)	(82,128)	(2,988)	(167,160)	(7,423)	(174,583)
Segment assets	1,943,792	815,574	1,805,816	3,289,686	7,854,868	(1,261,205)	6,593,663
Segment liabilities	952,240	525,271	1,311,333	2,009,673	4,798,517	237,085	5,035,602

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
<i>In thousands of soles</i>						
2021						
External revenues	737,836	510,850	675,033	1,923,719	-	1,923,719
Inter-segment revenue (i)	23,733	156,336	-	180,069	(180,069)	-
Segment revenue	761,569	667,186	675,033	2,103,788	(180,069)	1,923,719
External cost of service	(234,782)	(518,953)	(483,049)	(1,236,784)	-	(1,236,784)
Inter-segment cost of service (i)	(156,139)	(20,977)	-	(177,116)	177,116	-
Segment cost of service	(390,921)	(539,930)	(483,049)	(1,413,900)	177,116	(1,236,784)
Gross profit	370,648	127,256	191,984	689,888	(2,953)	686,935
External selling expenses	(133,317)	(18,898)	(3,899)	(156,114)	(2,968)	(159,082)
Segment selling expenses	(133,317)	(18,898)	(3,899)	(156,114)	(2,968)	(159,082)
External administrative expenses	(61,885)	(82,141)	(119,104)	(263,130)	8,726	(254,404)
Inter-segment administrative expenses	(1,785)	(3,272)	-	(5,057)	5,057	-
Corporate expenses	(85,052)	(56,555)	(8,630)	(150,237)	3,961	(146,276)
Segment administrative expenses	(148,722)	(141,968)	(127,734)	(418,424)	17,744	(400,680)
Impairment losses on trade receivables	(926)	(8,214)	(17,989)	(27,129)	-	(27,129)
Other expenses	-	-	-	-	-	-
Other income	180	2,791	4,646	7,617	481	8,098
Inter-segment other income	5,165	428	-	5,593	(5,593)	-
Other income	5,345	3,219	4,646	13,210	(5,112)	8,098
Segment operating profit (loss)	93,028	(38,605)	47,008	101,431	6,711	108,142
Share of profit of equity accounted investees, net of taxes	1,115	-	2,230	3,345	-	3,345
Exchange difference, net	7,852	(2,281)	(22,399)	(16,828)	22,678	5,850
Interest expense, net	(42,455)	(15,159)	(19,681)	(77,295)	(43,168)	(120,463)
Segment profit (loss) before tax	59,540	(56,045)	7,158	10,653	(13,779)	(3,126)
Other disclosures						
Depreciation and amortization	(18,477)	(29,664)	(21,535)	(69,676)	(7,719)	(77,395)
Capital expenditure	(94,835)	(76,134)	(135,091)	(306,060)	(17,222)	(323,282)
Segment assets	1,909,654	782,180	1,310,290	4,002,124	(1,178,474)	2,823,650
Segment liabilities	1,050,082	472,986	555,402	2,078,470	199,269	2,277,739

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
2020						
External revenues	640,480	383,922	419,380	1,443,782	-	1,443,782
Inter-segment revenue (i)	18,617	92,481	203	111,301	(111,301)	-
Segment revenue	659,097	476,403	419,583	1,555,083	(111,301)	1,443,782
External cost of service	(219,941)	(375,204)	(317,538)	(912,683)	(1,671)	(914,354)
Inter-segment cost of service (i)	(92,253)	(17,709)	-	(109,962)	109,962	-
Segment cost of service	(312,194)	(392,913)	(317,538)	(1,022,645)	108,291	(914,354)
Gross profit	346,903	83,490	102,045	532,438	(3,010)	529,428
External selling expenses	(120,149)	(7,136)	(2,815)	(130,100)	(2,956)	(133,056)
Segment selling expenses	(120,149)	(7,136)	(2,815)	(130,100)	(2,956)	(133,056)
External administrative expenses	(45,547)	(48,180)	(75,837)	(169,564)	14,993	(154,571)
Inter-segment administrative expenses	(4,944)	(2,651)	-	(7,595)	7,595	-
Corporate expenses	(68,890)	(45,808)	(3,219)	(117,917)	(873)	(118,790)
Segment administrative expenses	(119,381)	(96,639)	(79,056)	(295,076)	21,715	(273,361)
Impairment losses on trade receivables	(2,843)	(8,095)	(5,420)	(16,358)	-	(16,358)
Other expenses	40	7	-	47	(368)	(321)
Other income	2,951	12,588	9,447	24,986	(12,897)	12,089
Inter-segment other income	1,507	389	-	1,896	(1,896)	-
Other income	4,458	12,977	9,447	26,882	(14,793)	12,089
Segment operating profit (loss)	109,028	(15,396)	24,201	117,833	588	118,421
Share of profit of equity accounted investees, net of taxes	300	-	1,020	1,320	-	1,320
Exchange difference, net	(7,097)	(1,042)	(28,379)	(36,518)	(9,027)	(45,545)
Interest expense, net	(15,183)	(10,611)	(53,742)	(79,536)	(7,882)	(87,418)
Segment profit (loss) before tax	87,048	(27,049)	(56,900)	3,099	(16,321)	(13,222)
Other disclosures						
Depreciation and amortization	(18,674)	(23,322)	(14,102)	(56,098)	(8,601)	(64,699)
Capital expenditure	(64,977)	(42,576)	(52,513)	(160,066)	(19,072)	(179,138)
Segment assets	2,517,989	626,962	1,322,190	4,467,141	(1,816,070)	2,651,071
Segment liabilities	1,406,476	346,705	504,126	2,257,307	(258,307)	1,999,000

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

- (i) Inter-segment cost of service (claims expense) from the Oncosalud Peru segment and intersegment revenue from our Healthcare Services in Peru segment are presented on a gross basis by adding the corresponding profit margin markup by our Healthcare Services in Peru segment and vice versa. Likewise, our Oncosalud Peru segment consolidates Oncocenter Perú S.A.C., a subsidiary providing healthcare services related to the exclusive treatment of cancer. In the separate financial statements of Oncocenter Perú S.A.C., the revenue mainly consists of the insurance claims expense recorded as cost of sales in the separate financial statements of Oncosalud S.A.C., our insurance subsidiary that is also consolidated in Oncosalud Peru segment. In the segment consolidation process the related revenues from such healthcare services are eliminated with the corresponding claims expense of our insurance subsidiary Oncosalud S.A.C., while the external cost (third parties) of services incurred by Oncocenter Perú S.A.C. remains.

C. Geographic information

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

<i>In thousands of soles</i>	2022	2021	2020
Revenue			
Peru	1,340,121	1,248,686	1,024,402
Colombia	895,366	675,033	419,380
México	216,121	-	-
	2,451,608	1,923,719	1,443,782
Non-current assets (*)			
Peru	929,840	913,528	775,880
Colombia	1,274,891	980,960	948,524
México	3,058,082	-	-
	5,262,813	1,894,488	1,724,404

(*) Non-current assets exclude deferred tax assets and derivatives.

D. Major customer

None of the revenue derives from transactions carried out with a single customer or counterparty which is equal to or greater than 10 percent or more of the total revenue of the Group at December 31, 2022, 2021 and 2020.

28. Tax Matters***Tax regime applicable to income tax***

- A. Income tax is determined on a separate basis; it is not consolidated. According to Peruvian, Colombian and Mexican current legal legislation, the income tax is paid based on the statutory financial statements and tax losses, additions, and deductions established.

Tax rates

- B. The Group is subject to Peruvian, Colombian and Mexican Tax Regime as of December 31, 2022, 2021 and 2020.

The current income tax rates are 29.5% in Peru, 30% in Mexico and 31% in Colombia, calculated based on the taxable income. The income tax rate applicable to Colombian legal entities will be 35% for year 2022 onwards. As a consequence, deferred tax assets and liabilities on temporary differences that are expected to reverse during those years have been measured at such corresponding rates.

For years 2022, 2021 and 2020, the income tax rate for distribution of dividends and any other form of profit distribution applicable to Peruvian nondomiciled legal entities and individuals is 5%.

On 28 December 2018, Colombia enacted tax reform (Law 1943 - Tax Reform). The Tax Reform increased from January 1, 2019 the dividend tax on distributions to foreign nonresident entities and individuals from 5% to 7.5%. In addition, the Tax Reform establishes a 7.5% dividend tax on distributions between Colombian companies. The tax will be charged only on the first distribution of dividends between Colombian entities and may be credited against the dividend tax due once the ultimate Colombian company makes a distribution to its shareholders (nonresident shareholders (entities or individuals) or to Colombian individual residents). The dividend tax on local distributions does not apply if the Colombian companies are part of a registered economic group, or the distribution is to a Colombian entity qualifying for the new Colombian holding company (CHC) regime.

Dividend distribution or any other type of dividend distribution corresponds to retained earnings or other concepts generating taxable dividends.

Income tax determination

- C. The Group computed its taxable income for the years ended December 31, 2022, 2021 and 2020, and determined current income tax for S/ 56,761 thousand, S/ 48,024 thousand and S/ 56,186 thousand, respectively.

Income tax expense comprises:

<i>In thousands of soles</i>	<i>Note</i>	2022	2021	2020
Current		56,761	48,024	56,186
Deferred	14	(27,378)	(28,127)	(64,030)
Income tax		29,383	19,897	(7,844)

Reconciliation of the income tax effective rate to the tax rate is presented as follows:

<i>In thousands of soles</i>	2022		2021		2020	
(Loss) profit before income tax	(52,930)	100.00%	(3,126)	100.00%	(13,222)	100.00%
Calculated theoretical tax (a)	(15,614)	29.50%	(922)	29.50%	(3,900)	29.50%
Effect of tax rates of a subsidiary abroad	(6,909)	13.05%	(1,763)	56.40%	(2,418)	18.29%
Non deductible expenses	15,577	(29.43%)	5,047	(161.45%)	2,204	(16.67%)
Tax losses for which deferred tax asset was not recognized	21,727	(41.05%)	349	(11.16%)	3,847	(29.10%)
Derecognition of previously recognised deductible temporary differences	15,241	(28.79%)	-	-	-	-
Recognition of previously unrecognized tax losses	-	-	-	-	(3,881)	29.35%
Changes in tax rate (Colombia)	-	-	8,995	(287.75%)	-	-
Annual adjustment for inflation	8,244	(15.58%)	-	-	-	-
Changes in estimates related to prior years	(8,883)	16.78%	8,191	(262.03%)	(3,696)	27.95%
Income tax	29,383	(55.51%)	19,897	(636.49%)	(7,844)	59.33%

In September, 2021 a new corporate tax law was enacted in Colombia. Consequently, as of 1 January 2022, the corporate tax rate in Colombia will be increased from 30 to 35%. This change resulted in a loss related to the remeasurement of deferred tax assets and liabilities of the Group's Colombian subsidiary, being recognized as of December 31, 2021.

Tax losses carried forward

- D. The Group has recognized a deferred income tax asset related to the tax-loss carryforward of those subsidiaries where it is more likely than not that the tax-loss carryforward can be used to compensate future taxable net income.

As of December 31, 2022, the Group recognized deferred tax assets net for S/ 157,569 thousand (S/ 163,090 thousand and S/ 132,501 thousand as of December 31, 2021 and 2020, respectively) related to tax losses carried forward of the Group.

Deferred tax assets recognized for tax losses expire as follows:

<i>In thousands of soles</i>	2022	Expiry date	2021	Expiry date	2020	Expiry date
Expire	47,128	2023-2034	47,244	2022-2033	46,228	2021-2032
Never expire	110,441		115,846		86,273	-
Income tax	157,569		163,090		132,501	-

According to the Income Tax Act, as amended, the entities established in Peru can choose one of the following two methods to carry forward their tax losses:

- (i) The tax loss may be offset with future income until it is extinguished, applying said loss up to 50 percent of the taxable income per year, or
- (ii) The tax loss may be used until four years after it has been generated.

According to the Income Tax Act, as amended, the entities established in Colombia can choose one of the following two methods to carry forward their tax losses:

- (i) According to the Income Tax act, as amended, Colombian tax losses established until 2016 does not expire, while tax losses generated as of 2017 can be carry forward for 11 years.

Unrecognized deferred tax assets

- E. Deferred tax assets have not been recognized in respect of the following item, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom. These tax losses never expire.

	2022		2021		2020	
<i>In thousands of soles</i>	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	73,650	21,727	1,182	349	13,041	3,847
	73,650	21,727	1,182	349	13,041	3,847

Temporary tax on net assets

- F. The Group is subject to the Temporary Tax on Net Assets (ITAN, from its Spanish acronym). The taxable base is the prior period adjusted net asset value less depreciation and amortization, admitted by the Income Tax Law. The ITAN rate is 0.4% for 2020 and 2019 applied to the amount of net assets that exceed S/ 1,000,000. It may be paid in cash or in nine consecutive monthly installments. The amount paid may be used as a credit against payments of the general income tax regime for taxable periods from March to December of the fiscal period for which the tax was paid until maturity. As of December 31, 2021 the Group recognized S/ 6,273 thousand in Other assets (S/ 2,820 thousand as of December 31, 2020). See note 7(e).

Transfer pricing

- G. For the purpose of determining the Income Tax, the transfer prices of transactions with related parties and with companies domiciled in countries or territories that are noncooperating or low or zero tax countries or territories, or with entities or permanent establishments whose income, revenues or gains from said contracts are subject to a preferential tax regime, must be supported by documented information on the valuation methods used and the criteria considered for their determination. On the basis of the analysis of the operations of the Group's Subsidiaries, Management and its internal legal advisors believe that, as a consequence of the application of these standards, contingencies of the Subsidiaries domiciled in Peru, Colombia and Mexico will not arise as of December 31, 2022 and 2021.

Review of tax administration

- H. The Peruvian, Colombian and Mexican Tax Authorities are entitled to audit and, if applicable, to correct the income tax calculated by the Group within the four years following the year of the tax return filing. The Group's income tax returns for the years 2018 through 2021 are open for review by the Peruvian and Colombian tax authority.
- I. The Group's sales tax returns for December 2017 through November 2021 are open for review by the Peruvian, Colombian and Mexican tax authority.

Value Added Tax (VAT)

- J. For Peruvian, Colombian and Mexican companies, the value added tax (VAT) is 18% ,19% and 16% respectively.

Uncertainty over income tax treatments

- K. The Group believes that its accrual for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

29. Group Structure

The following table shows the companies that are part of the Group as of December 31, 2022, 2021 and 2020. All subsidiaries have been included in the consolidation:

<i>In thousands of soles</i>	Percentage of common shares held by the Group (%)			Percentage of common shares held by the non- controlling interest		
	2022	2021	2020	2022	2021	2020
Operating companies						
Oncosalud S.A.C. (a)	78.79	99.99	99.99	21.21	-	-
Oncocenter Perú S.A.C. (b)	78.79	99.99	99.99	21.21	-	-
Servimédicos S.A.C. (b)	78.79	99.99	99.99	21.21	-	-
Clínica Bellavista S.A.C. (b)	78.79	99.99	99.99	21.21	-	-
Laboratorio Clínica Inmunológico Cantella S.A.C. (b)	78.79	99.99	99.99	21.21	-	-
Clínica Miraflores S.A. (b)	76.70	94.17	94.17	23.30	5.83	5.83
R&R Patólogos Asociados S.A.C. (b)	78.64	99.80	99.80	21.36	0.20	0.20
Clínica Vallesur S.A. (b)	69.53	88.23	88.23	30.47	11.77	11.77
GSP Trujillo S.A.C. (Clínica Camino Real) (b)	78.79	99.99	99.99	21.21	0.01	0.01
Medicser S.A.C. (Clínica Delgado) (b)	78.79	99.99	99.99	21.21	0.01	0.01
Patología Oncológica S.A.C.	78.80	100.00	-	21.20	-	-
Oncogenomics S.A.C.	78.80	100.00	-	21.20	-	-
Operating companies abroad						
Hospital y Clínica OCA S.A. de C.V.	78.80	-	-	21.20	-	-
DRJ Inmuebles, S.A. de C.V.	78.80	-	-	21.20	-	-
Inmuebles JRD 2000, S.A. de C.V.	78.80	-	-	21.20	-	-
Tovleja HG, S.A.	78.80	-	-	21.20	-	-
Oncomedica S.A.	55.16	-	-	44.84	-	-
Imat S.A.S.	55.16	-	-	44.84	-	-
Clínica Portoazul S.A. (b)	48.07	61.00	61.00	51.93	39.00	39.00
Promotora Médica Las Américas S.A. (b)	78.62	99.77	99.77	21.38	0.23	0.23
Laboratorio Médico Las Américas Ltda. (b)	78.80	100.00	100.00	21.20	-	-
Instituto de Cancerología S.A. (a)	78.80	100.00	100.00	21.20	-	-
Patología Las Américas S.A.S. (f)	-	-	-	-	-	-
Salud Oral Especializada S.A. (f)	-	-	-	-	-	-
Clínica del Sur S.A.S. (b)	-	100.00	100.00	-	-	-
Las Américas Farma Store S.A.S. (e)	-	100.00	100.00	-	-	-
Pre-operating companies						
Consorcio Trecca S.A.C. (b)	99.99	99.99	99.99	0.01	0.01	0.01
Cardio Imat S.A.	55.16	-	-	44.84	-	-
Intensivos Imat S.A.	55.16	-	-	44.84	-	-
Sociedad Radio-Oncologica de Montería S.A.	55.16	-	-	44.84	-	-
Non-operating companies						
Inversiones Mercurio S.A.C. (b)	74.21	94.15	94.15	25.79	5.83	5.83
Holdings						
Grupo Salud Auna México S.A. de C.V.	78.80	-	-	21.20	-	-
Auna Colombia S.A.S. (c)	78.80	100.00	100.00	21.20	-	-
Auna Salud S.A.C. (c)	78.80	99.99	99.99	21.20	0.01	0.01
GSP Inversiones S.A.C. (c)	78.79	99.99	99.99	0.01	0.01	0.01
Operador Estratégico S.A.C. (c)	99.99	99.99	99.99	0.01	0.01	0.01
Other subsidiaries						
GSP Servicios Generales S.A.C. (d)	78.79	99.99	99.99	21.21	0.01	0.01
GSP Servicios Comerciales S.A.C. (d)	78.79	99.99	99.99	21.21	0.01	0.01

- (a) Mainly dedicated to providing oncologic healthcare services.
- (b) Mainly dedicated to providing services through health centers (inpatients and outpatients).
- (c) Holding of the Group. Auna Colombia is a holding located in the Republic of Colombia and Grupo Salud Auna México S.A. de C.V. is a holding located in the Republic of Mexico.
- (d) Mainly dedicated to providing the Group with internal administrative, commercial and management services.

- (e) Sale of medicines and medical supplies.
- (f) During 2020, Salud Oral Especializada S.A.S. and Patología Las Américas S.A.S. and the health services provided by these companies were absorbed by Promotora Médica Las Américas S.A. and Laboratorio Médico Las Américas S.A.S. respectively.

As of December 31, 2022, the total non-controlling interest amounts to S/ 482,340 thousand (S/ 50,094 thousand and S/ 51,140 thousand as of December 31, 2021 and 2020, respectively).

30. Financial Risk and Insurance Management

Due to its business, the Group assumes the risks inherent to its activities related to the insurance business, market, credit, liquidity and foreign currency.

Management is responsible for monitoring these risks, based on various measurement, analysis and control techniques to minimize potential effects, although the use of these mechanisms does not completely eliminate the inherent risk factors to which the Group is exposed.

Management is exposed to risks as a result of: i) the use of financial instruments and ii) the risks associated with the healthcare business. These risks have been categorized taking into consideration their nature and scope, as well as Management, which are described below.

A. Insurance risk

Insurance activities expose the Group mainly to incidence risk (level of occurrence of the insured event), frequency risk (level of prevalence of the event once it has occurred), and control risk of the healthcare benefit cost.

The table below shows the actual amount of the cost of service in the Oncosalud Peru segment and it includes the general healthcare plan called "Auna salud". It also shows a sensitivity analysis for the most relevant variables affecting this cost: the frequency (number of patients / number of plan members) and the average cost per patient.

<i>In thousands of soles</i>	Frequency	Frequency	Average cost per patient	Average cost per patient	Combined	Combined
2022						
Change %	+ 5%	+ 10%	+ 5%	+ 10%	+ 5%	+ 10%
Cost of segment Oncosalud						
Peru	419,737	440,724	461,711	440,724	461,711	462,760
Frequency	4.23%	4.44%	4.65%	4.23%	4.23%	4.44%
Average cost per patient	9.13	9.13	9.13	9.59	10.04	9.59
#plan members	1,087,546	1,087,546	1,087,546	1,087,546	1,087,546	1,087,546

<i>In thousands of soles</i>	Frequency	Frequency	Average cost per patient	Average cost per patient	Combined	Combined
2021						
Change %	+ 5%	+ 10%	+ 5%	+ 10%	+ 5%	+ 10%
Cost of segment Oncosalud						
Peru	390,921	410,467	430,013	410,467	430,013	430,990
Frequency	3.04%	3.20%	3.35%	3.04%	3.04%	3.20%
Average cost per patient	13.95	13.95	13.95	14.65	15.35	14.65
#plan members	920,547	920,547	920,547	920,547	920,547	920,547

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

				Average cost per patient	Average cost per patient		
<i>In thousands of soles</i>		Frequency	Frequency			Combined	Combined
2020							
Change %		+5%	+10%	+5%	+10%	+5%	+10%
Cost of segment Oncosalud							
Peru	312,194	327,804	343,413	327,804	343,413	344,194	377,755
Frequency	1.88%	1.98%	2.07%	1.88%	1.88%	1.98%	2.07%
Average cost per patient	19.95	19.95	19.95	20.94	21.94	20.94	21.94
#plan members	830,643	830,643	830,643	830,643	830,643	830,643	830,643

As of December 31, 2022, 2021 and 2020, a reasonably possible changes in the most relevant variable in 5% and 10% could affect profit or loss by amounts shown below:

<i>In thousands of soles</i>	Fluctuations in variables (%)	2022 Profit for the year	2021 Profit for the year	2020 Profit for the year
Frequency	5	(20,997)	(19,546)	(15,610)
Frequency	10	(41,995)	(39,092)	(31,219)
Average cost per patient	5	(20,997)	(19,546)	(15,610)
Average cost per patient	10	(41,995)	(39,092)	(31,219)
Combined	5	(43,044)	(40,069)	(32,000)
Combined	10	(88,189)	(82,093)	(65,561)

The Group adopts various mechanisms with the main objective of minimizing insurance risk as severity. Such mechanisms include the control of (i) price adequacy and (ii) control of healthcare benefit expenditures, in addition to selecting medical service providers based on various factors, such as specialization, experience, location, quality, and cost of services.

The adequacy of prices relies on past actuarial analyses and more recent service levels, combined with future projections of more recently observed trends. Price risk affects only future cash flows since new rates will impact premium levels earned once cancer health contracts are renewed.

Within the Group, the type of product is an oncologic healthcare insurance contract and general healthcare plans “Auna Salud”, both renewable annually. This enables the Group to review fees that respond fairly and quickly to the changes in service experience. The new fees are automatically applied at each renewal date; however, the client could not accept the increase, which would lead to the contract cancellation. This is a factor that significantly mitigates price risk. The Group does not enter into fixed premium contracts for a period longer than 12 months from the original date or the renewal date of the respective contracts.

Control risk of the cost of providing benefits (treatment and preventive care) is monitored through i) pre-authorization of the service; ii) use of a certain network of clinics and “agreed-upon” fees; and iii) monitoring adhesion to medical practice guides.

In general, the Group’s healthcare contracts contain terms and conditions establishing that only medical services are provided (the contracts benefit do not include refund or compensation amounts). Subject to specific circumstances, they provide reimbursement for medical expenses incurred in treatments related to chronic medical conditions.

In addition, when necessary, the Group negotiates its contracts with healthcare providers to obtain more favorable and competitive prices, to the extent possible. The Group also has a highly trained medical audit team who continually review invoices received from their service providers.

One of the Group's key procedures is to use strict criteria to accept the risk of new clients for corporate and individual cancer health plans. This process involves the analysis of the policyholder's risk profile and pre-existing conditions, and is subject to certain approvals and other factors, under the rules and regulations issued by the local regulator in Peru (note 18).

Technical reserves risk

It is the risk that the technical reserves for healthcare insurance contracts may be insufficient to cover the obligations under the contracts. The reserve risk is not significant for the Group due to the short-term nature of the contracts which allows the company to adjust fees as needed, together with the effectiveness of the model used to analyze and develop the assumptions underlying the pricing of the products.

The short-term nature of the Group's contracts means that the variability of the assumptions used in determining final claims is not generally significant and can be adjusted as required. Claim development patterns are reviewed on an ongoing basis and used to update the amount of the provisions if required, therefore reducing the variability of the provision recognized in the consolidated financial statements.

The amount of the provision to cover claims incurred but not yet reported at the end of the year is not material due to the business integrated model, which means that the claims are recorded as they arise.

B. Market risk

i. Exchange risk

The Group and its subsidiaries invoice the rendering of local services in the currency of the country in which it operates, which enables them to meet their obligations in their functional currency. Exchange rate risk arises mainly from loans and other liabilities held in US dollars. To mitigate this risk, as of December 31, 2022, 2021 and 2020, the Group used derivative financial instruments to hedge the exposure to the exchange rate risk, for more than 90% of its financial obligations.

In November 2020, the Group established a foreign exchange options operation derivatives with include collar and forward agreement with Goldman Sachs Bank for a total amount of US\$ 300,000 thousand (note 9) in order to hedge exchange rate variations. These instruments cover exchange rate variations from S/ 3.424 to the limit of S/ 3.85 per US\$ 1. The fair value effect of these financial instrument are recognized initially in other comprehensive income.

As of December 31, the Group has the following assets and liabilities stated in U.S. dollars ,COP and MXN:

In thousands of	2022			2021		2020	
	US\$	COP	MXN	US\$	COP	US\$	COP
Assets							
Cash and cash equivalents	10,026	77,781,245	315,613,218	11,682	54,579,666	59,777	74,974,299
Trade accounts receivable	1,214	467,080,290	159,755,119	1,166	234,222,508	1,789	213,677,770
Other assets	38,063	41,846,383	127,282,636	569	17,591,994	573	20,049,685
Derivative financial instruments	21,693	-	-	36,333	-	3,236	-
	70,996	586,707,918	602,650,973	49,750	306,394,168	65,375	308,701,754
Liabilities							
Loans and borrowings	(430,734)	(230,983,211)	(7,180,462,882)	(299,426)	(81,196,259)	(305,762)	(181,268,539)
Lease liabilities	(20,111)	(43,374,862)	-	(21,861)	(11,197,087)	(23,322)	(12,531,994)
Trade accounts payable	(8,167)	(297,235,534)	(246,351,254)	(14,421)	(192,965,888)	(6,879)	(145,688,408)
Other accounts payable	(24,006)	(254,525,182)	(252,126,962)	(521)	(35,242,678)	(612)	(45,199,536)
Derivative financial instruments	(4,004)	-	-	(12,729)	-	(9,270)	-
	(487,022)	(826,118,789)	(7,678,941,098)	(348,958)	(320,601,912)	(345,845)	(384,688,477)
Liability position, net	(416,026)	(239,410,871)	(7,076,290,125)	(299,208)	(14,207,744)	(280,470)	(75,986,723)

As of December 31, the exchange rate, used by the Group to translate the balances of assets and liabilities into foreign currency, has been published by the Peruvian Banking, Insurance and Pension Plan Agency (SBS), as follows:

<i>In soles</i>	2022	2021	2020
US\$ 1 - Exchange rate - Buy (assets)	3.808	3.975	3.618
US\$ 1 - Exchange rate - Sale (liabilities)	3.820	3.998	3.624
COP 1 - Exchange rate	0.000786	0.00981	0.001065
MXN 1- Exchange rate	0.195792	-	-

The Group recorded loss for exchange difference, net amounting to S/ 57,771 thousand in 2022, gain for S/ 5,851 thousand in 2021 and loss for S/ 45,545 thousand in 2020.

As of December 31, 2022, 2021 and 2020, a reasonably possible strengthening (weakening) of the U.S. dollar against the Peruvian Sol ,COP and MXN at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by amounts shown below:

	Fluctuations in exchange rates (%)	2022		2021		2020	
		Profit or loss for the fiscal year	Other comprehensive income	Profit or loss for the fiscal year	Other comprehensive income	Profit or loss for the fiscal year	Other comprehensive income
<i>In thousands of soles</i>							
Weakening	5	82,869	(3,368)	64,546	(4,691)	49,161	1,677
Weakening	10	165,738	(6,736)	129,091	(9,383)	98,322	3,354
Strengthening	5	(82,869)	3,368	(64,546)	4,691	(49,161)	(1,677)
Strengthening	10	(165,738)	6,736	(129,091)	9,383	(98,322)	(3,354)

ii. Interest rate risk

The Group adopts a policy of ensuring that between 80% and 90% of its interest rate risk exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. As of December 31, 2022, 2021 and 2020, the Group does not have any financial derivative instrument in order to cover interest rate.

C. Credit risk

The Group's financial assets are exposed to credit risk concentrations mainly comprising bank deposits and trade accounts receivable. Regarding bank deposits, the Group reduces the likelihood of credit risk concentrations because it keeps its deposits and places its cash investments at first-class financial entities (according to Apoyo & Asociados, a partner of Fitch Ratings) and limits the amount of exposure to credit risk in any of such financial entities.

Regarding trade accounts receivable, the significant credit risk concentrations, individual or group, are mitigated since the Group's policy is to monitor the payment behavior of customers and their financial position to comply with the respective payments on a regular basis (note 6).

As of December 31, the exposure to credit risk of trade accounts receivable was the following:

<i>In thousands of soles</i>	2022	2021	2020
Peru	176,094	160,923	173,395
Colombia	374,627	236,848	236,155
México	77,427	-	-
	628,148	397,771	409,550

D. Liquidity risk

The prudent liquidity risk management involves maintaining enough cash and cash equivalents and the possibility of finding and/or having found funding through an adequate quantity of credit sources.

The Group has adequate levels of cash and cash equivalents considering:

- Auna S.A.A. can finance its current assets (accounts receivable, inventories and others) with current liabilities (accounts payable, deferred revenue and others).
- Not considering growth capex (new hospitals, acquisitions, etc.), Auna has enough cash flow from operations to finance its maintenance capex, current debt service (interest and principal), dividends and a portion of growth capex.
- Growth capex is financed mainly by long-term debt and cash flow from operations. In some cases, by capital contribution (for example: acquisition of PMLA and Hospital y Clínica OCA).
- In addition, Auna has revolving credit lines of S/ 638,438 thousand to use in case of cash flow needs. As of December 31, 2022, the Group had S/ 492,346 thousand drawn and S/ 146,092 thousand of availability under the revolving credit facility. As of December 31, 2021, the Group had S/ 65,469 thousand drawn and S/ 503,195 thousand of availability under the revolving credit facility.
- These credit lines are renewed every year. The interest rate applicable is a fixed rate that is agreed upon with the bank before the reception of the cash in Auna accounts and depends on the credit terms (from 30 to 180 days). The credit lines available for Auna are with the following banks in Perú: Scotiabank: S/ 100,000 thousand; Banbif: S/ 30,512 thousand; BBVA: S/ 28,223 thousand; BCP: S/ 45,768 thousand; Interbank: S/ 15,256 thousand, Citibank: S/ 83,908 thousand, Pichincha: S/ 38,140 thousand; and Itaú: S/ 68,652 thousand. The available credit lines in Colombia are around S/ 198,610 thousand and in Mexico are around S/ 29,369.

In addition, the Group monitors its liquidity risk based on the plans and guidelines established by the Management.

The following table analyzes the Group's financial liabilities classified per maturity based on the remaining contractual period as of the date of the consolidated statement of financial position. The amounts disclosed are contractual cash flows.

Auna S.A.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows	Less than 1 year	From 1 to 2 years	From 3 to 5 years	More than 5 years
2022						
Trade accounts payable	513,383	513,383	513,310	73	-	-
Other accounts payable (*)	406,691	532,748	224,522	22,113	286,113	-
Loans and borrowings (**)	3,348,647	3,845,977	2,333,506	108,937	1,333,160	70,374
Lease liabilities (**)	162,922	224,037	38,794	36,363	77,674	71,206
Derivative financial instruments	15,317	15,317	15,317	-	-	-
	4,446,960	5,131,462	3,125,449	167,486	1,696,947	141,580
2021						
Trade accounts payable	456,036	456,036	454,098	1,938	-	-
Other accounts payable (*)	73,877	76,598	49,959	26,639	-	-
Loans and borrowings (**)	1,352,444	1,707,993	107,439	101,455	1,425,749	73,350
Lease liabilities (**)	140,583	191,505	23,631	23,119	68,171	76,584
Derivative financial instruments	50,892	50,892	-	50,892	-	-
	2,073,832	2,483,024	635,127	204,043	1,493,920	149,934
2020						
Trade accounts payable	356,029	356,029	351,247	4,782	-	-
Other accounts payable (*)	61,344	63,573	38,286	12,644	12,643	-
Loans and borrowings (**)	1,208,669	1,599,042	87,256	86,641	1,353,747	71,398
Lease liabilities (**)	146,168	200,983	26,088	22,786	69,787	82,322
Derivative financial instruments	33,594	33,594	-	-	33,594	-
	1,805,804	2,253,221	502,877	126,853	1,469,771	153,720

(*) They do not include taxes payable, remunerations and other benefits payables.

(**) They include contractual interest.

Management monitors the risk related to the liabilities included in the above-mentioned categories, and considers to be obtaining enough credit lines and having working capital to comply with the plans established by the Management.

The Group administers the excess cash flow investing in investments short term. In addition, at the end of fiscal year 2022, 2021 and 2020, the Group has credit lines for working capital that have not been used or used partially, enough to comply with short- and medium-term obligations.

E. Capital risk management

The Group's objectives in managing capital is to safeguard its capacity to continue as a going concern generating return to its shareholders and benefits to other stakeholders. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce its debt to maintain or adjust the capital structure.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

During the year ended December 31, 2022, 2021 and 2020, the Group's strategy was to maintain a leverage ratio not higher than 1.0. Based on this strategy, the Group maintains a leverage ratio of 0.67 in 2022 (0.69 and 0.57 in 2021 and 2020, respectively) as shown below:

<i>In thousands of soles</i>	2022	2021	2020
Total loans and borrowings	3,348,647	1,352,444	1,208,669
Less: Cash and cash equivalents	(208,694)	(138,771)	(343,454)
Net debt (A)	3,139,953	1,213,673	865,215
Plus: Total equity	1,558,061	545,911	652,071
Total adjusted equity (B)	4,698,014	1,759,584	1,517,286
Leverage ratio (A)/(B)	0.67	0.69	0.57

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

F. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value		
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Level 3
<i>In thousands of soles</i>						
As of December 31, 2022						
Financial assets measured at fair value						
Derivative financial instruments	82,606	-	-	82,606	82,606	-
	82,606	-	-	82,606	82,606	-
Financial assets not measured at fair value						
Cash and cash equivalents	-	208,694	-	208,694	-	-
Trade accounts receivable	-	589,308	-	589,308	-	-
Other assets (*)	-	127,469	-	127,469	-	-
	-	925,471	-	925,471	-	-
Financial liabilities measured at fair value						
Derivative financial instruments	15,317	-	-	15,317	15,317	-
Contingent consideration	-	-	69,470	69,470	-	69,470
Put Liability	-	-	136,938	136,938	-	136,938
	15,317	-	206,408	221,725	15,317	206,408
Financial liabilities not measured at fair value						
Loans and borrowings	-	-	3,348,647	3,348,647	3,115,560	-
Lease liabilities	-	-	162,922	162,922	-	-
Trade accounts payable	-	-	513,383	513,383	-	-
Other accounts payable (**)	-	-	200,283	200,283	-	-
	-	-	4,225,235	4,225,235	3,115,560	-

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

	Carrying amount			Fair value			
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Level 3	Total
<i>In thousands of soles</i>							
As of December 31, 2021							
Financial assets measured at fair value							
Derivative financial instruments	144,424	-	-	144,424	144,424	-	144,424
	144,424	-	-	144,424	144,424	-	144,424
Financial assets not measured at fair value							
Cash and cash equivalents	-	138,771	-	138,771	-	-	-
Trade accounts receivable	-	352,941	-	352,941	-	-	-
Other assets (*)	-	23,439	-	23,439	-	-	-
	-	515,151	-	515,151	-	-	-
Financial liabilities measured at fair value							
Derivative financial instruments	50,892	-	-	50,892	50,892	-	50,892
Contingent consideration	-	-	848	848	-	848	848
	50,892	-	848	51,740	50,892	848	51,740
Financial liabilities not measured at fair value							
Loans and borrowings	-	-	1,352,444	1,352,444	1,373,585	-	1,373,585
Lease liabilities	-	-	140,583	140,583	-	-	-
Trade accounts payable	-	-	456,036	456,036	-	-	-
Other accounts payable (**)	-	-	73,029	73,029	-	-	-
	-	-	2,022,092	2,022,092	1,514,168	-	1,514,168

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

	Carrying amount			Fair value	
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2 Total
<i>In thousands of soles</i>					
As of December 31, 2020					
Financial assets measured at fair value					
Derivative financial instruments	11,707	-	-	11,707	11,707
	11,707	-	-	11,707	11,707
Financial assets not measured at fair value					
Cash and cash equivalents	-	343,454	-	343,454	-
Trade accounts receivable	-	371,010	-	371,010	-
Other assets (*)	-	24,632	-	24,632	-
	-	739,096	-	739,096	-
Financial liabilities measured at fair value					
Derivative financial instruments	33,594	-	-	33,594	33,594
	33,594	-	-	33,594	33,594
Financial liabilities not measured at fair value					
Loans and borrowings	-	-	1,208,669	1,208,669	1,270,557
Lease liabilities	-	-	146,168	146,168	-
Trade accounts payable	-	-	356,029	356,029	-
Other accounts payable (**)	-	-	61,344	61,344	-
	-	-	1,772,210	1,772,210	1,416,725

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

G. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at December 31, 2022, 2021 and 2020 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 4.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Contingent consideration (note 17)	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	- Expected cash flows (31 December 2022 US\$ 256 thousand and - COP 89,662,066 thousand). - Risk - adjusted discount rate (31 December 2022: 12.3% – 12.71%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk – adjusted discount rate were lower (higher).
Put and Call liability (note 17)	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	- Expected cash flows (December 31, 2022: COP 216,727,273 thousand). - Risk - adjusted discount rate (8.00% – 13.80%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk adjusted discount rate were lower (higher).
Purchased collar and long forward (note 9)	For the purchased collar: Garman–Kohlhagen: The fair value is determined using this model that treats foreign currencies as if they are equity securities that provide a known dividend yield, which uses the following inputs: Spot rate at the valuation date, strike price, implicit volatility, and risk-free rate in both currencies. For long-forward: Interest rate parity: Consists of estimating the present value of the future profit (loss) generated by the forward	Not applicable	Not applicable

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
	contract. The gain or loss is calculated as the difference between the forward exchange rate estimated according to the market and the strike.		
Call spread (note 9)	Garman–Kohlhagen: The fair value is determined using this model that treats foreign currencies as if they are equity securities that provide a known dividend yield, which uses the following inputs: Spot rate at the valuation date, strike price, implicit volatility, and risk free rate in both currencies.	Not applicable	Not applicable
Interest rate swaps (note 9)	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable

ii. Sensitivity analysis

For the fair value of contingent consideration and put and call liability, reasonably possible changes at December 31, 2022 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

<i>In thousands of soles</i>	December 31, 2022	
	Increase	Decrease
Contingent consideration	Profit or loss	
Expected cash flows (10% movement)	(6,893)	6,893
Risk-adjusted discount rate (1% movement (100 bps))	153	(154)
Put and call liability	Other comprehensive loss	
Expected cash flows (10% movement)	(2,507)	2,507
Risk-adjusted discount rate (1% movement (100 bps))	888	(914)

31. Commitments, Guarantees, and Contingencies

A. Commitments

As of December 31, 2022, 2021 and 2020, no commitments to be reported have been identified.

B. Guarantees

As of December 31, 2022, 2021 and 2020 the Group has the following guarantees:

- Guarantee letters in financial institutions for S/ 109,467 thousand in favor of third parties in order to ensure compliance with providing healthcare services (2021: S/ 17,379 thousand and 2020: S/ 12,379 thousand).
- Guarantee of shares on Auna Colombia in favor of Scotiabank Perú S.A.A. in 2020 for S/ 843,149 thousand.
- Guarantee to cover a financial loan for S/ 113,000 thousand in favor of Scotiabank Perú S.A.A., S/ 41,000 thousand in favor of Banco Interamericano de Finanzas, S/ 9,535 thousand in favor of Banco Interbank, S/ 14,303 thousand in favor of Banco de Credito del Peru and S/ 57,901 thousand in favor of Citibank as of December 31, 2022 (2021: S/ 219,948 thousand for Scotiabank S.A.A. and S/ 43,978 thousand for Banco Interamericano de Finanzas and one dollar in favor of Banco Pichincha and 2020: S/ 337,240 thousand for Scotiabank S.A.A. and S/ 40,774 thousand for Banco Interamericano de Finanzas).
- The Group maintains properties in mortgage in favor of Scotiabank Perú S.A.A. for S/ 21,477 thousand related to loans received (S/ 22,513 thousand as of December 31, 2021 and S/ 460,335 thousand as of December 31, 2020) and Mexico for S/ 1,373,040 thousand as of December 31, 2022.
- Colombia maintains guarantee trust for S/ 41,713 thousand to guarantee compliance with the proceeds of their sale (2021: S/ 52,062 thousand and 2020 S/ 143,010 thousand) and a guarantee pledge of its machinery for S/ 9,620 thousand.
- The 99.99% of the shares of Grupo Salud Auna México, S.A. de C.V. and the 70% of the shares of Oncomédica S.A. are pledged to guarantee a bank loans.

C. Contingencies liabilities

As of December 31, 2022, 2021 and 2020, the Group maintains various judicial processes (labor, regulatory, civil), that Management evaluated as possible. If the defense against those action is unsuccessful, then fines and legal cost could amount to S/ 35,936 thousand, S/ 35,349 thousand and S/ 27,573 thousand, respectively.

As part of the acquisition of PMLA, the Group recognized a contingent liability of S/ 3,269 thousand in respect of claim for contractual penalties made by PMLA customers.

During 2019, a former non controlling shareholder of the Laboratorio Médico las Américas Ltda. filed a lawsuit against the Company and Promotora Médica las Americas S.A claiming for the recognition of the labor relationship during the years he worked for PMLA, prior to the acquisition. As of December 31, 2022, the Management and legal advisor continue to evaluate this case as possible. This process was assigned to the Ninth Labor Court in Medellín. The amounts held in escrow cover what we believe is our potential exposure pursuant to these ongoing proceedings. The escrow fund is managed by the BTG Pactual Fiduciary, established on December 21, 2018, by virtue of the agreements established in the share purchase agreement signed in September 2018, for the acquisition of PMLA.

32. Related Parties

As of December 31, this caption comprises the following:

<i>In thousands of sales</i>	Transaction value			Outstanding balances		
	2022	2021	2020	2022	2021	2020
Sales of oncologic healthcare services						
Joint ventures	144	212	117	247	186	42
Associates	-	-	-	-	-	-
Others	33	50	-	1,895	75	12
	177	262	117	2,142	261	54
Cost of sales of oncologic healthcare services						
Joint ventures	3,270	7,397	5,916	1,182	3,120	1,863
Associates	8,110	4,624	3,565	1,945	490	691
Others	7,896	-	-	3,353	-	24
	19,276	12,021	9,481	6,480	3,610	2,578
Administrative expenses						
Services provided by related parties (iv)	3,355	2,942	2,433	1,329	361	251
Other management charges	5,419	3,194	-	200	190	-
	8,774	6,136	2,433	1,529	551	251
Selling expenses						
Services provided by related parties (v)	1,036	1,037	697	95	91	-
	1,036	1,037	697	95	91	-

All outstanding balances with these related parties are priced on arm's-length basis. None of the balances is secured. No expense has been recognized in the current year or prior year of loss for impairment of trade receivables in respect of amounts owned by related parties. No guarantees have been given or received.

- (i) **Compensation to key personnel**
As of December 31, 2022, 2021 and 2020, the compensation paid to the key Management of the companies located in Peru amounts to S/ 84,978 thousand, S/ 87,085 thousand and S/ 77,272 thousand, respectively, in Colombian companies the amount is S/ 14,022 thousand at December 31, 2022 (S/ 11,217 thousand as of December 31, 2021 and S/ 9,269 thousand as of December 31, 2020) and in Mexican companies the amount is S/ 6,205 at December 31, 2022. The Group does not grant long-term benefits to its key Management personnel.
- (ii) **Compensation to directors**
As of December 31, 2022, 2021 and 2020, the compensation paid to the board of directors of the companies located in Peru amounts to S/ 4,006 thousand, S/ 4,036 thousand and S/ 2,770 thousand, respectively.

(iii) Medical services

As of December 31, 2022, 2021 and 2020, certain directors provided medical services in the Group. For their medical services, they have received customary compensation and benefits commensurate with their level of responsibility within the Company, aligned with the compensation paid to other physicians and medical professionals of similar stature employed by the Group.

In addition, the Group reimbursed certain expenses incurred in connection with providing these services as at rent for office space, phone expenses, certain taxes, purchase of medical books and travel expenses related to his attendance at conferences on behalf of the Group.

(iv) Management expenses

As of December 31, 2022, 2021 and 2020, corresponded to administrative expenses provided by Enfoca to the Group mainly to management services for S/ 2,451 thousand, S/ 2,645 thousand and S/ 2,259 thousand, respectively; and reimbursements related to consultant fees and travel expenses for S/ 904 thousand, S/ 297 thousand and S/ 174 thousand, respectively.

(v) Selling expenses

As of December 31, 2022, 2021 and 2020 corresponded to selling expenses provided to the Group by companies related with shareholders mainly to sales commission for S/ 1,036 thousand, S/ 1,037 thousand and S/ 697 thousand, respectively.

33. Insurance contract liabilities

	2022			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<i>In thousands of soles</i>				
Balances as of January 1	14,785	2,455	208	17,448
Changes in the statement of profit or loss and OCI				
Insurance revenue	(716,064)	-	-	(716,064)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	1,893	-	1,893
Amortization of insurance acquisition cash flows	115,119	-	-	115,119
Adjustments to liabilities for incurred claims	-	-	36	36
Total Insurance service expenses	115,119	1,893	36	117,048
Total Insurance service result	(600,945)	1,893	36	(599,016)
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(600,945)	1,893	36	(599,016)
Cash flows				
Premiums received	718,680	-	-	718,680
Claims and other insurance service expenses paid	(9,706)	(1,519)	-	(11,225)
Insurance acquisition cash flows	(114,188)	-	-	(114,188)
Total cash flows	594,786	(1,519)	-	593,267
Closing assets	-	-	-	-
Closing liabilities	8,626	2,829	244	11,699

34. Subsequent Events

On February 1, 2023, the Group acquired 100% of the shares of Dentegra Seguros Dentales, S.A.; a company specialized in providing dental and vision insurance in Mexico. The acquisition is expected to provide the Group with an increased share of the insurance market. This acquisition is in progress to be recorded using

Auna S.A.A. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2022, 2021 and 2020

the acquisition method of accounting, because there has been a few days since the acquisition date, and it will be recorded in the first half of 2023.

On March 29, 2023, the Group signed a note purchase agreement with investments funds for US\$ 505 million of senior secured notes due 2028. The Group will use the net proceeds from this notes to repay existing short-term debts. This agreement has quantitative covenants calculated based on the consolidated financial statements of Auna S.A.A. and Subsidiaries as of December 31, 2022 which is the following: consolidated leverage ratio to be greater than (i) 5.25 to 1.00. The Group complies with this quantitative covenants.

On July 6, 2023, the merger of Auna S.A.A. with Auna S.A. was published in the Luxembourg Company Registry, therefore, it is effective as of that date. The purpose of Auna's new headquarters is to be located in a stable, business friendly and attractive jurisdiction, and as Luxembourg offers connectivity and access to talent, technology and global information, it is the clear choice in line with the growth platform for Auna.

Between January 1, 2023 and until the date of issuance of these financial statements (October 27, 2023), no additional events or events of importance have occurred in addition to those indicated in the previous paragraphs that require adjustments or disclosures to the consolidated financial statements as of December 31, 2022.

Independent Auditors' Report

The Board of Directors and Stockholders
Grupo Salud Auna México, S. A. de C. V.

Qualified Opinion

We have audited the combined financial statements of Hospital y Clínica OCA, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V. and Inmuebles JRD 2000, S. A. de C. V. (the Group), which comprise the combined statement of financial position as of October 4, 2022, and the related combined statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the period from January 1, 2022 to October 4, 2022, and the related notes to the combined financial statements.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Group as of October 4, 2022 and its combined financial performance and its combined cash flows for the period from January 1, 2022 to October 4, 2022 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

The management of the Group did not present the comparative financial statements in accordance with IAS 1, which states that comparative information regarding the previous period for all the amounts included in the financial statements for the current period must be disclosed. Consequently, comparative information was not included for descriptive and narrative information, that is, two statements of financial position, two of each of the other statements, and the related notes.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Group and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

We draw attention to Note 3 a) to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them. The combined financial statements were prepared with the objective of providing combined financial information of the Group to meet the reporting requirements of Rule 3-05 of Regulation S-X. Our opinion is not modified in respect of this matter.

As mentioned in Note 25 to the combined financial statements, on October 5, 2022, Grupo Salud Auna México, S.A. de C.V., acquired 100% of the Group outstanding shares, obtaining control over the entities. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with IFRS as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise significant doubt about the Company's ability to continue as a going concern for one year after the date that the combined financial statements are authorized for issuance.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG Cardenas Dosal, S.C.

Monterrey, N.L. Mexico
November 9, 2023

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Combined Statement of Financial Position As of October 4, 2022

Figures expressed in Mexican pesos

	As of October 4, 2022
Assets	
Current assets:	
Cash and cash equivalents (Note 6)	\$ 90,054,881
Customers and other accounts receivable (Note 8)	347,716,804
Recoverable taxes (Note 9)	40,854,825
Inventories (Note 10)	50,661,424
Prepaid expenses	<u>3,350,135</u>
Total current assets	<u>532,638,069</u>
Non-current assets:	
Property, furniture and equipment, net (Note 12)	1,867,639,007
Intangible assets (Note 13)	6,169,165
Investment property	8,005,563
Deposits in guarantee and other assets	-
Deferred income tax (Note 22)	<u>83,032,604</u>
Total non-current assets	<u>1,964,846,339</u>
Total assets	<u>\$ 2,497,484,408</u>
Liabilities and Stockholders' Equity	
Liabilities	
Current liabilities:	
Suppliers and other accounts payable (Note 14)	\$ 308,651,250
Short-term bank loans (Note 15)	70,000,000
Provisions	15,343,374
Taxes payable (Note 17)	89,816,015
Income tax payable	32,277,001
Employee benefits (Note 16)	1,624,053
Employee profit sharing payable	<u>71,025,935</u>
Total current liabilities	<u>588,737,628</u>
Non-current liabilities:	
Employee benefits (Note 16)	22,255,135
Deferred income tax (Note 22)	<u>213,783,370</u>
Total non-current liabilities	<u>236,038,505</u>
Total liabilities	<u>824,776,133</u>
Stockholders' equity:	
Capital stock (Note 18)	591,944,627
Retained earnings	1,051,186,032
Legal reserve	26,733,431
Other reserves	<u>2,844,185</u>
Total stockholders' equity	<u>1,672,708,275</u>
Total liabilities and stockholders' equity	<u>\$ 2,497,484,408</u>

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

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Combined Statement of Income and Other Comprehensive Income
For the period from January 1, 2022 to October 4, 2022

Figures expressed in Mexican pesos

	2022
Revenue from services and others (Note 19)	<u>\$ 3,021,810,241</u>
Operating costs and expenses:	
Medications and hospital supplies	811,856,922
Salary, wages, and benefits	652,110,579
Medical Fees	147,807,852
Short-term real estate leases (Note 11)	7,390,564
Depreciation and amortization	119,220,816
Service and repair	79,850,896
Hospital equipment rental	66,299,828
Laboratory supplies	36,614,278
Electricity	55,380,760
Other expenses (Note 20)	<u>236,721,534</u>
Operating expenses	<u>2,213,254,029</u>
Operating income	808,556,212
Interest expense, net	(23,170,582)
Foreign exchange gain, net	<u>952,071</u>
Financial loss, net (Note 23)	(22,218,511)
Income before income taxes	786,337,701
Income taxes (Note 22)	<u>(225,927,225)</u>
Combined net income	<u>\$ 560,410,476</u>
Other comprehensive income for the period:	
<i>Items that will not be reclassified to the statement of income:</i>	
Remeasurement of employee benefit obligations, net of taxes	<u>2,075,470</u>
Total other comprehensive income for the period	<u>2,075,470</u>
Combined comprehensive income	<u>\$ 562,485,946</u>

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

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Combined Statement of Changes in Stockholders' Equity

For the period from January 1, 2022 to October 4, 2022

Figures expressed in Mexican pesos

	Capital stock	Retained earnings	Legal reserve	Other reserves	Stockholders' equity
Balance as of January 1, 2022	\$ 293,241,000	\$ 1,319,878,330	\$ 26,733,431	\$ 768,715	\$ 1,640,621,476
Dividends paid	-	(1,031,122,222)	-	-	(1,031,122,222)
Capitalized contributions	298,703,627	-	-	-	298,703,627
Liability reclassification to retained earnings	-	202,019,448	-	-	202,019,448
Combined other comprehensive income	-	-	-	2,075,470	2,075,470
Combined net income	<u>-</u>	<u>560,410,476</u>	<u>-</u>	<u>-</u>	<u>560,410,476</u>
Balance as of October 4, 2022	<u>\$ 591,944,627</u>	<u>\$ 1,051,186,032</u>	<u>\$ 26,733,431</u>	<u>\$ 2,844,185</u>	<u>\$ 1,672,708,275</u>

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

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Combined Statement of Cash Flows

For the period from January 1, 2022 to October 4, 2022

Figures expressed in Mexican pesos

	2022
Operating activities	
Income before income taxes	\$ 786,337,701
Adjustments for:	
Depreciation and amortization	119,220,816
Loss on sale of property, furniture, and equipment	1,217,000
Loss on sale of investment property	1,979,000
Interest income	(978,655)
Interest expense	<u>24,149,237</u>
	931,925,099
Decrease in trade receivables	13,264,971
Increase in taxes receivable	(36,742,221)
Decrease in inventories	2,713,689
Decrease in prepaid expenses	26,589
Decrease in suppliers and other accounts payable	(45,601,462)
Decrease in employed benefit	(940,107)
Income taxes paid	<u>(342,384,824)</u>
Net cash from operating activities	<u>522,261,875</u>
Investing activities	
Interest collected	978,654
Acquisition of property, furniture, and equipment	(68,547,314)
Investment in intangible assets	<u>(313,575)</u>
Net cash used in investing activities	<u>(67,882,235)</u>
Financing activities	
Interest paid	(2,237,831)
Dividends paid	(1,031,122,000)
Proceeds from debt	673,000,000
Payments of debt	(603,000,000)
Payments of accounts payable to shareholders	(67,600,000)
	<u>298,703,627</u>
Contributions to be capitalized	<u>298,703,627</u>
Net cash used in financing activities	<u>(732,256,345)</u>
Net increase in cash and cash equivalents	<u>(277,876,705)</u>
Cash and cash equivalents at the beginning of the period	<u>367,931,586</u>
Cash and cash equivalents at the end of the period	<u>\$ 90,054,881</u>

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

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Figures expressed in Mexican pesos

Note 1 - General information of the Group:

Hospital y Clínica Oca, S. A. de C. V. (Hospital Oca), DRJ Inmuebles, S. A. de C. V. (DRJ Inmuebles), Tovleja HG, S. A. de C. V. (Tovleja HG), and Inmuebles JRD 2000 S. A. de C. V. (Inmuebles JRD) (hereinafter collectively referred to as the "Group" or "Group Hospital OCA"), is a group of companies engaged primarily in providing hospital medical services, real estate brokerage services, real estate leasing and building design and construction as described below:

Hospital Oca was established and began operations in March 1973, in Monterrey, N.L. is a single entity that provides hospital medical services and operates 3 hospitals: "Hospital OCA", "Doctors Hospital" and "Doctors Hospital East".

DRJ Inmuebles was established and began operations on March 31, 2000, in Monterrey, N.L. is a company engaged in the design, construction, supervision and architectural consulting of buildings related to the medical industry, as well as leasing of real estate; it obtains all its income from leasing properties.

Tovleja HG was established and began operations on November 7, 2016, in Monterrey, N.L. is a company engaged to the design, construction, supervision, architectural consultancy of buildings and real estate agent services related to the medical industry.

Inmuebles JRD was established and began operations on January 21, 2003, in Monterrey, N.L. is a real estate agent services company related to the medical industry.

In the following notes to the combined financial statements, when reference is made to pesos, Mexican pesos or "\$", it refers to Mexican pesos. When reference is made to "US \$" or dollars, it means dollars of the United States of America.

Note 2 - Significant events:

COVID-19 Pandemic

On March 23, 2020, the Agreement was published in the DOF (by its acronym in Spanish "Diario Oficial de la Federación") by which the General Health Council recognized the epidemic of disease caused by the SARS-CoV2 virus (COVID-19) in Mexico, as a serious disease. of priority attention and the activities of preparation and response to said epidemic were also established.

By means of a decree published on March 27, 2020 in the DOF, the head of the Federal Executive power declared various extraordinary actions in the affected regions of the entire national territory in terms of general health, to combat the serious illness of attention generated by the SARS-CoV2 virus (COVID-19), likewise, in the DOF on March 31, 2020, the Ministry of Health published in the aforementioned journal the agreement ordering the immediate suspension of non-essential activities and essential activities are indicated, among which are those that are directly necessary to attend to the health emergency, such as the work activities of the medical, paramedical, administrative and support branches throughout the National Health System.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

The Group had to adapt various measures to ensure continuity in its activities, one of which has been to maintain technological innovation in medical equipment that allows us to provide quality service to our patients and to have doctors and qualified professional staff who guarantees a quality in the attention, thanks to this and other measures, the financial solvency and the generation of cash flow that has guaranteed the fulfillment of its obligations were assured.

In 2020, the Group had a positive effect on its revenue by 13%, since medical and hospital services continued to be offered despite the health contingency, including COVID patients. For the 2021 period, there has been a 30% increase in revenue because patients have resumed the medical services that they suspended, this is also driven by the decrease in COVID patients due to vaccination in various sectors, which has generated confidence to visit health centers.

On April 23, 2021, various provisions were issued in the Federal Labor Law, Social Security Law, Law of the Institute of the National Housing Fund for Workers (INFONAVIT), Federal Tax Code, Income Tax Law and Value Added Tax Law in order to regulate the outsourcing of personnel. The main aspects are: -ban the outsourcing of personnel, -incorporate rules into current legislation that allow legal and natural persons to contract only specialized services, -establish maximum amounts for the payment of ESPS (Employee's Statutory Profit Sharing), and - creation of a public registry of companies that outsource specialized services and jobs. The aspects mentioned above entered into force the day after their publication, except for what refers to the obligations indicated in fiscal matters which entered into force on August 1, 2021 and those of the regulations of Section B) of the Federal Labor Law of Workers in the Service of the State that will come into force in 2022. The Group carried out an analysis and it did not have relevant impacts in the combined financial statements.

On February 21, 2022, the Group signed a share purchase agreement (SPA) with Grupo Salud Auna México, S. A. de C. V. which is a subsidiary of Auna, S. A to sell 100% of the shares of Hospital Clínica OCA, DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V. and Inmuebles JRD 2000, S. A de C. V. The approval by the regulatory authority was made on June 2, 2022.

Note 3 - Summary of significant accounting policies:

a. Basis of preparation

These combined financial statements have been prepared with the objective to meet the reporting requirements of Rule 3-05 of Regulation S-X.

Compliance with IFRS

The combined financial statements of the Group for the period presented have been prepared in accordance with International Financial Reporting Standard (IFRS) as issued by the International Accounting Standards Board (IASB) with the exception that these combined financial statements do not include comparative information for the preceding financial period as required by IAS 1 "Presentation of Financial Statements". IFRS include all current International Accounting Standards (IAS), as well as all related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the International Accounting Standards Board (IASB).

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Preparation of combined financial statements

Hospital Oca, DRJ Inmuebles, Toveja HG and Inmuebles JRD operate under common management and have been under the common control of stockholders as of and for the period ended October 4, 2022, therefore, the combined financial statements of these entities were prepared as of and for the period from January 1, 2022 to October 4, 2022. However, not all the entities within Group have a direct parent-subsidiary relationship and therefore there is not an existing group that meets the "group" definition of IFRS 10: Consolidated Financial Statements ("IFRS 10").

Combination principles. The Group's combined financial statements are prepared by adding together financial statement items of a uniform nature. Inter-company transactions and balances are eliminated in the preparation of the Group's combined financial statements. Accounting policies of combined entities have been changed where necessary to ensure consistency with the policies adopted by the Group's combined financial statements under IFRS.

Management believes that the assumptions and estimates used in the preparation of the underlying combined financial statements are reasonable. However the combined financial statements presented do not necessarily give an accurate picture of Group's results of operations, financial position, changes in equity and cash flows in the future, nor what these would have been had the entities operated as a standalone separate legal group.

The combined financial statements are prepared using the going concern basis due to the management has the ability to continue its regular operations and does not intends to liquidate the Group or to cease operations.

The combined financial statements have been prepared on the historical cost basis.

Authorization of the financial statements

The accompanying combined financial statements and notes were authorized for issuance on November 9, 2023, by Mr. Sven Kurt Boes Parroquin (CEO).

b. Functional and presentation currency

The amounts included in the financial statements of each of the Group's entities should be measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The combined financial statements are presented in Mexican pesos, the Group's presentation currency, unless otherwise specified.

Since the Group's recording, functional and reporting currencies are the Mexican peso, no translation process was necessary.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

c. Cash and cash equivalents

Cash and cash equivalents include cash balances, bank deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is initially recognized at fair value.

d. Financial instruments

Financial assets

The Group classifies and subsequently measures its financial assets based on the Group's business model for managing its financial assets, as well as the characteristics of the contractual cash flows of such assets, in accordance with IFRS 9. In this way, financial assets may be classified at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss. The Group determines the classification of its financial assets upon initial recognition. Purchases and sales of financial assets are recognized on the settlement date.

Financial assets are fully derecognized when the right to receive the related cash flows expires or is transferred and the Group has transferred substantially all the risks and rewards of ownership and control of the financial asset.

Classes of financial assets

i. Financial assets at amortized cost

Financial assets at amortized cost are those that i) are held within a business model whose objective is to hold such assets to obtain the contractual cash flows and ii) the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets at amortized cost that the Group currently have are customers and other accounts receivable, and recoverable taxes.

As of October 4, 2022, the group does not hold financial assets to be measured at fair value through profit or loss.

Impairment of financial assets

The Group uses an impairment model based on expected credit losses, instead of incurred losses, applicable to financial assets subject to such assessment. Expected credit losses on these financial assets are estimated from the origination of the asset at each reporting date, based on the Group's historical credit loss experience, adjusted for factors that are specific to the obligors or groups of obligors, general economic conditions and an assessment of both current management and expected future conditions.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Trade accounts receivable

The Group adopted a simplified model for calculating expected losses, whereby it recognizes expected credit losses over the life of the account receivable.

The Group performs an analysis of its accounts receivable portfolio to determine whether there are significant customers for which an individual evaluation is required; on the other hand, customers with similar characteristics that share credit risks (participation in the accounts receivable portfolio, type of market, sector, geographic area, etc.) are grouped to be evaluated collectively.

In its impairment assessment, the Group may include indications that the debtors or a group of debtors are experiencing significant financial difficulties, as well as observable data indicating that there is a significant decrease in the estimated cash flows to be received, including arrears.

For purposes of the above estimate, the Group considers the following to constitute an event of default, as historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor is in breach of financial covenants; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

The Group opted to use a 'roll rate' method for calculating loss rates based on the probability that an account receivable progresses through successive stages of delinquency until written off. Impairment rates are calculated separately for exposures in different segments based on common credit risk characteristics, using collective and individual models for the types of clients handled.

The Group defined the written off as the period after which the recovery of the receivable under analysis is marginal; in this case, 90 days past due, which is in line with internal risk management.

ii. Financial liabilities

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities when they are due to be settled within 12 months; otherwise, they are classified as non-current.

Accounts payable are obligations to pay for goods or services that have been acquired or received from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently recognized at amortized cost; any difference between the proceeds received (net of transaction costs) and the settlement value is recognized in the combined statements of income and other comprehensive income over the term of the loan using the effective interest method.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Derecognition of financial liabilities

The Group derecognizes financial liabilities if, and only if, the Group's obligations are met, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Additionally, when the Group performs a refinancing transaction and the previous liability qualifies for derecognition, the costs incurred in the refinancing are recognized immediately in profit or loss on the date of extinguishment of the previous financial liability.

Bank loans

Includes financial instruments that the Group assumes in the normal course of its operations for loans received from credit institutions and other entities.

They are initially recognized at the fair value net of transaction costs incurred, commissions and interest and are subsequently valued at amortized cost, which should include, among others, increases for the effective interest accrued, decreases for principal and interest payments, if applicable, the effect of any forgiveness obtained on the amount payable effective interest is recognized in net income or loss for the period in which it accrues, unless it qualifies for capitalization as an asset, based on the provisions of IAS-23 "Borrowing Costs". Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Financial instruments payable are derecognized from the statement of financial position only when they are extinguished by the fulfillment of the obligation, either by transfer, settlement, or expiration. The difference between the carrying amount (or a portion thereof) derecognized and the carrying amount of the assets delivered is recognized in net income or loss for the period.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

e. Inventories

As October 4, 2022, inventories are stated at historical cost determined using the average cost method. The values thus determined do not exceed their net realizable value.

The cost for services includes the cost of medical materials and supplies at the time of sale, increased, where appropriate, by reductions in the net realizable value of medical materials and supplies during the year. The net realizable value is the estimated sale price in the normal course of operations, less estimated costs of completion and selling expenses.

Inventories are tested for impairment each accounting period in order to identify obsolescence, damage to items or write-downs in their market value. In the event that the amount of future economic benefits of inventories, i.e., their estimated net realizable value, is less than their net book value, an impairment loss is recognized and recorded in Operating costs and expenses (Medications and hospital suppliers) for the period in which it occurs.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Topleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

f. Prepaid expenses

Prepaid expenses represent those expenditures made by the Group where the benefits and risks inherent to the goods to be acquired or services to be received have not been transferred. Prepaid expenses are recorded at cost and are presented in the statement of financial position as current or non-current assets, depending on the line item of the destination item.

Once the goods and/or services related to prepaid expenses are received, they are recognized as an asset or as an expense in the statement of income and other comprehensive income for the period, depending on their nature.

g. Property, furniture and equipment, net

Land and buildings held for use in supplying services, or for administrative purposes, are presented in the combined statement of financial position at cost, less depreciation (except land) and any accumulated impairment loss.

Machinery and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditures are included in the carrying amount of the asset or they are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of these assets can be measured reliably.

Depreciation is recognized to take to income the cost or valuation of assets (other than land) less their residual value, over their useful lives using the straight-line method, based on the following:

Computer Equipment	30%
Transportation Equipment	25%
Machinery and Equipment	10% - 30%
Furniture and Fixtures	10%
Buildings	2% - 5%

The estimated useful life, residual value, depreciation method and depreciation rate are reviewed at the end of each reporting period, and the effect of any change in the recorded estimate is recognized on a prospective basis.

An item of property, furniture and equipment is derecognized when it is sold or when no future economic benefits are expected to arise from the continuing use of the asset. The gain or loss arising from the sale or retirement of an item of property, furniture and equipment is calculated as the difference between the proceeds received from the sale and the carrying amount of the asset and is recognized in profit or loss.

In the case of retirements, sales and disposals of assets, the related cost and accumulated depreciation are eliminated from the accounts and the resulting gain is recorded in income and the loss is recorded as an expense.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Buildings, machinery and equipment, computer equipment, furniture and fixtures and transportation equipment are tested for impairment only when indications of impairment are identified. Consequently, as of October 4, 2022, machinery and equipment and other assets are stated at historical cost less accumulated depreciation and, if applicable, impairment losses. As of October 4, 2022, no impairment indicators were identified.

As of October 4, 2022, there were prepaid expenses derived from advances for the acquisition of furniture and equipment.

h. Leases

-- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases on a straight-line basis are recognized as an expense in profit or loss.

As of October 4, 2022, all leases in which the Group acts as lessee are classified under the short-term exemption.

The Group as lessor

Leases, determined based on the definition of IFRS 16, for which the Group acts as lessor, are classified as financial or operating. As long as the terms of the lease transfer substantially all the risks and rewards of the property to the lessee, the contract is classified as a finance lease. The other leases are classified as operating leases.

Income from operating leases is recognized in straight line during the corresponding lease term. Initial direct costs incurred in negotiating and arranging and operating lease are added to the carrying amount of the leased asset and are recognized straight- line over the term of the lease. The amounts for finance leases are recognized as accounts receivable for the amount of the Group's net investment in the leases.

i. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives acquired separately are recognized at acquisition cost less amortization and accumulated impairment losses. Amortization is recognized based on the straight-line method over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each year, and the effect of any change in the recorded estimate is recognized on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are recorded at cost less accumulated impairment losses.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Derecognition of intangible assets

An intangible asset is derecognized upon sale, or when no future economic benefits are expected to arise from its use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net revenue and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized

Amortization is charged to the combined statement of income and other comprehensive income on a straight-line basis as follows:

Type of license	Years
Software	Between 1 and 15
Microsoft Office license	Between 7 and 8
Medical Equipment license	Between 10 and 30

j. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units, or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified.

Intangible assets with an indefinite useful life or not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss should be treated as a revaluation decrease.

Subsequently, when an impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset (or cash-generating unit) in prior years. A

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

reversal of an impairment loss is recognized immediately in profit or loss, unless the related asset is recognized at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

As of October 4, 2022, the Group has not identified any indications of impairment in its tangible and intangible assets.

k. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and impairment.

As of October 4, 2022, the investment properties that correspond to land, are expressed at their original historical cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

l. Employee benefits

Pension plans

Defined contribution plans:

A defined contribution plan is a pension plan whereby the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to make payment to all employees for service-related benefits in current and past periods. Contributions are recognized as employee benefit expense on the date the contribution obligation is incurred.

Defined benefit plans:

A benefit plan is defined as an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the combined statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the date of the combined statements of financial position. The defined benefit obligation is calculated by management annually with the assistance of independent actuaries using the projected unit cost method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using market yields of government bonds that are denominated in the currency in which the benefits will be paid, and that have maturities that approximate the terms of the pension liability.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recorded directly in stockholders' equity in other comprehensive income in the year in which they occur and are not reclassified to profit or loss for the period.

The Group determines the net financial expense (income) by applying the discount rate to the net defined benefit liability (asset).

Past service costs are recognized immediately in the combined statements of income and other comprehensive income statement.

Post-employment medical benefits

The Group provides post-employment medical benefits to its retired employees. Eligibility for these benefits generally depends on the employee having worked until retirement age and having completed a minimum period of service. The expected costs of these benefits are recognized over the period of service using the same criteria as those described for defined benefit plans.

Termination benefits

Termination benefits are paid when the employment relationship is terminated by the Group before the normal retirement date or when an employee voluntarily accepts the termination of the employment relationship in exchange for these benefits. The Group recognizes termination benefits on the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits, and (b) at the time the Group recognizes the costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the event that there is an offer that promotes the voluntary termination of the labor relationship by the employees, the termination benefits are valued based on the expected number of employees who are expected to accept such offer. Benefits to be paid in the long term are discounted to their present value.

Short-term benefits

The Group provides short-term employee benefits, which may include salaries, wages, annual compensation, and bonuses payable within 12 months. The Group recognizes an undiscounted provision when it is contractually obligated or when past practice has created an obligation.

Employee profit sharing and bonuses

The Group recognizes a liability and an expense for bonuses and employee profit sharing when it has a legal or constructive obligation to pay these benefits and determines the amount to be recognized based on taxable income for the year after certain adjustments.

m. Current and deferred income taxes

The income tax expense is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Current income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

A provision is recognized for those items where the tax assessment is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. Provisions are measured at the best amount expected to become payable. The assessment is based on management's judgment and when making such judgment they considered or relied in part upon tax experts that give support to the Group and has previous experience in such activities and in some cases based on consultation with an independent tax specialist.

Deferred income taxes

Deferred income taxes are recognized on temporary differences between the carrying amounts of assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income, the tax rate corresponding to these differences and, if applicable, the benefits of tax loss carryforwards and certain tax credits. Deferred income tax assets or liabilities are generally recognized for all temporary tax differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that the Group will have future taxable profits against which the deductible temporary differences can be utilized. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of a deferred tax asset should be reviewed at the end of each reporting period and reduced to the extent that it is considered probable that there will not be sufficient taxable profits to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities is determined using the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The valuation of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

The deferred tax liability in relation to investment property that is measured at cost is determined assuming the property will be recovered entirely through sale. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

The Group's management reviewed the Group's investment property portfolio and concluded that none of the Group's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment features over time, rather than through sale. Therefore, management has determined that the presumption of "sale" established by the amendments to IAS 12 is not rebutted. Accordingly, the Group did not recognize deferred taxes on changes in the fair value of investment property as the Group is not subject to any income tax based on changes in the fair value of investment property upon sale.

Deferred tax assets and liabilities are offset when there is an enforceable legal right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized outside profit or loss, either in other comprehensive income or directly in stockholders' equity, respectively. When they arise from the initial recognition of a business combination, the tax effect is included in the recognition of the business combination.

n. Stockholders' equity

The Group's common shares are classified as equity within stockholders' equity. Incremental costs directly attributable to the issuance of new shares are included in equity as a deduction from the consideration received, net of taxes.

o. Comprehensive income

Comprehensive income is comprised of net income, as well as those items that by specific provision of IFRS are reflected in stockholders' equity and do not constitute capital contributions, reductions, and distributions.

p. Revenue recognition

The group recognizes and accounts for revenue using the comprehensive model, which is based on a five-step approach consisting of the following: (1) identify the contract; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when the performance obligation is satisfied.

The Group recognizes income from the following sources:

Hospital Medical Services - Income from the provision of hospital services (including medications to patients) in the normal course of the Group's operations is recognized at the fair value of the consideration received or receivable. The income is adjusted to a previously approved tabulator. Income is presented net of value added tax, rebates, and discounts.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

The payment of the transaction is due when the hospital services are rendered to the client, based on the amounts estimated to be in charge of the patients and others responsible for assuming the responsibility for the payment of the services. The revenue is recognized at the time services are provided (through time). Everything is collected in the short-term.

Advances are primarily received from patients who do not have medical insurance for healthcare services such as hospitalization. These advances are recognized in revenue as services are rendered over time and are included in Suppliers and other accounts payable in the Statement of Financial Position.

Real Estate Leasing - Income derived from the provision of leasing services in the normal course of the Group's operations is recognized at the fair value of the consideration received or receivable under operating lease contracts. Revenue is recognized on a straight-line basis over the term of the lease. When incentives are granted to tenants, they are recognized over the term of the lease on a straight-line basis, as a reduction in rental income.

Food service/cafeteria - Revenues from the sale of food and beverages are recognized at the time they are delivered and/or consumed by customers.

Teaching services - The group recognizes revenue for nursing teaching services at the time they are provided, at the fair value of the consideration received or to be received.

Parking services - Revenue derived from parking services is recognized over the daily term of stay.

Maintenance services and Other miscellaneous income –Maintenance services are referred mainly to sell of equipment. Other miscellaneous income includes benefits for medical and tools inventory shortage charged to employees, issue of certificates, administrative income, among others.

q. Foreign currency transactions

In preparing the financial statements of each entity, transactions in currencies other than the Group's functional currency (foreign currency) are recognized using the exchange rates prevailing at the dates of the transactions. At the end of each period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary items recorded at fair value, denominated in foreign currency, are translated at the exchange rates in effect at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost, in foreign currency, are not remeasured.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within foreign exchange (loss) gain.

r. Statements of Income and Other Comprehensive Income presentation

Grupo Hospital OCA presents the Statements of Income and Other Comprehensive Income under a mixed criteria of nature and function, the cost and expenses are presented based on the nature of items, breaking down the main items of costs and expenses, taking into account the specific

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

essence of the type of cost or expense, however for a better analysis of its financial situation, the operating income is separately in the Statements of Income and Other Comprehensive Income as corresponds in an income statements presented by function.

s. Changes in accounting policies and disclosures

The following amendments to IFRS are required to be applied for annual periods beginning after 1 January 2022:

New recognized amendments	Effective date
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	Annual periods beginning on or after 1 January 2022.
Annual Improvements to IFRS Standards 2018 – 2020	
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	
Reference to the Conceptual Framework – Amendments to IFRS 3	

The Group adopted these amendments, not generating significant impacts on the combined financial statement as of October 4, 2022.

Standards issued but not yet effective

The following accounting pronouncements issued are applicable to annual periods beginning after January 1, 2023 and have not been applied in the preparation of these financial statement. The Group plans to adopt the corresponding accounting pronouncements on their respective dates of application.

New recognized amendments	Effective date
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	
Definition of Accounting Estimates (Amendments to IAS 8)	
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

In order to promote uniformity of application and clarify the requirements for determining whether a liability is current or non-current, the International Accounting Standards Board has amended IAS 1 Presentation of Financial Statement. As a consequence of this modification, entities must review their loan contracts to determine if their classification will change.

Modifications include the following:

- The right to defer settlement must be justified: current IAS 1 establishes that entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months following the date of exercise about which it is reported. As part of its amendments, the IASB has removed the requirement that the right be unconditional and instead states that the right to defer cancellation must be well-founded and exist at the end of the reporting period.
- The classification of revolving credit lines may change: entities classify a liability as non-current if they have the right to defer its cancellation for at least twelve months from the end of the reporting period. Now, the IASB has clarified that the right to defer exists only if the company meets the conditions specified in the loan agreement at the end of the reporting period, even if the lender does not verify compliance until a later date.
- Liabilities with equity settlement characteristics: the amendments state that the settlement of a liability includes the transfer of the entity's own equity instruments to the other party. The amendment clarifies the way in which entities classify a liability that includes a conversion option of the other party, which could be recognized as equity or as a liability separately from the liability component provided for in IAS 32 Financial Instruments: Presentation.

The amendment is effective, retrospectively, for annual periods beginning on or after January 1, 2023. Earlier application is permitted. However, the companies will consider including the information to be disclosed in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in their following annual financial statement.

The Group is evaluating the impact, if any, of these amendments issued that are not yet effective as of the date of the combined financial statement.

Disclosures of accounting policies (Amendments to IAS 1 and Statement of Practice 2 Preparation of Judgments related to Materiality)

In October 2018, the Board refined the definition of materiality to make it easier to understand and apply. This definition is aligned with the entire IFRS framework including the conceptual framework. The changes to the definition of materiality complement the non-mandatory Practice Statement 2 Making Judgments related to Materiality, issued by the Board in 2017, which outlines a four-step procedure that can be used to help make materiality judgements. Materiality in the preparation of the financial statement.

In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statement and an update to Practice Statement 2.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Modifications include the following:

- Requires companies to disclose their material accounting policies rather than significant accounting policies;
- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore do not need to be disclosed;
- Clarify that not all accounting policies that are related to material transactions, other events or conditions are in themselves material to the company's financial statement.

The amendments to Practice Statement 2 include two additional examples on the application of materiality in accounting policy disclosures.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Definition of accounting estimate (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus being the definition and clarification of accounting estimates.

The amendments clarify the relationship between policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective previously defined in an accounting policy.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Deferred taxes related to assets and liabilities arising from a single transaction (Amendment to IAS 12)

In May 2021, the Board issued amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction, to clarify how companies should account for deferred tax on certain types of transactions where an asset is recognized and a liability, such as leases and decommissioning obligations.

The amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and compensatory temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning obligation.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

On September 11, 2014, this amendment was issued that requires that, when transfers are made from subsidiaries to an associate or joint venture, the entire gain is recognized when the transferred assets meet the definition of “business” under IFRS 3 Combinations of Business. The amendment places strong pressure on the definition of “business” for recognition in results. The amendment also introduces new and unexpected accounting for transactions that consider partial maintenance in assets that are not businesses.

The effective date of application of this amendment has been postponed indefinitely.

To date, the Group is evaluating the future impact of adopting this amendment to the standard.

Note 4 - Assumptions and uncertainties in accounting estimates:

The Group makes estimates and projections about future events to recognize and measure certain items in the financial statements. The resulting accounting estimates recognized are likely to differ from actual results or events. The estimates and projections that have a significant risk of resulting in material adjustments to the assets and liabilities recognized during the following year are detailed below:

Employee benefits

The present value of pension obligations depends on a number of assumptions that are determined on an actuarial basis using various assumptions. Any change to these assumptions would affect the liability recognized. At each year-end the Group estimates the discount rate to determine the present value of estimated future cash flows to settle pension obligations, based on the interest rates of high-quality corporate bonds, denominated in the same currency as the pension benefits and having terms to maturity approximating to the same. Other assumptions used to estimate pension obligations are based on current market conditions (See Note 16).

Note 5 - Risk and capital management:

Financial risk management

The Group's activities expose it to a variety of financial risks, such as: market risk (including interest rate market value risk and interest rate cash flow risk), credit risk and liquidity risk. The Group seeks to minimize the potential negative effects of these risks on its financial performance through a general risk management program. Financial risk management is governed by the Group's policies approved by the Board of Directors, which are carried out and supervised by its Chief Executive Officer. The Board of Directors has approved general written policies with respect to financial risk management, as well as policies and limits associated with interest rate risk, credit risk and as well as policies and limits associated with other specific risks. Compliance with the policies established by the Group's management and exposure limits are reviewed by the Chief Executive Officer on an ongoing basis.

Financial risk management is carried out in accordance with policies approved by management. The Group identifies, evaluates, and hedges financial risks in close cooperation with its subsidiaries.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Category of financial instruments	As of October 4, 2022
Financial assets at amortised cost:	
Cash and cash equivalents	\$ 90,054,881
Customers and other accounts receivable	<u>347,716,804</u>
Total financial assets	<u>\$ 437,771,685</u>
Financial liabilities at amortised cost:	
Suppliers and other accounts payable	308,651,250
Short-term bank loans	<u>70,000,000</u>
Total financial liabilities	<u>\$ 378,651,250</u>

Market risk

i. Exchange rate risk

The Group is exposed to the risk of changes in the exchange rate, mainly derived from transactions and balances held in foreign currency, respectively. A foreign currency is defined as any currency that is different from the functional currency of an entity.

The behavior of the exchange rates between the Mexican peso and the US dollar represents a relevant factor for the Group due to the effect that these currencies have on its results.

The Group maintains assets and liabilities denominated in foreign currency in relation to the functional currency.

As of October 4, 2022, the exchange rate was \$20.31, pesos per dollar.

The Company's exposure to currency risk as of October 4, 2022 is as set forth below:

	<u>Dollars</u> <u>2022</u>
Financial assets:	
Cash and cash equivalents	<u>1,129,297</u>
Total financial assets	<u>1,129,297</u>
Financial liabilities:	
Suppliers and other accounts payable	2,073,305
Short-term Bank loans	<u>-</u>
Total financial liabilities	<u>2,073,305</u>

As of October 4, 2022, the Group had foreign exchange gains, net by \$952,071.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Toveja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Foreign currency sensitivity

Had the following movements occurred in the price of the US dollar against the peso, as of October 4, 2022, the impact on the income statement would have been as shown below, assuming all other variables remain constant:

	Change in US \$ rate	<u>Foreign currency exposure</u>
		2022
Strengthening	10%	(1,916,884)
Weakening	10%	1,916,884

A weakening of the Mexican peso against the dollar as of October 4 would have had the same, but opposite, effect on the former currency, in the amounts shown, assuming all other variables remain constant.

ii. Interest rate risk

The Group is exposed to market risk mainly related to interest rate volatility. Such volatility could adversely affect the Group's results by increasing its financial expenses and impacting its liquidity and ability to meet its interest and principal payment obligations. The risk exposure lies mainly in the variations that may be generated in the 28-day TIIE (Tasa de Interés Interbancaria de Equilibrio) reference rate.

Interest rate risk arises from the Group's bank loans. Loans issued at variable rates expose the Group to interest rate risks on cash flows that are partially offset by cash invested at market rates. Loans issued at fixed rates expose the Group to interest rate risk at fair value.

Credit risk

Credit risk is the risk of financial loss faced by the Group if a client or counterparty in a financial instrument fails to meet its contractual obligations.

Trade accounts receivable are current due, do not accrue interest and do not have specific guarantees.

The Group uses an allowance matrix to measure the expected credit loss ratios of its trade receivables. Loss rates are calculated using a 'moving rate' method based on the probability that a receivable will progress through several aging stages until it is written-off. Impairment rates are calculated separately for exposures in different segments based on common credit risk characteristics, using collective and individual models for the types of clients managed.

For the purpose of determining significant increases in credit risk and recognizing a value adjustment for losses on a collective basis, the Group organizes financial instruments on the basis of shared credit risk characteristics in order to facilitate an analysis that is designed to allow significant increases in credit risk to be identified in a timely manner.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

The book value of financial assets represents the maximum credit exposure and is mainly affected by the individual characteristics of each customer.

Liquidity risk

Prudent management of liquidity risk involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit lines and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Group's management maintains flexibility in funding by maintaining available committed credit lines.

As of October 4, 2022, the Group has credit lines of \$220,000,000 of availability to use in case of cash flow needs.

The table shown in the next page presents the Company's contractual principal payments required on its financial liabilities.

	Within one Year	One to five years	Total
October 4, 2022	378,651,250	-	378,651,250
Suppliers	283,136,387	-	283,136,387
Sundry creditors	12,262,792	-	12,262,792
Advance from customers	13,252,071	-	13,252,071
Short-term bank loans	70,000,000	-	70,000,000

Capital risk management

The Group's objectives in managing capital is to safeguard its capacity to continue as a going concern generating return to its shareholders and benefits to other stakeholders. During the period ended October 4, 2022, the Group's strategy was to maintain a leverage ratio not higher than one. Based on this strategy, the Group maintains a leverage ratio of (0.01) in 2022, as shown below.

In Mexican pesos	2022
Bank loans	70,000,000
Less: Cash and cash equivalents	<u>90,054,881</u>
Net debt (A)	(20,054,881)
Plus: Total Stockholders' equity	<u>1,672,708,275</u>
Total adjusted Stockholders' equity (B)	<u>1,652,653,394</u>
Leverage ratio (A)/(B)	(0.01)

The index resulting from the calculation of these financial ratios is within the compliance parameters of the Group.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 6 - Cash and cash equivalents:

Cash and cash equivalents are comprised as follows:

	As of October 4, 2022
Cash in hand	\$ 384,300
Deposits in financial institutions	<u>89,670,581</u>
	<u>\$ 90,054,881</u>

Note 7 - Relevant changes that have required the use of cash in liabilities considered as part of financing activities:

The analysis of the relevant changes in cash and cash equivalents from financing activities is presented below:

Cash and cash equivalents are comprised as follows:

	As of October 4, 2022
Initial balance	\$ -
Finance activities:	
Proceeds from loans	673,000,000
Loans paid within period	(603,000,000)
Changes in cash flow:	
Accrued interest	2,237,831
Paid interest	<u>(2,237,831)</u>
Final balance	<u>\$ 70,000,000</u>

Accounts payable to shareholders:

	As of October 4, 2022
Initial balance	\$ 344,392,106
Finance activities:	
Loans paid within a period	(67,600,000)
Capitalization of accounts payable to shareholder	(298,703,627)
Accrued interest to shareholders	<u>21,911,521</u>
Final balance	<u>\$ -</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Topleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 8 - Customers and other accounts receivable:

Trade and other accounts receivable are comprised as follow:

	As of October 4, 2022
Accounts receivable from customers	\$ 396,360,730
Other accounts receivable	2,984,714
Allowance for impairment of accounts receivable from customers	<u>(51,628,640)</u>
	<u>\$ 347,716,804</u>

The following table details the risk profile of accounts receivable based on the Group's provisioning matrix.

For Axa Seguros, S. A. de C. V., the following data are available:

	<u>Expected credit loss rate</u>	<u>Gross book value</u>	<u>Impairment allowance</u>
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	0.18%	\$ 68,107,415	\$ 122,593
1-30	0.18%	3,449,220	6,209
31-60	0.18%	1,359,619	2,447
61-90	0.18%	37,961	68
91-120	0.18%	54,597	98
More than 120	0.18%	<u>458,096</u>	<u>825</u>
		<u>\$ 73,466,908</u>	<u>\$ 132,240</u>

For Grupo Nacional Provincial, S. A. B, the following data is available:

	<u>Expected credit loss rate</u>	<u>Gross book value</u>	<u>Impairment allowance</u>
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	0.18%	\$ 63,104,091	\$ 113,587
1-30	0.18%	6,391,491	11,505
31-60	0.18%	4,523,971	8,143
61-90	0.18%	45,477	82
91-120	0.18%	1,126,829	2,028
More than 120	0.18%	<u>78,222</u>	<u>141</u>
		<u>\$ 75,270,081</u>	<u>\$ 135,486</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

For Consorcio de Redes de Servicio, S. A. de C. V., the following data is available:

	Expected credit loss rate	Gross book value	Impairment allowance
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	0%	-	-
1-30	0%	-	-
31-60	0%	-	-
61-90	0%	-	-
91-120	0%	-	-
More than 120	100%	<u>45,272,122</u>	<u>45,272,122</u>
		<u>\$ 45,272,122</u>	<u>\$45,272,122</u>

For Gobierno del Estado de Nuevo León, the following data is available:

	Expected credit loss rate	Gross book value	Impairment allowance
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	0.91%	\$38,156,606	\$347,225
1-30	0.91%	2,052,991	18,682
31-60	0%	-	-
61-90	0%	-	-
91-120	0%	-	-
More than 120	0%	<u>-</u>	<u>-</u>
		<u>\$ 40,209,597</u>	<u>\$ 365,907</u>

For Individuals, the following data is available:

	Expected credit loss rate	Gross book value	Impairment allowance
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	7.81%	\$ 1,922,515	\$ 150,073
1-30	8.15%	234,415	19,097
31-60	18.52%	9,748	1,806
61-90	50.02%	18,628	9,317
91-120	68.04%	8,444	5,745
More than 120	68.04%	<u>2,280,960</u>	<u>1,552,033</u>
		<u>\$ 4,474,710</u>	<u>\$ 1,738,071</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

For the Rest of Portfolio, the following data is available:

	<u>Expected credit loss rate</u>	<u>Gross book value</u>	<u>Impairment allowance</u>
	October 4, 2022	October 4, 2022	October 4, 2022
Unexpired	0.37%	\$ 127,360,141	\$ 472,987
1-30	1.75%	13,988,155	245,046
31-60	4.43%	6,638,877	293,937
61-90	12.81%	4,124,973	528,215
91-120	43.93%	4,571,715	2,008,295
More than 120	43.93%	993,278	436,334
		<u>\$ 157,677,139</u>	<u>\$ 3,984,814</u>

The following table shows the movement of the expected credit loss over its life and has been recognized in other receivables in accordance with the IFRS 9 approach.

	October 4, 2022
Beginning balance (January 1, 2022)	\$ (17,748,420)
Increase in the allowance for impairment of customers	<u>(33,880,220)</u>
Ending balance (October 4, 2022)	<u>\$ (51,628,640)</u>

Note 9 - Recoverable taxes:

Recoverable taxes are comprised as follows:

	As of October 4, 2022
Income tax	\$ 38,000,633
Value added tax	2,562,778
Tax on cash deposits	209,551
Undue payments of income tax and VAT	<u>81,863</u>
	<u>\$ 40,854,825</u>

Note 10 - Inventories:

Inventories are comprised as follows:

	As of October 4, 2022
Hospital supplies	\$ 34,569,392
Medications	<u>16,092,032</u>
	<u>\$ 50,661,424</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000, S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

In 2022 inventories of \$811,856,922, were recognized as a cost in "Medications and hospital supplies" during this period and included in the operating cost and expenses section.

Note 11 - Short-term real estate leases:

This note provides information for leases where the Group is a lessee.

As of October 4, 2022, all leases in which the Group acts as lessee are classified under the short-term exemption.

The Group recognized expenses of \$7,390,564 at October 4, 2022, for short-term leases.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 12 - Property, furniture and equipment, net:

Movements in property, furniture and equipment for the period ended October 4, 2022, are analyzed as follows:

	Buildings	Machinery and equipment	Computer equipment	Furniture and fixtures	Transportation equipment	Land	Total
<u>As of January 1, 2022</u>							
Cost	\$ 1,953,064,907	\$ 1,235,832,804	\$ 54,797,779	\$ 98,243,480	\$ 5,444,356	\$ 154,120,205	\$ 3,501,503,531
Accumulated depreciation	(492,439,187)	(943,473,868)	(48,132,910)	(74,193,830)	(4,659,599)	-	(1,562,899,394)
Net book amount	<u>\$ 1,460,625,720</u>	<u>\$ 292,358,936</u>	<u>\$ 6,664,869</u>	<u>\$ 24,049,650</u>	<u>\$ 784,757</u>	<u>\$ 154,120,205</u>	<u>\$ 1,938,604,137</u>
<u>For the period ended October 4, 2022</u>							
Beginning balance	\$ 1,460,625,720	\$ 292,358,936	\$ 6,664,869	\$ 24,049,650	\$ 784,757	\$ 154,120,205	\$ 1,938,604,137
Additions	931,851	37,690,371	1,393,599	1,412,803	60,000	4,651,168	46,139,792
Disposals	8,643,115	(41,591,309)	(5,120,236)	(2,394,967)	-	-	(40,463,397)
Reclassification from investment property	1,767,193	-	-	-	-	-	1,767,193
Depreciation charges recognized during the period	(27,950,757)	(82,889,486)	(3,152,303)	(3,363,437)	(189,819)	-	(117,545,802)
Depreciation disposals	(8,643,115)	40,264,996	5,120,236	2,394,967	-	-	39,137,084
Closing balance	<u>\$ 1,435,374,007</u>	<u>\$ 245,833,508</u>	<u>\$ 4,906,165</u>	<u>\$ 22,099,016</u>	<u>\$ 654,938</u>	<u>\$ 158,771,373</u>	<u>\$ 1,867,639,007</u>
<u>As of October 4, 2022</u>							
Cost	\$ 1,962,639,873	\$ 1,231,931,866	\$ 51,071,142	\$ 97,261,316	\$ 5,504,356	\$ 158,771,373	\$ 3,507,179,926
Accumulated depreciation	(527,265,866)	(986,098,358)	(46,164,977)	(75,162,300)	(4,849,418)	-	(1,639,540,919)
Net book amount	<u>\$ 1,435,374,007</u>	<u>\$ 245,833,508</u>	<u>\$ 4,906,165</u>	<u>\$ 22,099,016</u>	<u>\$ 654,938</u>	<u>\$ 158,771,373</u>	<u>\$ 1,867,639,007</u>

The depreciation charges recognized in the Combined Income Statement was \$117,545,802 during 2022.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 13 - Intangible assets:

Intangible assets are summarized as follows:

	Software and licenses
Cost	\$ 22,482,074
Accumulated amortization	<u>(14,951,470)</u>
Net book amount at January 1, 2022	<u>\$ 7,530,604</u>
Beginning balance as of January 1, 2022	\$ 7,530,604
Acquisitions	313,575
Amortization charge recognized in the period	<u>(1,675,014)</u>
Ending balance as of October 4, 2022	<u>\$ 6,169,165</u>
Cost	\$ 22,795,649
Accumulated amortization	<u>(16,626,484)</u>
Net book amount as of October 4, 2022	<u>\$ 6,169,165</u>

The amortization charges recognized in the Combined Income Statement was of \$1,675,014 during 2022.

Note 14 - Suppliers and other accounts payable:

Suppliers and other accounts payable are comprised as follows:

	As of October 4, 2022
Suppliers	\$ 283,136,387
Sundry creditors	12,262,792
Advance from customers	<u>13,252,071</u>
	<u>\$ 308,651,250</u>

Note 15 - Short-term bank loans:

The Group had the following bank loans and lines of credit:

	As of October 4, 2022
Short-term:	
Banco Mercantil del Norte, S.A.	\$ 70,000,000
Total short-term bank loans	<u>\$ 70,000,000</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

For all the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Banco Mercantil del Norte, S.A.

- Short-term loan of \$100,000,000 beginning on September 2022, with an annual rate resulting from adding 1% to the equilibrium interbank interest rate (TIIE), at October 4, 2022 the balance was of \$70,000,000. The due date of the loan is October 2022.

Note 16 - Employee benefits:

- The value of the defined benefit obligation (DBO) as of October 4, 2022, amounted to \$23,879,188.

As of October 4, 2022, the group has no plan assets.

A reconciliation between the present value of the DBO and the net defined benefit liability recognized in the combined statement of financial position is shown below:

	Retirement Benefits	Seniority premium	Total
	2022	As of October 4, 2022	2022
DBO at beginning of period	\$ 1,628,890	\$ 23,190,405	24,819,295
Current service cost	70,046	1,474,801	\$ 1,544,847
Interest cost	72,411	1,282,831	1,355,242
Benefits paid	(272,873)	(1,345,384)	(1,618,257)
Benefits paid due to Settlement	(296,980)	-	(296,980)
Settlement Gain/(Loss)	149,062	-	149,062
Gain/(Loss) due to experience	219,782	(544,525)	(324,743)
Gain/(Loss) due to change in financial assumptions	(59,521)	(1,689,757)	(1,749,278)
DBO at end of period	<u>\$ 1,510,817</u>	<u>\$ 22,368,371</u>	<u>\$ 23,879,188</u>

The employee benefit expenses recognized during 2022 are shown below:

	October 4, 2022
Current service cost	\$ (1,544,847)
Interest cost	(1,355,241)
Benefits paid	701,604
Benefits paid due to Settlement	1,212,183
Settlement Gain/(Loss)	<u>(149,062)</u>
Total amount recognized in profit or loss	<u>\$ (1,135,363)</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

The main actuarial assumptions used, expressed in absolute terms, as well as the discount rates, salary increase and changes in indexes or other variables referring to October 4, 2022, are as follows:

	As of October 4, 2022		
Discount rate			10.10%
Salary growth rate			5.00%
Rate of increase in minimum wage			5.20%
Changes in assumptions	Retirement benefits	Seniority premium	
2022			
Discount rate + 50 basis points	10.60%		10.60%
Discount rate - 50 basis points	9.60%		9.60%
Discount rate sensitivity analysis	Retirement benefits	Seniority premium	Total
2022			
Effect of an increase of 0.50%			
Defined Benefit Obligation impact	(12,019)	(339,744)	(351,763)
Current service Cost impact	(1,491)	(33,356)	(34,847)
Effect of a decrease of 0.50%			
Defined Benefit Obligation impact	12,476	353,118	365,594
Current service Cost impact	1,546	34,847	36,393

Note 17 - Taxes payable:

	As of October 4, 2022
Value Added Tax	\$ 47,876,373
Tax Withholdings	26,978,377
Labor Taxes 1	<u>14,961,265</u>
Total	<u>\$ 89,816,015</u>

¹ Labor taxes correspond to IMSS, Infonavit, SAR and ISN.

Note 18 - Stockholders' equity:

a. Structure of capital stock

On August 29, 2022, Tovleja HG made a capitalization of contributions for future capital increases for an amount of \$ 270,641,249, by the capitalization of accounts payable to shareholder, therefore this transaction did not made any cashflow movement.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

On August 29, 2022, Inmuebles JRD made a capital increase for an amount of \$ \$28,062,237, by the capitalization of accounts payable to shareholder, therefore this transaction did not made any cashflow movement.

As of October 4, 2022 the capital stock is as follows:

Hospital y Clínica OCA, S. A. de C. V. capital stock is represented by fully subscribed and paid-in common and registered shares, as follows:

Number of shares	Description	2022
401	Fixed minimum capital stock - Series "A" Shares	\$ 2,005,000
<u>6,068</u>	Variable and unlimited capital stock - Series "B" Shares	<u>29,840,000</u>
<u>6,469</u>	Total capital stock	<u>\$ 31,845,000</u>

DRJ Inmuebles, S. A. de C. V. capital stock is represented by fully subscribed and paid-in common and registered shares, as follows:

Number of shares	Description	2022
50	Fixed minimum capital stock - Series "A" Shares	\$ 50,000
<u>148,454</u>	Variable and unlimited capital stock - Series "B" Shares	<u>148,454,000</u>
<u>148,504</u>	Total capital stock	<u>\$ 148,504,000</u>

Inmuebles JRD 2000, S. A. de C. V. capital stock is represented by fully subscribed and paid-in common and registered shares, as follows:

Number of shares	Description	2022
50	Fixed minimum capital stock - Series "A" Shares	\$ 50,000
<u>55,117</u>	Variable and unlimited capital stock - Series "B" Shares	<u>55,117,378</u>
<u>55,167</u>	Total capital stock	<u>\$ 55,167,378</u>

Tovleja HG, S. A. de C. V. capital stock is represented by fully subscribed and paid-in common and registered shares, as follows:

Number of shares	Description	2022
10,000	Fixed minimum capital stock - Series "A" Shares	\$ 10,000
<u>356,418,249</u>	Variable and unlimited capital stock - Series "B" Shares	<u>356,418,249</u>
<u>356,428,249</u>	Total capital stock	<u>\$ 356,428,249</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

b. Dividends

Dividend declared and paid during the period ended October 4, 2022

On January 13, 2022, Hospital Oca decreed dividends to shareholders for an amount of \$650,000,000.

On July 29, 2022, Hospital Oca decreed dividends to shareholders for an amount of \$92,370,410.

On August 2, 2022, Hospital Oca decreed dividends to shareholders for an amount of \$22,629,590.

On September 19, 2022, Hospital OCA decreed dividends to shareholders for an amount of \$90,000,000.

On September 27, 2022, Hospital OCA decreed dividends to shareholders for an amount of \$40,000,000.

On September 29, 2022, Hospital OCA decreed dividends to shareholders for an amount of \$22,222,222.

On February 14, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$24,000,000.

On March 4, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$10,000,000.

On June 3, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$34,500,000.

On July 5, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$12,000,000.

On August 4, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$13,000,000.

On September 3, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$3,950,263.

On September 3, 2022, DRJ Inmuebles decreed dividends to shareholders for an amount of \$7,449,737.

On September 22, 2022, Inmuebles JRD decreed dividends to shareholders for an amount of \$3,000,000.

On September 22, 2022, Tovleja HG decreed dividends to shareholders for an amount of \$6,000,000.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

c. Legal reserve

The net profit for the period is subject to the decisions made at the General Assembly of Shareholders, the Group's bylaws and the General Law of Commercial Companies. In accordance with the General Law of Commercial Companies, the legal reserve must be increased annually by 5% of the annual net profits until it reaches one fifth of the amount of fully paid-up capital stock. As of October 4, 2022 the amount of the legal reserve amounts to \$26,733,431.

As of October 4, 2022, the value of the Contribution Capital Single Account (CUCA) amounted to \$295,663,887. The tax value of the CUFIN amounted to \$1,028,549,618.

d. Retained earnings

On January 7, 2022, the stockholders agreed to cancel the dividends that were decreed and which were pending of payment from previous years for an amount of \$202,019,448.

Note 19 - Revenue from services and other:

a. Revenue from services and others is as follows:

	2022
Hospital Medical Services	\$ 2,921,430,307
Real estate leasing	45,684,312
Food service/cafeteria	24,175,798
Teaching services (nursing school)	15,853,590
Parking services	11,354,287
Other miscellaneous income	<u>3,311,947</u>
 Total	 <u>\$ 3,021,810,241</u>

Revenue by type of client:

	2022
Banks	1.48%
Government Institution	3.93%
Companies	8.01%
Uninsured	19.10%
Insurance	<u>67.48%</u>
Total	<u>100%</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 20 - Other expenses:

For the period from January 1, 2022 to October 4, 2022, other expenses are summarized as follows:

	2022
Food	\$ 24,712,022
Office supplies	3,798,438
Consulting services	43,346,905
Property taxes	9,399,895
Shipping and handling	2,655,670
Installation costs	4,107,990
Miscellaneous expenses	6,678,741
Non-deductible	1,679,162
Allowance for impairment of accounts receivable	33,880,223
Laboratory tests supplies	24,145,707
Other services	2,124,058
Advertising	11,217,672
Spare parts	12,563,884
Provisions for litigation	13,786,793
Security	9,800,325
Local services	23,527,526
Studies subrogates	5,656,634
Uniforms	<u>3,639,889</u>
Total	<u>\$ 236,721,534</u>

Note 21 - Related party transactions:

Transactions with related parties are summarized below:

	2022
Expenses for real estate leases ¹	\$ 5,869,826
Purchase of transportation equipment ²	<u>60,000</u>
Total transactions with related parties, net	<u>\$ 5,929,826</u>

1. In 2022, there were leases of under 12 months for the amount of \$5,722,181 with Dr. Genaro Levinson (main shareholder), \$114,836 with Urilion, S. A. de C. V. (affiliate) and \$32,810 with Inmobiliaria Máxima Construcciones, S. A. de C. V. (affiliate).

2. In 2022, purchase of transportation equipment was realized for the amount of \$60,000 to Inmobiliaria Máxima Construcciones, S. A. de C. V. (affiliate).

As of October 4, 2022, the compensation to the key management of the Group amounts to \$102,153,000.

As of October 4, 2022, there is no outstanding related party accounts receivable or payable.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Togleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 22 - Income taxes and deferred income tax:

- i. Income tax for the period is calculated by applying the 30% rate on taxable income. In 2022 the Group determined a profit tax result of \$846,012,783. The tax result differs from the accounting result, mainly due to those items that over time are accumulated and deducted differently for accounting and tax purposes, due to the recognition of the effects of inflation for tax purposes, as well as those items that only affect the accounting or tax result.
- ii. The tax rules include limits in the deductions of the exempt compensation amount certain items, as follows: Wages and benefits paid to workers 47% of income paid to workers and in certain cases up to 53% (holiday bonus, savings fund, employee profit sharing, seniority premiums) will be deductible for employers. As a result, certain wage and salary provisions have difference between tax and book values at year-end.

The Mexican Income Tax Law ("MITL") forth criteria and limits for applying some deductions, such as: the deduction of payments which, in turn, are exempt income for workers, contributions for creating or increasing provisions for pension funds, contributions to the Mexican Institute of Social Security payable by the worker that are paid by the employer, as well as the possible non-deduction of payments made to related parties in the event of failing to meet certain requirements.

Taxable income for purposes of the employee profit sharing is the same used for the Corporate Income Tax except for certain items.

A 10% withholding tax is imposed on dividends distributions to individuals and foreign shareholders from earnings generated starting January 1, 2014.

- iii. The provision for income tax is analyzed as shown below:

	2022
Current income tax	\$ (253,803,974)
Deferred income tax	<u>27,876,749</u>
	<u>\$ (225,927,225)</u>

- iv. The reconciliation of the effective tax rate is shown below:

	2022
Profit before income tax (A)	\$ 786,337,701
Statutory rate (B)	<u>30%</u>
Calculated theoretical tax (A times B)	235,901,310
(Plus) minus income tax effect on:	
Non-deductible expenses	(7,791,260)
Tax inflationary adjustment	(2,390,777)
Other items	<u>207,952</u>
Income tax expense	<u>\$ 225,927,225</u>
Effective tax rate	<u>28.73%</u>

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Tovleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

- v. As of October 4, 2022, the main temporary differences on which deferred income tax was recognized are analyzed below:

	Balance as of October 4, 2022	Net income (loss)	Balance as of January 1, 2022
Property, furniture and equipment and other assets	\$ 139,168,698	\$ 39,867,274	\$ 99,301,424
Employees' profit sharing payable	71,025,934	(3,040,837)	74,066,771
Employee benefits	24,912,005	92,709	24,819,296
Unbilled revenue	(80,446,558)	(19,357,948)	(61,088,610)
Advances from customers	6,661,607	(408,150)	7,069,757
Allowance for impairment of accounts receivable	51,628,643	33,880,223	17,748,420
Other accounts payable	<u>63,825,016</u>	<u>61,434,949</u>	<u>2,390,067</u>
	276,775,345	112,468,220	164,307,125
	<u>30%</u>	<u>30%</u>	<u>30%</u>
Deferred tax asset	<u>\$ 83,032,604</u>	<u>\$ 33,740,466</u>	<u>\$ 49,292,138</u>
Property, furniture, and equipment	<u>(712,611,234)</u>	<u>(19,545,723)</u>	<u>(693,065,511)</u>
	<u>(712,611,234)</u>	<u>(19,545,723)</u>	<u>(693,065,511)</u>
	<u>30%</u>	<u>30%</u>	<u>30%</u>
Deferred tax liability	<u>\$ (213,783,370)</u>	<u>\$ (5,863,717)</u>	<u>\$ (207,919,653)</u>

Note 23 - Finance loss, net:

For the period from January 1, 2022 to October 4, 2022, is comprised as follows:

	2022
Interest expense	\$ 24,149,237
Interest income	(978,655)
Foreign exchange fluctuation gain, net	<u>(952,071)</u>
Finance loss, net	<u>\$ 22,218,511</u>

Note 24 - Contingencies and commitments:

In the normal course of its business, the Group is involved in disputes and litigations. While the outcome of disputes cannot be predicted, the Group does not believe that there are any pending or threatened actions, claims or legal proceedings against or affecting the Group that, if determined adversely to it, would individually or generally materially adversely affect its results of operations or financial condition.

The Group is contingently liable for tax differences that could result in the eventual review, by the tax authorities, of the tax returns and other tax reports filed by the Group and those resulting from discrepancies of criteria in the interpretation of the legal provisions between the Group and the tax authorities. As of October 4, 2022, the Group has no accrued liabilities for these items.

Hospital y Clínica Oca, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Topleja HG, S. A. de C. V., and Inmuebles JRD 2000 S. A. de C. V.

Notes to the Combined Financial Statements

As of and for the period from January 1, 2022 to October 4, 2022

Note 25 - Subsequent events

In preparing the combined financial statements, the Group has evaluated the events and transactions for their recognition or disclosure subsequent to October 4, 2022 and until November 9, 2023, in addition to the subsequent events disclosed elsewhere in the financial statements:

On February 21, 2022, the Group signed a SPA with Grupo Salud Auna México, S. A. de C. V. which is a subsidiary of Auna S.A. to sell 100% of the shares of Hospital y Clínica OCA, S. A. de C. V., DRJ Inmuebles, S. A. de C. V., Topleja HG, S. A. de C. V. and Inmuebles JRD 2000 S. A. de C. V. The approval by the regulatory authority was made on June 2, 2022. The transaction closing date was on October 5, 2022.

On September 30, 2022, Hospital y Clínica OCA, S. A. de C. V. and DRJ Inmuebles, S. A. de C. V. signed a loan agreement with Banco Santander México, HSBC México and Genaro Levinson Marcovich for an amount of \$3,602,764,839. Banco Santander México acts as administrative agent. The resources for this loan agreement were received on October 5, 2022. The loan was used for Hospital y Clínica OCA, S. A. de C. V. to acquire 100% of the shares of DRJ Inmuebles, S. A. de C. V., Inmuebles JRD 2000, S. A. de C. V. and Topleja HG, S. A. de C. V., obtaining control of said entities on October 5, 2022.

On March 29, 2023, Grupo Salud Auna México, S. A. de C. V., signed a note purchase agreement with investments funds for US\$ 396,500,000 of senior secured notes due 2028. GSAM used the net proceeds from this notes to repay the loan signed on September 30, 2022 with Banco Santander México, HSBC México, Multiva and Genaro Levinson Marcovich.

On April 11, 2023, Hospital y Clínica OCA, S. A. de C. V. signed a loan agreement with HSBC Mexico for an amount of \$180,000,000. On January 4, 2023, Hospital y Clínica OCA, S. A. de C. V. signed a loan agreement with Banco Regional del Norte S.A. for an amount of \$50,000,000. In August 2023, both loans were paid.

The Issuer

Auna S.A.

Société anonyme

Registered office: 46 A, Avenue JF Kennedy, 1855 Luxembourg
R.C.S. Luxembourg: B 267590

Trustee, Registrar, Paying Agent and Transfer Agent with respect to the Existing Notes and the New Notes and Intercreditor Agent
Citibank, N.A., Agency & Trust

388 Greenwich Street
New York, New York 10013
United States of America

LEGAL ADVISORS

To the Issuer

As to U.S. law

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
United States of America

As to Luxembourg law

**Eversheds-Sutherland
(Luxembourg) SCS**
Immeuble Marivaux
33, rue Sainte-Zithe
L-2763 Luxembourg

As to Peruvian law

**Rodrigo, Elias & Medrano
Abogados**
Av. Pardo y Aliaga 652, Lima
15073
Perú

As to Colombian law

Posse Herrera Ruiz
Cra. 7 #71-52
Bogotá
Colombia

As to Mexican law

**Ritch, Mueller y Nicolau,
S.C.**
Avenida Pedregal 24, piso 10,
Molino del Rey, Ciudad de
México, México 11040

To the Dealer Managers and Solicitation Agents

As to U.S. law

**Cleary Gottlieb Steen &
Hamilton LLP**
One Liberty Plaza
New York, New York 10006
United States of America

As to Luxembourg law

Arendt & Medernach SA
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

As to Peruvian law

**J&A Garrigues Perú S. Civil
de R.L.**
Av. Víctor Andrés Belaúnde
332 (Oficina 701)
San Isidro, Lima
Perú

As to Colombian law

Garrigues Colombia S.A.S.
Avenida Calle 92 No. 11-51
Piso 4
Bogotá
Colombia

As to Mexican law

Galicia Abogados, S.C.
Boulevard Manuel Ávila
Camacho No. 24, Piso 7
Colonia Lomas de Chapultepec
11000 Ciudad de México
México

INDEPENDENT AUDITORS

Emmerich, Córdova y Asociados, S. Civil de R.L.

Av. Javier Prado Este 444
San Isidro, Lima
Perú

The Information Agent and Exchange Agent for the Exchange Offer and the Solicitation is:
Global Bondholder Services Corporation

By Regular, Registered or Certified Mail;

Hand or Overnight Delivery:

65 Broadway—Suite 404
New York, New York 10006
United States of America
Attention: Corporate Actions

By Facsimile Transmission

(for Eligible Institutions Only):

(212) 430-3775

For Confirmation by Telephone:

Banks and Brokers call: (212) 430-3774

Toll-free: (855) 654-2014

The Information Agent for the Exchange Offer and the Solicitation is:

Global Bondholder Services Corporation. 65 Broadway—Suite 404

New York, New York 10006

United States of America

Banks and brokers: (212) 430-3774

Toll-Free: (855) 654-2014

Any questions regarding the terms of the Exchange Offer and the Solicitation should be directed to the Dealer Managers and Solicitation Agents.

Dealer Managers and Solicitation Agents

Citigroup Global Markets Inc.

388 Greenwich Street, Trading 4th
Floor
New York, New York 10013
United States of America
Attn: Liability Management Group
Collect: +1 (212) 723-6106
Toll-Free: +1 (800) 558-3745
E-mail:
ny.liabilitymanagement@citi.com

HSBC Securities (USA) Inc.

452 Fifth Avenue
New York, New York 10018
United States of America
Attn: Global Liability Management
Group
Toll-Free: +1 (888) HSBC-4LM
Collect: +1 (212) 525- 5552
E-mail: lmamericas@us.hsbc.com

**Santander US Capital Markets
LLC**

437 Madison Avenue, 7th Floor
New York, New York 10022
United States of America
Attn: Liability Management Group
Toll Free: +1 (855) 404-3636
Collect: +1 (212) 940-1442
E-Mail: AmericasLM@santander.us

**Banco BTG Pactual S.A. – Cayman
Branch**

601 Lexington Avenue, 57th Floor
New York, New York 10022
United States of America
Attn: Debt Capital Markets
Collect: +1 (212) 293-4600
E-Mail: ol-dcm@btgpactual.com