Auna S.A.A. and Subsidiaries

Consolidated Financial Statements

December 31, 2022, 2021 and 2020

Contents

Auna S.A.A. and Subsidiaries

Consolidated Statement of Financial Position

As of December 31, 2022, 2021 and 2020

In thousands of soles	*Note*	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**

In thousands of soles	*Note*	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	*20*			
Share capital		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

In thousands of soles	*Note*	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.I*	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.I*	(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										
In thousands of soles	***Note***	**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**	**Non-controlling interest (note 20.I)**	**Total equity**
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

In thousands of soles	*Note*	2022 Restated	2021	2020
Cash flows from operating activities				
Loss for the year		(76,830)	(23,023)	(5,378)
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 Clinica 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 Tovleja 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 Tovleja 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

In thousands of soles	***Note***	
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:

In thousands of soles	
Cash	2,589,679
Holdback	93,317
Total consideration transferred	**2,682,996**

This acquisition resulted in goodwill, which has been determined as follows:

In thousands of soles	
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

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:

In thousands of soles	
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

In thousands of soles	***Note***	
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:

In thousands of soles	
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 hasaccess to the returns associated with the underlying ownership interest. Therefore, the Company usedthe 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:

In thousands of soles	
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. ofS/ 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:

In thousands of soles	
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

In thousands of soles	***Note***	
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:

In thousands of soles	
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:

In thousands of soles	
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 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 Oncologica'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:

In thousands of soles	
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

In thousands of soles	***Note***	
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:

In thousands of soles	
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:

In thousands of soles	
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 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:

In thousands of soles	
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. Clinica 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

In thousands of soles	***Note***	
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:

In thousands of soles	
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, Clinica 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.

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:

In thousands of soles	
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.

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 GCUs 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

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.

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.

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 recognize 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

In thousands of soles	**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

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

In thousands of soles	**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

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

In thousands of soles	**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 liabiity	(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' 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

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 Bornhuether Fergurson 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.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
	time of issuance and after invoicing, in the case of hospitalized patients.	

U. Cost and expense recognition

The cost of medical services is primarily made up 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, 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 and technical reserves for healthcare services.

The cost of services provided to insured who are outside the Group's Clinic Network is recognized as it is incurred. The cost for events incurred but not reported (IBNR) is determined over the total of the pre-authorization of the service letters issued and in force as of December 2022, 2021 and 2020 (note 4.M).

Other costs and expenses are recognized on an accrual basis regardless of when they are paid and, if any, in the same period in which the related income is recognized.

V. Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fvtpl;
- The foreign currency gain or loss on financial assets and financial liabilities; and
- The reclassification of net gains and losses previously recognized in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

W. Foreign currency transactions and balances

Transactions in foreign currency are those transactions carried out in a currency other than the functional currency. Transactions in foreign currency are translated into functional currency at the exchange rates at the dates of the transactions.

The foreign currency gains or losses, resulting from the payment of such transactions and from the translation of monetary assets and liabilities stated in foreign currency at exchange rates ruling at period-end closing, are recognized in the consolidated statement of profit or loss and other comprehensive income.

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 adquired 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.

- 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:

In thousands of soles	**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 foreing 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):

In thousands of soles	**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):

In thousands of soles	**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):

In thousands of soles	**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:

In thousands of soles	***Note***	**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:

In thousands of soles	**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

In thousands of soles	**Peru**	**Colombia**	**México**	**Total**
Healthcare services	130,066	367,352	77,299	574,717
	130,066	**367,352**	**77,299**	**574,717**

2021

In thousands of soles	**Peru**	**Colombia**	**Total**
Premium earned	9,342	-	9,342
Healthcare services	113,688	229,911	343,599
	123,030	**229,911**	**352,941**

2020

In thousands of soles	**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

In thousands of soles	**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

In thousands of soles	**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

In thousands of soles	**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

In thousands of soles	**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

In thousands of soles	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

In thousands of soles	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

In thousands of soles	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

In thousands of soles	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

In thousands of soles	**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:

In thousands of soles	**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 writte-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:

In thousands of soles	***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

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 Onocológica 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:

In thousands of soles	*Note*	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:

In thousands of soles	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:

In thousands of soles	Reference value	Maturity date	2022	2021	2020
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	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.

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:

In thousands of soles	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:

In thousands of soles	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:

In thousands of soles	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:

In thousands of soles	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 has not have the ability to affect its power or control over the investee.

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:

In thousands of soles	**Note**	**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**

In thousands of soles	***Note***	**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**

(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 Clinica Vallesur, S/ 5,498 thousand of cost incurred for the construction of the new clinic denominated Clinica 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 Clinica 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:

In thousands of soles	***Note***	**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.

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:

In thousands of soles	***Note***	**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:

In thousands of soles	*Note*	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, cutomer 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:

In thousands of soles	2022	2021	2020
Radioncologia S.A.C. (Radioncologia)	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 Clinica 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:

In percent	**2022**	**2021**	**2020**
For companies located in Peru			
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%
For companies located in Colombia			
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%
For companies located in Mexico			
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
Radioncologia S.A.C. (Radioncologia)	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%
Oncomedica S.A.	30.0% - 34.1%
Hospital y Clinica 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:

In thousands of soles	2022	2021	2020
Hospital y Clinica 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:

In thousands of soles	2022	2021	2020
Hospital y Clinica 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
Radioncologia 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 Clinica 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:

		Right-of-use assets					
In thousands of soles	***Note***	**Lands**	**Buildings and facilities**	**Medical equipment and other**	**Vehicles**	**Furniture and fixture**	**Total**
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:

In thousands of soles	***Note***	**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:

In thousands of soles	***Note***	**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

14. Deferred Income Tax

As of December 31, this caption comprises the following:

In thousands of soles	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)**

In thousands of soles	**Balances as of January 1**	**Recorded in the profit or loss for the year**	**Exchange difference**	**Business combination**	**Recorded in other comprehensive income**	**Balances as of December 31**	**Deferred tax assets**	**Deferred tax liabilities**
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)**

In thousands of soles	Balances as of January 1	Recorded in the profit or loss for the year	Exchange difference	Business combination	Recorded in other comprehensive income	Balances as of December 31	Deferred tax assets	Deferred tax liabilities
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	
In thousands of soles	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 guaranted loan	2025	IBR + 1.50%		8,503	6,944	12,035	10,474	14,966	12,861
			IBR + 1.50%		2,549	2,201	4,090	3,629	4,780	4,147
	Bank loan		IBR + 5.55%		15,929	9,601	-	-	-	-
			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	DTF+3.01		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 lt		2028	10.78%		2,045	1,425	-	-	-	-

					Outstanding balances					
					2022		2021		2020	
In thousands of soles	Type of obligation	Maturity	Interest rate	Currency	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
JP Morgan Bank		2023	SOFR + 4%	US$	214,827	212,263	-	-	-	-
Banco de Crédito del Perú	Bank loan	2023	8.48%	US$	14,932	14,565	-	-	-	-
	Government guaranted loan	2023	0.89%	S/	45	38	128	127	-	-
			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	Bank loan	2023	7.50%		19,293	19,285	-	-	-	-
Banco ITAU			4.85%	US$	72,141	71,196	-	-	-	-
Banco Interamericano de Finanzas			6.00%		15,586	15,558	-	-	-	-
			7.20%		15,647	15,356	-	-	-	-
Banco Internacional del Perú S.A.A.			6.30%		15,598	15,366	-	-	-	-
Banco Pichincha			9.40%	S/	20,470	20,381	-	-	-	-
Banco Citibank			6.40%	US$	32,326	31,913	-	-	-	-
			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

(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.

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.

On June and July 2020, Colombian subsidiaries, PMLA and Instituto de Cancerología, received government guaranted 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 guaranted 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 guaranted loans received were recorded in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The commitments related to the government guaranted 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.

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 Decembre 31, 2021 and S/ 36,330 thousand as of Decembre 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.

On June 30, 2021, the Group signed an addendum with Scotibank replacing the compliance of the covenants afromentioned as indicated bellow:

- 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 Tovleja 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.

(d) Reconciliation of movement in liabilities to cash flows arising from financing activities:

In thousands of soles	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**

In thousands of soles	Financial loan	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
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.A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022, 2021 and 2020

In thousands of soles	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
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:

In thousands of soles	**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:

In thousands of soles	*Note*	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).

In thousands of soles	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**

In thousands of soles	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**

In thousands of soles	Maturity	Currency of origin	Annual nominal interest rate	Current portion	Non-current portion	December 31, 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).

In thousands of soles	**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**

In thousands of soles	**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**

In thousands of soles	**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**
In thousands of soles	***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):

In percent	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:

In thousands of soles	Seniority premium 2022	Retirement Benefits 2022	Total 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 an 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:

In thousands of soles	*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:

	Cost of sales and services (i)		
In thousands of soles	**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.

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 the89stimatee 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 90ecognized 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 subsdiaries.

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

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)**

In thousands of soles	**Clínica Vallesur**	**Clínica Miraflores**	**PMLA**	**Clinica 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:

In thousands of soles	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:

In thousands of soles	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**
In thousands of soles	**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

C. Contract balances

The following table provides information about receivables from contracts with customers.

In thousands of soles	***Note***	**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:

		Cost of sales and services			Selling expenses			Administrative expenses			Total		
In thousands of soles	**Note**	**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:

In thousands of soles	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:

In thousands of soles	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:

In thousands of soles	*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

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

In thousands of soles	**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:

In thousands of soles	***Note***	**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**

(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:

In thousands of soles	**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:

In thousands of soles	**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 excess 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.

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.

	Reportable segments						
In thousands of soles	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia	Healthcare services in Mexico	Total reportable segments	Holding and eliminations	Total
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**

	Reportable segments					
In thousands of soles	**Oncosalud Peru**	**Healthcare services in Peru**	**Healthcare services in Colombia**	**Total reportable segments**	**Holding and eliminations**	**Total**
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**

	Reportable segments					
In thousands of soles	**Oncosalud Peru**	**Healthcare services in Peru**	**Healthcare services in Colombia**	**Total reportable segments**	**Holding and eliminations**	**Total**
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**

(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.

In thousands of soles	**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:

In thousands of soles	***Note***	**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:

In thousands of soles	**2022**		**2021**		**2020**	
(Loss) profit before income tax	**(52,930)**	**100.00%**	**(3,126)**	**100.00%**	**(13,222)**	**100.00%**
Calculated theorical 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:

In thousands of soles	**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**	
In thousands of soles	**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:

	Percentage of common shares held by the Group (%)			Percentage of common shares held by the non-controlling interest		
In thousands of soles	**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.

In thousands of soles		**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**	**507,882**
Frequency	4.23%	4.44%	4.65%	4.23%	4.23%	4.44%	4.65%
Average cost per patient	9.13	9.13	9.13	9.59	10.04	9.59	10.04
#plan members	1,087,546	1,087,546	1,087,546	1,087,546	1,087,546	1,087,546	1,087,546

In thousands of soles		**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**	**473,014**
Frequency	3.04%	3.20%	3.35%	3.04%	3.04%	3.20%	3.35%
Average cost per patient	13.95	13.95	13.95	14.65	15.35	14.65	15.35
#plan members	920,547	920,547	920,547	920,547	920,547	920,547	920,547

In thousands of soles		Frequency	Frequency	Average cost per patient	Average cost per patient	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:

		2022	**2021**	**2020**
In thousands of soles	**Fluctuations in variables (%)**	**Profit for the year**	**Profit for the year**	**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 cancelation. 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 ans MXN:

	2022			2021		2020	
In thousands of	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:

In soles	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 and 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:

		2022		2021		2020	
In thousands of soles	Fluctuations in exchange rates (%)	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
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:

In thousands of soles	**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.

In thousands of soles	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 partiallity, 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.

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:

In thousands of soles	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**

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		
In thousands of soles	**Fair value hedging instruments**	**Financial assets at amortized cost**	**Other financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
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	-	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	-	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	-	-	513,383	513,383	-	-	-
Other accounts payable (**)	-	-	200,283	200,283	-	-	-
	-	**-**	**4,225,235**	**4,225,235**	**3,115,560**	**-**	**3,115,560**

(*) They do not include taxes receivable, prepayments.

(**) They do not include taxes payable, prepayments, labor liabilities.

	Carrying amount				Fair value		
In thousands of soles	**Fair value hedging instruments**	**Financial assets at amortized cost**	**Other financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
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.

	Carrying amount				Fair value	
In thousands of soles	**Fair value hedging instruments**	**Financial assets at amortized cost**	**Other financial liabilities**	**Total**	**Level 2**	**Total**
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**	**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**	**33,594**	**33,594**
Financial liabilities not measured at fair value						
Loans and borrowings	-	-	1,208,669	1,208,669	1,270,557	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**	**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 Lever 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.

	December 31, 2022	
In thousands of soles	**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 Medellin. 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:

	Transaction value			Outstanding balances		
In thousands of soles	**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 incurred claims		
In thousands of soles	**Liabilities for remaining coverage**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
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 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.