

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**AMENDMENT NO. 1  
TO  
FORM F-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Auna S.A.A.**

(Exact name of Registrant as specified in its charter)

Republic of Peru  
(State or other jurisdiction of  
incorporation or organization)

8011  
(Primary Standard Industrial  
Classification Code Number)

Not Applicable  
(I.R.S. Employer  
Identification Number)

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San Isidro, Lima, Perú  
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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 7(a)(2)(B) of the Securities Act.

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered(1)	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee(4)
Class A shares, par value per share \$1.00	US\$100,000,000	US\$12,980

- (1) All class A shares will be in the form of American Depositary Shares, or ADSs, with each ADS representing class A shares. ADSs issuable upon deposit of the class A shares registered hereby are being registered pursuant to a separate registration statement on Form F-6.
- (2) Includes additional class A shares in the form of ADSs that the underwriters have an option to purchase. See "Underwriting."
- (3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum offering price.
- (4) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion dated August 25, 2021

PRELIMINARY PROSPECTUS



American Depositary Shares

Auna S.A.A.

(incorporated in the Republic of Peru)

Representing Class A Shares

This is an initial public offering of American depositary shares, or ADSs, of Auna S.A.A. (“Auna” or the “Company”). Each ADS represents class A shares. We anticipate that the initial public offering price will be between US\$ and US\$ per ADS (equivalent to approximately S/ and S/ per class A share, based on the US\$/ to S/1.00 exchange rate on , 2021). We intend to apply to have the ADSs listed on the New York Stock Exchange (“NYSE”) under the symbol “AUNA.” We intend to apply to have our class A shares listed on the Lima Stock Exchange (*Bolsa de Valores de Lima* or “BVL”) under the symbol “. ” We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to additional ADSs, at the initial public offering price, representing class A shares, less underwriting discounts and commissions.

We have two classes of common stock, class A common stock and class B common stock (collectively, our “common stock”). Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, 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 (or its equivalent in *soles*) in the aggregate in cash dividends. Each class B share of our common stock is entitled to one vote on any matter submitted to a vote of the shareholders. Each class A share of our common stock is entitled to one vote (together with class B shares) on only the following matters submitted to a vote of the shareholders: (i) approval of corporate management and financial statements; (ii) approval of capital increases or reductions; (iii) appointment, or delegation to our board of directors of the appointment, of our independent auditors; and (iv) application of profits. See “Description of Our Share Capital.”

Each class B share is convertible into one class A share automatically upon transfer, subject to certain exceptions. For so long as either Enfoca (as defined herein) and Luis Felipe Pinillos Casabonne hold in the aggregate 10% or more of the outstanding amount of class A shares, we will have a dual class structure. However, if, on any given date, the class A shares held directly or indirectly by Enfoca and Mr. Pinillos Casabonne represent in the aggregate less than 10% of the outstanding amount of class A shares on a combined basis, then on the date of the call for the next annual shareholders meeting following such event, all the class A shares and all the class B shares will automatically convert into one class of common shares with full and equal economic and political rights as provided under Peruvian law on a one-to-one basis.

Following the completion of the offering, Enfoca, our controlling shareholder, will own approximately % of our class B shares and % of our class A shares, representing approximately % of the combined voting power of our outstanding common stock assuming no exercise of the underwriters’ option to purchase additional ADSs. The remaining % of the class B shares will be owned by Mr. Pinillos Casabonne and certain of our minority shareholders. All class B shares will be held in trust under a trust agreement (the “Trust Agreement”), pursuant to which the trustee will vote all class B shares held in trust as directed by Enfoca irrespective of Enfoca’s aggregate ownership of our common stock at any given time. See “Description of Our Share Capital—Trust Agreement.”

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Neither the ADSs nor the offering has been or will be registered in the Republic of Peru and therefore neither the ADSs nor the offering is or will be subject to Peruvian laws applicable to public offerings in Peru. The information contained in this prospectus has not been, and will not be, approved or disapproved by the Peruvian Securities Commission (*Superintendencia del Mercado de Valores* or “SMV”) or the BVL. The ADSs may not be offered or sold in Peru except in compliance with the securities laws of Peru.

We are an “emerging growth company” under the U.S. federal securities laws and will be subject to reduced public company reporting requirements.

Investing in the ADSs involves risks. See “[Risk Factors](#)” beginning on page 27 of this prospectus.

	Per ADS	Total
Public offering price	US\$	US\$
Underwriting discounts and commissions	US\$	US\$
Proceeds, before expenses, to us	US\$	US\$

Delivery of the ADSs will be made on or about , 2021.

Morgan Stanley

The date of this prospectus is , 2021.

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Neither we nor the underwriters have authorized anyone to provide you with any information other than that included in this prospectus or in any free writing prospectus prepared by or on behalf of us. We do not take any responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. Neither we, the underwriters, or any of our or their affiliates have authorized any other person to provide you with different or additional information. Offers to sell, and solicitations of offers to buy, the ADSs are being made only in jurisdictions where such offers and sales are permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the ADSs. Our business, financial condition, operating results, and prospects may have changed since such date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our class A shares or the ADSs. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restriction as to this offering and the distribution of this prospectus applicable to those jurisdictions.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Definitions

All references to “we,” “us,” “our,” “our company” and “Auna” in this prospectus are to Auna S.A.A., an openly held corporation (*sociedad anónima abierta*) organized under the laws of Peru and, unless the context requires otherwise, its consolidated subsidiaries.

The term “U.S. dollar” and the symbol “US\$” refer to the legal currency of the United States; the term “*sol*” and the symbol “S/” refer to the legal currency of Peru; and the term “Colombian *peso*” and the symbol “COP” refer to the legal currency of Colombia.

All references to “EPS” and “EPSs” in this prospectus are to *Entidades Proveedoras de Salud* in Peru or *Entidades Promotoras de Salud* in Colombia, as the context requires. EPSs in Peru are private health insurance companies that provide EPS plans, a type of private insurance plan funded through a percentage of contributions to *Seguro Social de Salud del Perú* (“EsSalud”), the social security regime in Peru. EPSs in Colombia are institutions responsible for collecting and managing funds contributed to the social security system in Colombia and for providing health insurance plans mandated by law in Colombia. See “Industry—The Peruvian Healthcare Sector” and “Industry—The Colombian Healthcare Sector,” respectively, for more detail.

All references to “Enfoca” in this prospectus are to Enfoca Sociedad Administradora de Fondos de Inversión S.A. and/or to the group of entities affiliated with Enfoca Sociedad Administradora de Fondos de Inversión S.A., as the context requires.

### Change of Corporate Name and Form

On December 30, 2019, we changed our corporate name from Grupo Salud del Perú, S.A.C. to Auna S.A. Any references to Grupo Salud del Perú herein are references to our company prior to the change in our corporate name. On September 14, 2020, our shareholders approved our conversion to an openly held corporation (*sociedad anónima abierta*), along with the related amendment to our by-laws and corporate name change from Auna S.A. to Auna S.A.A. Registration of the amendment to our by-laws in the corporations registry of the Peruvian public registry (the “Corporations Public Registry”) was completed in November 2020.

### Financial Statements

Our consolidated financial statements included in this prospectus have been prepared in *soles*. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS”). The financial information contained in this prospectus includes our audited consolidated financial statements as of and for the years ended December 31, 2020, 2019 and 2018 included elsewhere in this prospectus.

Our fiscal year ends on December 31. References in this prospectus to a fiscal year, such as “fiscal year 2020” refer to our fiscal year ended on December 31 of that calendar year.

We have translated some of the *sol* amounts contained in this prospectus into U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate *sol* amounts to U.S. dollars was S/3.8498 to US\$1.00, which was the exchange rate reported on June 30, 2021 by the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (*Superintendencia de Banca, Seguros y AFPs*, or “SBS”). We have also translated certain Colombian *peso* amounts contained in this prospectus into Peruvian *soles* or U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate Colombian *peso* amounts to Peruvian *soles* was COP971.3356 to S/1.00 and the rate used to translate Colombian *peso* amounts to U.S. dollars was COP3,756.67

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to US\$1.00, which in each case was the exchange rate reported on June 30, 2021 by the Central Bank of Colombia. These translations are provided solely for convenience of investors and should not be construed as implying that the *soles*, Colombian *pesos* or other currency amounts represent, or could have been or could be converted into, U.S. dollars or Peruvian *soles*, as applicable, at such rates or at any other rate.

On December 27, 2018, we acquired 97.3% of the outstanding share capital of Promotora Médica Las Américas S.A. (“Grupo Las Américas”), a leading healthcare services provider located in Medellín, Colombia. The aggregate purchase price was S/589.3 million (US\$153.1 million). We acquired an additional 2.5% of the share capital of Grupo Las Américas on January 3, 2020.

### **Rounding**

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

### **Non-GAAP Financial Measures**

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

We calculate EBITDA as (loss) profit for the period plus income tax expense, net finance cost and depreciation and amortization. EBITDA is a key metric used by management and our board of directors to assess our financial performance. We calculate Segment EBITDA as segment profit before tax plus net finance cost and depreciation and amortization. We calculate Adjusted EBITDA as (loss) profit for the period plus income tax expense, net finance cost, depreciation and amortization, pre-operating expenses for projects under construction, business development expenses for expansion into new markets, change in fair value of assets held for sale, loss on sale of investments in associates and gain from purchase.

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

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

### **Medical Loss Ratio**

We use medical loss ratio, or MLR, in this prospectus. MLR is calculated as (i) claims for medical treatment generated by our prepaid oncology plans plus (ii) technical reserves relating to plan members treated pursuant to such plans, whether at our facilities or third-party facilities, divided by revenue generated by our prepaid oncology plans. We believe that MLR is an important measure of our operating performance in our healthcare

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coverage business as it is an indicator of the percentage of payments under our oncology plans that is used for medical treatment as compared to administrative costs and is widely used in the healthcare industry as a measure of operating efficiency.

**Market Information**

We make estimates in this prospectus regarding our competitive position and market share, as well as the market size and expected growth of the healthcare industries in Peru and Colombia. We have made these estimates on the basis of our management’s knowledge and statistics and other information from the following sources: EsSalud, the Peruvian *Superintendencia Nacional de Salud* (“SUSALUD”), the Peruvian Ministry of Health (“MINSA”), the Colombian *Superintendencia Nacional de Salud* (“SUPERSALUD”), the Colombian Ministry of Health and Social Protection (“MinSalud”), the World Health Organization (“WHO”), the SBS, Fitch Solutions, Emerging Markets Information System (“EMIS”) and the Economist Intelligence Unit (“EIU”), among others. We believe such sources are the most recently available as of the date of this prospectus, from government agencies, industry professional organizations, industry publications and other sources. We believe these estimates to be accurate as of the date of this prospectus.

**Offering Information**

All amounts contained in this prospectus that have been adjusted to reflect the estimated net proceeds of the offering are based upon the sale of ADSs at an assumed public offering price of US\$        per ADS (the midpoint of the price range set forth on the cover page of this prospectus). Unless otherwise indicated, all information contained in this prospectus assumes no exercise of the underwriters’ option to purchase up to        additional ADSs, representing        class A shares.

## FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements convey our current expectations or forecasts of future events. These statements involve known and unknown risks, uncertainties and other factors, including those listed under “Risk Factors,” which may cause our actual results, performance or achievements to differ materially from the forward-looking statements that we make.

Forward-looking statements typically are identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “project,” “plan,” “believe,” “potential,” “continue,” “is/are likely to,” or other similar expressions. Any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Our actual results could differ materially from those contained in forward-looking statements due to a number of factors, including, among others:

- our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate;
- our ability to estimate and control healthcare costs, or if we cannot increase our prices to offset cost increases or expenditure increases, at our hospitals and clinics and with respect to our oncology plans;
- the negative impact of the COVID-19 pandemic on our business;
- our relationships with third-party payers;
- competition in a fragmented market like Peru and in Colombia;
- our ability to recruit and retain quality medical professionals;
- acquisitions, partnerships or joint ventures that we make or enter into;
- our ability to integrate our acquired facilities or obtain the expected benefits from such acquisitions;
- our operation of Torre Trecca, and any additional public-private partnerships we may enter in the future;
- our ability to execute our organic growth plan, which includes the construction of additional hospitals and clinics as well as expansion of our existing facilities;
- our ability to continue growing our business at historical rates;
- our ability to provide high-quality, advanced care for a broad array of medical needs to maintain and expand our markets;
- our ability to develop and commercialize new products and services under Oncosalud;
- our reliance on a limited number of suppliers of medical equipment, medicines and other supplies needed to provide our medical services;
- our compliance with extensive legislation and regulations in Peru and Colombia;
- our ability to obtain registrations, authorizations, licenses and permits for the establishment and operation of our hospitals and clinics;
- our exposure to liabilities from claims brought against our healthcare professionals or our facilities;
- our exposure to litigation and other legal, labor, administrative and regulatory proceedings to which we are subject;
- insufficiency of our insurance policies to cover potential losses;
- our compliance with privacy laws to which we are subject;
- a failure of our IT systems;

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- our ability to maintain sufficient funds to settle current liabilities;
- any loss of members of our senior management team;
- our ability to maintain favorable labor relations with our employees;
- our reliance, as a holding company, on our subsidiaries to conduct all of our operations, and the ability of our subsidiaries to pay dividends and make other distributions to us which could adversely affect our ability to pay dividends;
- changes to IFRS accounting standards;
- economic, social and political developments in Peru, including recent political instability, inflation and unemployment;
- economic, social and political developments in Colombia, including political and economic instability, violence, inflation and unemployment;
- adverse climate conditions and other natural disasters;
- the concentration of our operations in Lima and Medellín;
- corruption and ongoing high-profile corruption investigations in Peru and Colombia which could have an adverse effect on the Peruvian and Colombian economies;
- political and economic conditions in Venezuela which could have an adverse impact on the Peruvian and Colombian economies;
- developments and the perception of risk in other countries, especially emerging market countries;
- increased inflation in Peru or Colombia which could have an adverse effect on the Peruvian and Colombian economies;
- variations in foreign exchange rates;
- changes in tax laws in Peru or Colombia which may increase our tax liabilities;
- disparity in the voting rights between the classes of our shares which could have an adverse effect on the value of the ADSs, and may limit or preclude the ability of certain of our shareholders to influence our corporate matters; and
- other factors identified or discussed under “Risk Factors.”

The forward-looking statements in this prospectus represent our expectations and forecasts as of the date of this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this prospectus.

## SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary may not contain all the information that may be important to you, and we urge you to read this entire prospectus carefully, including the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and our consolidated financial statements and notes thereto included elsewhere in this prospectus, before deciding to invest in our ADSs.*

### Overview

We are one of the largest and most recognized players in the Peruvian healthcare industry and have a growing presence in Colombia. With more than 30 years of experience in the healthcare industry, we provide oncology healthcare plans in Peru and operate hospitals and clinics in Peru and Colombia that provide high-quality medical services at all levels of complexity. Our mission is to transform healthcare in the countries in which we operate by providing excellent patient outcomes and positive, streamlined patient and plan member experiences at an affordable cost. We believe we are well positioned to fulfill this mission due to our patient-centric culture, scale, innovative use of technology, unique vertically integrated oncology platform in Peru and high degree of horizontal integration in our Peruvian and Colombian healthcare networks, all of which allow us to scale nationally and regionally with cost efficiencies and further advance our strategic development. Furthermore, we believe that we are uniquely positioned to disrupt the health-tech market in Latin America. Leveraging on the breadth of our healthcare network, we intend to expand and accelerate our strategic technology platform to launch one of Spanish-speaking Latin America’s (“SSLA”) largest one-stop healthcare ecosystems in terms of members, providing our current and future users with an end-to-end, personalized and immediate healthcare solution that we believe will result in us becoming the true digital healthcare leader in the region.

Our business was founded in Peru in 1989 as Oncosalud, a healthcare coverage provider selling prepaid plans covering a full range of services for the prevention, detection and treatment of cancer for a modest monthly payment that varies based on plan type and age of plan members and was on average S/54.2 (US\$14.1) per month for the year ended December 31, 2020. Our prepaid oncology plans addressed an unmet need in the healthcare coverage market in Peru at the time and quickly began to grow. Starting in 1997, we began to build our own network of Oncosalud facilities to primarily treat our plan members but also patients of private payers, including patients covered by private insurance. Clínica Oncosalud, our flagship hospital in this network, has a Diamond accreditation from Accreditation Canada International (“ACI”). Oncosalud had 830,643 members as of December 31, 2020, which was more than each of the private insurance and EPS systems in Peru as of that date. Measured by number of plan members, we had a market share of 28.0% of all private healthcare plans in Peru in 2020 and had the second largest market share of any single private healthcare plan, according to data from SUSALUD. Oncosalud currently operates two specialized oncology hospitals and three oncology clinics. Through its vertically integrated model, Oncosalud has achieved high levels of both effectiveness and efficiency: during the year ended December 31, 2020, 97% of Oncosalud members were treated in our facilities, which allows us to control medical costs, manage treatment protocols and provide high-quality cancer treatment. Notably, for the cohort of patients diagnosed between 2010 and 2015, Oncosalud’s 5-year cancer survival rate was 75.5%. In addition, we had an MLR of 43.0% as of December 31, 2020, which we believe is one of the lowest in Latin America, based on the MLRs published by other publicly-traded healthcare companies in Latin America that provide prepaid healthcare plans or health insurance coverage. During 2020 and 2019, through our Oncosalud network of facilities, we treated more than 12,800 and 12,500 patients, respectively. By guiding our plan members from prevention through early detection of cancer and then through the full treatment cycle, we take the uncertainty and fear out of cancer treatment and provide top quality care in a compassionate and humane manner.

In 2011, we took our experience at Oncosalud as a provider of first-class patient outcomes at an affordable cost and began to apply it to the provision of a full range of healthcare services via a broader network of facilities

in Peru. Through the development and acquisition of facilities since that time, we have built a network of hospitals and clinics located in all of the major cities in the country, with premium clinical capabilities and a wide range of medical specialties and subspecialties. Today, with our Auna Peru network, we own and operate five hospitals and two clinics as well as numerous other facilities providing complementary services, such as pharmaceutical, diagnostic imaging and clinical laboratory services. We are a provider to essentially all of the private payers in the Peruvian healthcare sector, including traditional private insurers, EPS providers and prepaid plan operators. Our Auna Peru network is horizontally integrated, meaning that patients can access all of their treatment, diagnostic imaging, laboratory and pharmaceutical needs at one of our facilities instead of having to go to different providers for each service. Additionally, for certain high-complexity procedures that cannot be performed at our regional hospitals, patients can be treated at Clínica Delgado, our high-complexity facility in Lima and the flagship hospital of the Auna Peru network. Moreover, we were the first private institution in Peru to implement an electronic medical records (“EMR”) system in 2013 as part of our modern hospital information system (“HIS”), and today all of our hospitals in Peru use our HIS, which allows us to closely monitor and anticipate patient health needs, efficiently manage costs across our patient population and improve medical outcomes and the quality of our services. Through this horizontal integration, we are able to foster a seamless, positive patient experience across each of our networks in Peru. In addition, we are also able to centralize processes, such as procurement of equipment and medicines, and increase our negotiating power with payers, which allows us to more efficiently manage our costs and price our services competitively.

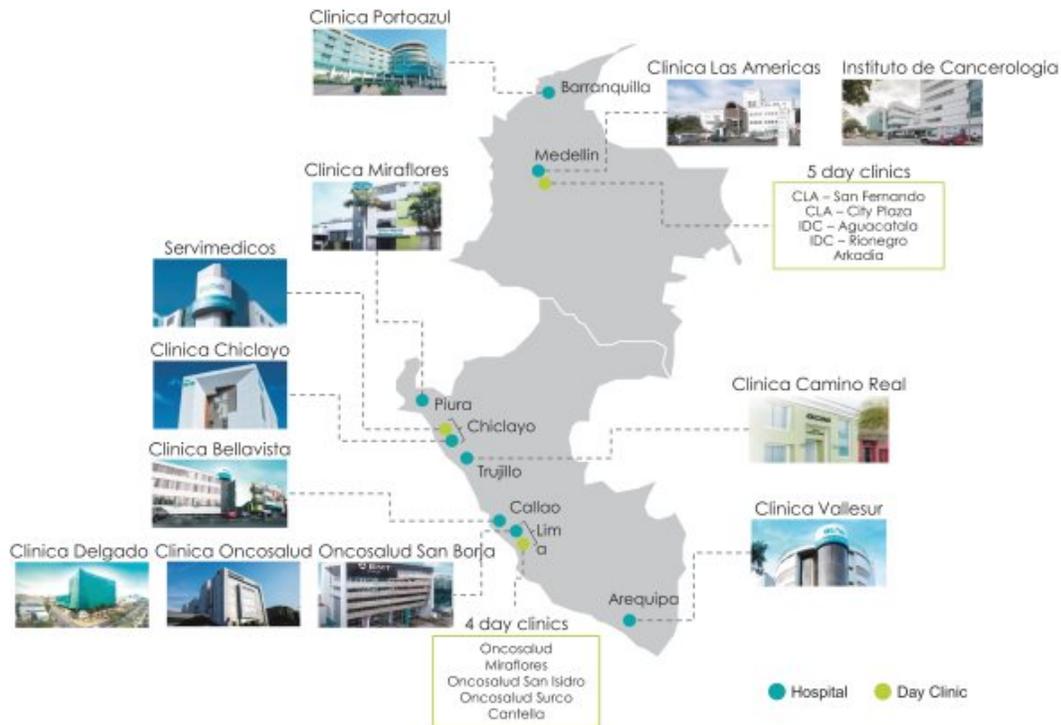
In our Auna Peru network, we own and operate premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve excellent patient outcomes. Our flagship hospital in this network, Clínica Delgado, which we opened in 2014, is the country’s leading high-complexity hospital and has quickly established itself as a standard setter in Latin America, as evidenced by its Diamond accreditation from ACI and its ranking among the best hospitals in Peru across a wide range of categories by Global Health Intelligence (“GHI”) in 2018. We also have six other primary facilities that we acquired, modernized, expanded and relaunched after a series of strategic acquisitions in 2011 and 2012 and now have a presence in all of the major urban areas in Peru. We treated more than 184,000 and 198,000 patients during 2020 and 2019, respectively, at facilities in our Auna Peru network, which had a total of 287 beds as of December 31, 2020.

In 2018, we leveraged our experience and success in providing integrated patient experiences and outstanding outcomes in Peru and expanded into Colombia with our acquisition of Grupo Las Américas, one of Colombia’s leading healthcare providers located in the country’s second largest city, Medellín. In 2020, we began the process of rebranding Grupo Las Américas as our Auna Colombia network and completed such process during the first quarter of 2021. In addition, in September 2020, we further expanded our Auna Colombia network with our acquisition of Clínica Portoazul S.A. (“Clínica Portoazul”), a premium high-complexity private hospital located in the country’s fourth largest city, Barranquilla. Our Auna Colombia network provides healthcare services to patients covered by a range of payers in Colombia, including both public and private insurers, and currently consists of two hospitals and five clinics in Medellín and one hospital in Barranquilla, as well as a range of facilities providing complementary services. Similar to our Auna Peru network, our Auna Colombia network is also horizontally integrated, which enables us to be a one-stop shop for all of our patients’ needs and provide them with a seamless patient experience. In our Auna Colombia network, we also have premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve high quality patient outcomes. The flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín and was ranked the 7<sup>th</sup> best hospital in Colombia in América Economía’s 2020 Best Hospitals Ranking. We also own the Instituto de Cancerología (“IDC”) in Medellín, one of the country’s largest and leading private oncology hospitals and the only institution in Colombia that is a sister

institution of the University of Texas MD Anderson Cancer Center (“MD Anderson”), one of the leading cancer care providers in the United States. We currently have more than 440 beds and have treated more than 263,000 and 246,000 patients during 2020 and 2019, respectively, in the Auna Colombia network.

In all of our networks, we seek to focus proactively on our plan members’ and patients’ health, rather than simply providing services when prescribed to treat disease or other medical conditions. We do this by emphasizing innovation, focusing on healthy lifestyle habits, offering digitalization of services and promoting regular medical check-ups to help ensure our plan members and patients remain healthy and disease is detected early. We believe this emphasis on health allows us to build life-long relationships with our plan members and patients and save lives by detecting and treating disease early on.

***Our Hospitals’ Geographic Footprint***



We operate our business through three segments: (i) Oncosalud Peru, (ii) Healthcare Services in Peru, which consists of our Auna Peru network, and (iii) Healthcare Services in Colombia, which consists of our Auna Colombia network. On a consolidated basis, in the year ended December 31, 2020, we generated revenue of S/1,443.8 million (US\$375.0 million), loss for the year of S/(5.4) million (US\$(1.4) million), EBITDA of S/184.4 million (US\$47.9 million) and Adjusted EBITDA of S/186.4 million (US\$48.4 million). Revenue, segment profit before tax and Segment EBITDA generated by the Oncosalud segment was S/659.1 million (US\$171.2 million), S/87.0 million (US\$22.6 million) and S/128.0 million (US\$33.2 million), respectively, in

the year ended December 31, 2020. In the year ended December 31, 2020, revenue generated by the Oncosalud segment contributed 45.7% to our consolidated revenue. Revenue, segment loss before tax and Segment EBITDA generated by the Healthcare Services in Peru was S/476.4 million (US\$123.7 million), S/(27.0) million (US\$(7.0) million) and S/7.9 million (US\$2.1 million), respectively, in the year ended December 31, 2020. In the year ended December 31, 2020, revenue generated by the Healthcare Services in Peru segment contributed 33.0% to our consolidated revenue. Revenue, segment loss before tax and Segment EBITDA generated by the Healthcare Services in Colombia was S/419.6 million (US\$109.0 million), S/(56.9) million (US\$(14.8) million) and S/39.3 million (US\$10.2 million), respectively, in the year ended December 31, 2020. In the year ended December 31, 2020, the Healthcare Services in Colombia segment contributed 29.1% to our consolidated revenue.

We currently operate in countries that have experienced rapid economic growth and improvements in per capita income and the emergence of growing middle classes in recent years, which we expect will increase healthcare spending in both markets over time. We also believe that the regulatory frameworks in these countries are conducive to further growth in the industry. However, the healthcare markets in these countries are characterized by deficits in medical capacity, poor quality of services and fragmented healthcare service industries with relatively low competition, and we believe that each of these markets possesses high growth potential. We believe that our integrated networks in each market provide us with a significant competitive advantage to capitalize on this growth. We plan to continue to grow in these markets by expanding the capacity in each of our networks and developing new products, such as new healthcare coverage options for our patients. We also plan to explore opportunities in other similar markets in Latin America where we believe our scale, experience and capabilities will give us an advantage.

### **Our Integrated Networks**

Through our operating model, we strive to achieve regional scale and a high degree of both horizontal and vertical integration, adapting to the specific characteristics of each of the markets in which we operate. We currently have three networks: Oncosalud, Auna Peru and Auna Colombia.

Through our Oncosalud network in Peru, we sell prepaid oncology plans covering the prevention, detection and treatment of cancer. For a modest payment that varies based on plan type and age of plan members and was on average S/54.2 (US\$14.1) per month for the year ended December 31, 2020, Oncosalud covers plan members for periodic cancer screenings. In turn, if a member is diagnosed with cancer, Oncosalud covers that member for all consultations, treatments and medication associated with their cancer care, as well as palliative care services. During 2020, approximately 67% of the services that we covered for Oncosalud plan members were provided at our Oncosalud network facilities, 30% were provided at facilities in our Auna Peru network and only 4% were provided at third-party facilities. Because the vast majority of services provided to our plan members are provided at our own facilities, we are further incentivized to optimize costs and focus on patient outcomes.

Our Auna Peru network is one of the largest private healthcare providers in the country. We have facilities in Lima, Arequipa, Chiclayo, Piura and Trujillo, which are the principal cities in the five most populated departments in Peru, with each department having a population above one million. Our flagship hospital in this network, Clínica Delgado, is one of the most modern and sophisticated hospitals in Peru, with capabilities for the highest complexity procedures available in the country. For example, Clínica Delgado is one of only two private hospitals in Peru licensed to perform organ transplants and is renowned for having one of the best neonatal intensive care units and maternity wards in Peru. Our other hospitals are equipped for a wide variety of medium-complexity procedures. Due to the horizontal integration of our network, we are able to be a one-stop shop for our patients, offering all of the treatments they require in addition to diagnostic imaging, pharmaceuticals and laboratory services. We were the first private institution in Peru to implement an EMR system as part of our modern HIS in 2013. Currently used in all of our hospitals in Peru, our HIS also registers our patients' contact

information and manages administrative services, such as hospital admissions and billing, in addition to housing our EMR system. Today our sophisticated technology and advanced data management allow us to closely monitor and anticipate patient healthcare needs, coordinate with our physicians and staff in multiple locations, establish standardized protocols at our facilities and manage and control costs. We have just launched a new medium-complexity hospital in Chiclayo (“Auna Chiclayo”) and expect to start operations at the end of August 2021 and as a result, we have added approximately 68 additional beds to our capacity. We are also expanding our capacity in Clínica Vallesur in Arequipa, which we expect to add approximately 40 additional beds there between 2021 and 2022.

While we currently provide services only to private payers in our Auna Peru network, we are evaluating opportunities to participate in public-private partnerships (“PPP”) with EsSalud, Peru’s social security program. Approximately 9.3 million people, or 24.4% of the Peruvian population, receive healthcare coverage through EsSalud. We are awaiting approvals from EsSalud for certain project milestones and necessary amendments to the concession agreement to rebuild Torre Trecca, an outpatient facility (which is currently not in use) providing healthcare services to patients covered through EsSalud, as a high-rise treatment center, and begin operating it through a PPP on behalf of EsSalud. This partnership will allow us to provide outpatient services to a large segment of the population that is receiving care through the public sector, a patient population we do not currently address. Through this partnership, once we are able to begin operations we expect to handle approximately 15% of EsSalud’s yearly outpatient volume, or about 1.5 million outpatient appointments per year.

Our Auna Colombia network is currently centered on our facilities in Medellín, including two hospitals, Clínica Las Américas and IDC, one medical laboratory and five clinics, and in Barranquilla, including one hospital, Clínica Portoazul. Our flagship hospital in this network, Clínica Las Américas, is one of Medellín’s leading private hospital focused on high-complexity services and specializes in cardiology and bone-marrow transplants, among other specialties. We also operate one of the leading cancer care facilities in Colombia, IDC, and are able to share best practices learned at IDC with Oncosalud and vice versa. Our strategy for our Auna Colombia network is similar to what we have already executed in Peru: we aim to be a horizontally integrated provider with high quality facilities in most of Colombia’s large metropolitan areas. We have already begun expanding our operations and solidifying our presence in Colombia—we are currently completing the construction of Clínica del Sur in Envigado, a city located to the south of Medellín, which we expect to begin operations and add approximately 155 additional beds in 2022. The completion of Clínica del Sur will strengthen our presence in the Antioquia region. We are also actively analyzing acquisition opportunities in the country’s other key urban areas, such as Bogotá and Cali.

We intend to leverage the foundation of our healthcare network to fully implement our digital strategy. Through our Oncosalud network, we have developed a highly successful operating model treating oncological populations in Peru, providing our plan members with an end-to-end, personalized healthcare solution that offers last-mile integration through both our proprietary and third-party networks, supported by what we believe to be some of the industry’s best data and technology assets. We will build on these insights to develop a digital healthcare platform that integrates our current specialized plans and a wide range of new general healthcare plans that will serve as the entry point and cornerstone of our digital health ecosystem as it will allow us to connect and build trust with our customers. Additionally, our Auna Peru and Auna Colombia networks will provide us with valuable last-mile capabilities in those markets, enabling us to deliver end-to-end customer journeys through both online interactions, including teleconsultations and remote diagnosis, among others, and offline interactions, including hospital consultations and diagnostic centers, among others. As we continue to expand our ecosystem in the region through new digital and last-mile ventures, we believe geographical limitations will significantly diminish.

## **Our Competitive Strengths**

We believe that our key strengths include:

### ***Vertically integrated oncology services network in Peru providing first-class patient outcomes and experiences at an affordable cost***

Through our Oncosalud network in Peru, we operate Latin America's only fully vertically integrated oncology program. The prepaid Oncosalud plans we sell offer our plan members the certainty of a full range of services in cancer prevention, detection and treatment, including surgery, chemotherapy and radiotherapy, as well as palliative care. We provide these services to our plan members as well as third party payers at an affordable cost, using our networks of Oncosalud and Auna Peru facilities. Our vertical integration has allowed us to be highly efficient and effective, as evidenced by Oncosalud's 43.0% MLR as of December 31, 2020 and 75.5% 5-year cancer survival rate for the cohort of patients diagnosed between 2010 and 2015. The average age of Oncosalud plan members as of December 31, 2020 was 34.

Moreover, we believe our prepaid oncology plans meet an important need in the Peruvian market, where the vast majority of the population either lacks health insurance or is reliant on the public sector for healthcare coverage, where long waiting periods for consultations and treatments are common and the quality of services is mixed. Cancer is a potentially life-threatening disease, and the prospect of waiting for cancer treatment after being diagnosed is a strong motivation for individuals to seek enhanced coverage. Our prepaid oncology plans take the uncertainty out of cancer care at an affordable cost and cover all aspects of what can be a catastrophic medical condition. We believe the growth in our Oncosalud membership from 266,000 in 2008 to over 830,000 as of December 31, 2020 shows the appeal of our innovative plans. Our plan members include healthcare consumers who do not have any other healthcare coverage, members who are covered by EsSalud but want supplemental coverage for cancer, and individuals who have healthcare coverage from another private payer but want access to our leading expertise in oncology and our integrated care platform.

While 67% of the services covered by our plans were provided at Oncosalud facilities in 2020, Oncosalud is also a significant purchaser of services from our Auna Peru network, with 30% of covered services in 2020 provided by Auna Peru network facilities. We believe that our distinctive platform has enabled us to provide holistic, quality care and produce improved patient outcomes while building a trusted connection with our plan members.

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

Our Auna Peru and Auna Colombia networks are horizontally integrated, which we believe allows us to produce excellent patient outcomes and foster a seamless patient experience, while leveraging significant network-level efficiencies to provide our services at an affordable cost. Our Auna Peru network consists of five hospitals, two clinics and several facilities offering complementary services, such as diagnostic imaging and clinical laboratories, while our Auna Colombia network consists of three hospitals, five clinics and several facilities offering similar complementary services. We offer a wide range of medical services, from primary care to high-complexity medical services, and have premium clinical capabilities in both networks. In addition, each of our networks is comprehensive and well-coordinated across departments and clinical areas, enabling us to work with the most complete information for each patient and maintain disciplined population health management. This in turn allows us to closely monitor and anticipate patient health requirements, offer patients a streamlined experience and achieve excellent medical outcomes. By covering all of our patients' healthcare needs in a coordinated manner, we enhance customer satisfaction and bolster our reputation for quality and our brand awareness, which results in greater customer loyalty and demand for our services.

In addition to providing high quality patient outcomes and experiences, our Auna Peru and Auna Colombia networks provide us with multiple network-level efficiencies that we believe would be difficult for competitors to replicate. For example, our scale as a healthcare provider allows us to negotiate favorable rates for the procurement of medicines and medical equipment, providing us with sizeable cost efficiencies. The scale of our network also allows us to attract the best doctors and management talent in the market. We are able to implement systems, such as information technology (“IT”) and enterprise resource planning systems, on a centralized basis, which also provides us with substantial cost savings. Finally, we believe that our horizontal integration provides us with increased negotiating power with third party payers, particularly private insurance companies and other healthcare payers. Due to our high-quality care and scale, we have become a “must carry” provider for major private health insurers in both countries, meaning that including our Auna Peru and Auna Colombia facilities in their in-network coverage has become important for their plans to be competitive within their markets. This has allowed us to negotiate favorable prices for our healthcare services.

***Premium clinical capabilities at all levels of complexity***

We currently operate five general hospitals, two specialized oncology hospitals and five clinics in Peru with a total of 396 beds in both our Oncosalud and Auna Peru networks and two general hospitals, one specialized oncology hospital (IDC) and five clinics in Colombia with a total of 441 beds in our Auna Colombia network. Our facilities specialize in medium and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. Our flagship hospital in our Auna Peru network, Clínica Delgado, which has a Diamond accreditation from ACI, is one of only two private hospitals in the country that are licensed to perform organ transplants and is renowned for having one of the best neonatal intensive care units and maternity wards in Peru. Clínica Delgado physicians also performed the first ever thorax abdominal aorta endoprosthesis implant in Peru, and only the third in Latin American history. Our flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín specializing in high-complexity services, including oncology, cardiology and bone-marrow transplants, and was ranked as the 7<sup>th</sup> best hospital in Colombia in América Economía’s 2020 Best Hospitals Ranking. In Peru through our Oncosalud network, we believe we are one of the best radiotherapy institutes in the country and are one of the only private healthcare providers with a PET scan and cyclotron, which led Clínica Oncosalud to receive a Diamond accreditation from ACI in November 2019. Clínica Delgado and Clínica Oncosalud are the only two facilities in Peru with a Diamond accreditation from ACI. Our premium clinical capabilities are central to the strength of our reputation and our brand, our “must carry” status with health insurers, our ability to attract the best doctors and, most importantly, our ability to provide high-quality care to our patients and plan members.

***Proven track record of inorganic and organic growth with active expansion plans in progress***

The scale of our networks has been a key component of our success to date, and we believe increasing our scale will increase our efficiency and competitiveness in the future. We have a proven track record of inorganic and organic growth that we believe provides us with the know-how and experience to continue expanding our networks. We have grown inorganically by successfully negotiating seven strategic acquisitions in Peru in 2011 and 2012 to launch our Auna Peru network, which included expanding into Callao, Arequipa, Piura, Trujillo and Chiclayo, urban areas where we did not previously have a presence through Oncosalud. After each acquisition, we invested in upgrading and standardizing each facility to conform to our standards for how a facility should be laid out, equipped and operated. In addition, we acquired Grupo Las Américas on December 27, 2018, marking our entry into the Colombian healthcare market and the launch of our Auna Colombia network.

We further advanced our regional expansion in September 2020 through our acquisition of a controlling stake of Clínica Portoazul, a premium private hospital located in Barranquilla, Colombia. The aggregate amount of our initial capital contribution was COP69.417 million, which currently represents 61.00% of the outstanding share capital of Clínica Portoazul. We believe there are several value opportunities in our acquisition of Clínica Portoazul, including its premium infrastructure with opportunities for operational improvement and expansion in

oncology services. In addition, it provides us access to Barranquilla, the fourth largest city in Colombia and a market with an attractive demand that is currently covered by low-quality services. Our expansion into this new market increases the potential to create a multi-city healthcare franchise in Colombia with high negotiation power with insurance companies.

We have a dedicated integration team with more than eight years of experience and we believe we have been able to achieve these improved operating results in our Auna Colombia network primarily due to the implementation of our protocols and our consolidation and streamlining of its operations. We expect our integration team will continue to have a positive effect on our profitability and growth in the near future as we continue to expand through acquisitions in Peru, Colombia and other similar markets in Latin America.

We have also grown organically by building our own facilities and expanding the existing facilities. For example, we built our flagship hospital in Peru, Clínica Delgado, from the ground up in the Miraflores district of Lima, one of the city's prime residential areas. Clínica Delgado was designed by Gresham Smith & Partners, one of the leading architecture firms for healthcare facilities in the United States. We commenced planning and construction in 2011 and started operations in 2014. By 2017, Clínica Delgado had established itself as the leading high-complexity hospital in the country, offering more than 40 specialties and subspecialties.

We are also currently expanding our existing facility in Clínica Vallesur, where we expect to add approximately 40 additional beds between 2021 and 2022. We also expect to start operations at the end of August 2021 in our new hospital in Chiclayo, Peru that will have approximately 68 beds, and we are currently building Clínica del Sur in Envigado, which we expect to add approximately 155 beds to our Auna Colombia network in 2022.

The successful execution of organic and inorganic initiatives has allowed us to increase the number of beds in our networks on an aggregate basis from 130 in 2012 to 837 as of the date of this prospectus and we expect to add over 277 beds by the end of 2023.

***Solid financial growth backed by strong operating fundamentals***

We believe that the quality of our services, the scale of our networks and our focus on cost efficiency has allowed us to achieve market-leading financial performance, even as the Peruvian and Colombian economies have experienced moderate growth levels as compared to the previous decade. In the year ended December 31, 2020, we generated revenue of S/1,443.8 million (US\$375.0 million), loss for the year of S/(5.4) million (US\$(1.4) million), EBITDA of S/184.4 million (US\$47.9 million) and Adjusted EBITDA of S/186.4 million (US\$48.4 million). Although we generated a loss for the year ended December 31, 2020 due primarily to the COVID-19 pandemic, we maintained a gross margin of 36.7%. We believe our gross margin historically and for the year ended December 31, 2020 solidly places us among the most profitable healthcare network operators in South America, including those in countries with more advanced healthcare systems such as Brazil and Chile, based on gross margins published by other publicly-traded healthcare companies in South America.

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

We believe that the combined strengths and proven experience of our management team, board of directors and shareholders has succeeded in making Auna one of the premier companies in the healthcare industry in the Andean region. In addition, we believe the track record and depth of knowledge of our management team provide us with a distinct competitive advantage. Our chief executive officer, Luis Felipe Pinillos Casabonne, has been working at Auna in various roles for nearly 20 years, and led the expansion of our business into general healthcare services and the development of the Auna networks in Peru and Colombia in conjunction with Enfoca,

our controlling shareholder. Our chief financial officer, Pedro Castillo, served as CFO between 2010 and 2014 of Maestro Perú S.A. (“Maestro”), which had been acquired by Enfoca and expanded to become Peru’s leading home improvement retailer. Mr. Castillo was a key player in Maestro’s strong performance during the period, as well as in its landmark sale to Falabella Perú in 2014.

Our controlling shareholder, Enfoca, is one of Latin America’s foremost investment firms and has a proven track record of more than 14 years as an active investor in private equity, contributing to our and other consumer-facing companies’ growth in the region. Enfoca has introduced strategic initiatives aimed at fostering innovation, developing talent, increasing efficiencies and implementing best-in-class corporate governance practices that we believe positions us well for sustainable long-term growth. In addition, Enfoca has actively participated in many of our management-level committees, including our executive, infrastructure and human talent committees, and helped drive the execution of our growth strategy. We believe that our controlling shareholder’s continuing support, engagement with management and long-term vision for growth gives us a competitive advantage.

We believe we will be able to continue to attract and retain the best talent in the healthcare industry in our markets, as our brand and our networks have become among the most prestigious in the healthcare industry in the Andean region.

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

Through our Auna mobile application (the “App”), we currently power the digital healthcare journey of our members and patients, offering them an immediate and personalized way to manage all their healthcare needs. We believe that we possess some of the industry’s best data and technology assets in SSLA, providing us with fundamental capabilities that will propel our growth strategy going forward. The Auna App leverages on our data system (the “Auna Data Engine”), which currently manages data from more than one and a half million users, including from Auna’s oncological and general healthcare plan members and patients, as well as data developed from Auna’s last-mile services in its hospitals, clinics and laboratories. Going forward, the Auna Data Engine will centralize all the data from all of our plan members and patients, enabling us to structure personalized, preventative and timely medical guidance for each of our patients. It will also allow us to anticipate user needs and identify patterns and trends, and will support medical resolution efforts by predicting diagnoses based on collective medical cases. We intend to roll this App out in Colombia and in other markets in the near-to-medium term.

To drive our data and technology architecture, we have strengthened our management team with some of the finest digital talent in the region and the industry, which we believe will shape the future of healthcare in SSLA. We have been able to attract senior data and technology management professionals bringing innovation, data analytics and business intelligence experience that we believe provides us with a unique competitive edge. Our Auna innovation lab is a clear reflection of our lean and agile business model, with tightly integrated teams supported by specialized centers of excellence.

We have made several investments in technology infrastructure in the recent past, such as our retail digital pharmacy with last-mile delivery, *Farmauna*, and our telehealth platform, *Clinica 360*, which provides for clinical intervention with patients through remote access to physicians and other clinicians and telemedicine solutions. These prospects are all integrated with the Auna App and deliver a unique and immediate patient experience. Since we launched these initiatives in January 2021, 16,614 prescriptions have been filled and delivered using *Farmauna*, and 21% of our patient consultations are held remotely.

Given the size of the market and our unique value proposition, in its next phase we envision that the Auna App will become a true healthcare one-stop shop that provides automated healthcare management tools individualized to each of our users, AI-supported telemedicine and AI-powered diagnostics, as well as other automated services based on population segmentation.

### **Our Strategy**

Our mission is to transform healthcare in the countries in which we operate by providing excellent patient outcomes and a positive and streamlined patient experience, all at an affordable cost. We believe our patient-centric culture, our use of technology and agile teams to enact change, and our capacity to scale with cost efficiencies nationally and regionally drive our strategic development. To achieve our mission and strategic direction, we rely on the following:

#### ***Leverage our culture to continue enhancing the experience of our plan members and patients and our ability to provide first-class medical outcomes at an affordable cost***

We believe that demand for our services is driven by our ability to offer high quality healthcare services that produce first-class medical outcomes at integrated facilities that meet all of our patient needs and that provide a seamless experience at an affordable cost. As a result, our ability to continue enhancing the experience of plan members and patients within our networks is central to our growth strategy. We believe we have a unique patient-centric culture that focuses on proactive interactions with our plan members and patients to promote health objectives, including through innovative uses of technology, with the goal of fostering life-long relationships with them. We believe we can leverage our culture to continue enhancing the plan member and patient experience in the future.

In our Oncosalud network, we put significant emphasis on healthy lifestyle habits and regular medical check-ups to help ensure our plan members remain healthy and that cancer and any other illnesses are detected early. With our focus on healthy living, we are well positioned to detect and treat disease early. This allows us to have a greater impact on plan member health as treating disease early typically provides better patient outcomes. Early detection also strengthens our connection with each patient and enhances the likelihood that we will be the provider of choice for patients for other services over time. In addition, detecting diseases and conditions early also allows us to control costs, as many diseases, including cancer, are both less expensive to treat and more likely to be cured if detected earlier. Incorporating best practices learned over 30 years of experience in Oncosalud, we are increasing our prevention and early detection services in our Auna Peru and Auna Colombia networks as well. As we continue to roll out prevention and early detection programs, we expect to significantly increase the utilization of population management techniques and data analysis that further enhance our preventive medicine approach.

In recent years, we have increasingly differentiated our networks by harnessing technology that enhances the patient experience throughout the treatment cycle. For example, we were the first medical group in Peru to launch an EMR system that is accessible to doctors and staff, and we currently have our HIS in place at all of our hospitals in Peru. We intend to expand our HIS to the Auna Colombia network as well. We also have introduced kiosks and a mobile app, which allow our patients to make and pay for appointments in a convenient manner. These investments in technology allow us to provide standardized information in a timely and accessible manner to our healthcare providers, which not only eases the burden on our healthcare staff, but also enables us to provide efficient service to patients and their families. We plan to continue investing in technology to enhance

the patient experience at our networks and that will allow us to stay in closer touch with our patients after they have left our direct care.

***Expand our patient and member universe and leverage compelling socioeconomic dynamics in the markets where we operate***

As the Peruvian and Colombian middle classes continue to expand over the next decade, we expect their constituents will increasingly demand high-quality healthcare services and products at an affordable cost, particularly if public sector capabilities and infrastructure continue to lag behind. Our more than 30-year track record provides us with extensive knowledge about our patient and plan member populations. With our growing Auna platforms, we believe we are well positioned to capture a significant portion of this currently underserved market in Peru and Colombia. In order to do so, we intend to expand our offerings, focusing particularly on the underserved segments of the population, and enter new market segments. For example, in Oncosalud, we have recently launched three new plans, a new lower-cost plan covering the most common and treatable cancers, which is expected to be within the economic reach of a larger segment of Peru's population, a prepaid plan covering general healthcare services and a plan covering a range of other potentially catastrophic diseases and conditions that require hospitalization and/or complex treatments. We are also considering introducing other prepaid plans in Peru covering other healthcare services. In addition, we are entering new market segments. For example, through the Torre Trecca PPP, once we are able to begin operations, we will provide services to a patient population previously attended only by public sector service providers, and we may seek to enter into additional PPP agreements in the future. We believe expanding our patient and member universe will not only increase our brand awareness and demand for our services, but also provide us with increased economies of scale, allowing us to continue increasing our efficiency levels over time.

***Continue to expand our networks through organic and inorganic growth***

The scale of our integrated healthcare networks in Peru and Colombia is central to our success – it increases our brand awareness, allows us to achieve cost efficiencies at the network level and improves our bargaining power with third parties, including third party payers and suppliers of medicines and medical equipment. As a result, our scale provides us with the resources to continually improve the quality and breadth of our healthcare services. Due to the relatively low penetration of healthcare services in both Peru and Colombia, deficits in medical capacity and, particularly in Peru, the generally poor quality of most public and many private healthcare alternatives, we believe there is significant room for growth and we intend to continue investing in our business and adding facilities to each of our networks. Our goal is to have a presence in all of the major urban centers in the countries in which we operate, and in doing so increase our patient and member universe. Although we have a well-established presence in Lima and other large cities in Peru, there are several cities in Peru where we do not currently have a presence that have sufficient potential demand to be attractive markets to enter. Additionally, in Colombia, we currently only operate in the Medellín metropolitan area and Barranquilla and we are seeking to establish a presence in several of Colombia's other major cities. We seek to add facilities to our networks that meet our standards of quality in terms of expertise of available medical staff, modern infrastructure that enables efficient operation and ease of access for patients and plan members in terms of location.

In Peru, we are currently focused primarily on organic growth, as we have developed a proprietary model that we believe is the best vehicle for our expansion throughout the country. Since 2011, we have worked on developing a blueprint for the development of new medium to high-complexity medical facilities based on our experience to date in building, modernizing and expanding facilities. This blueprint, which we refer to as the

Auna Model, sets forth what we believe are ideal parameters in terms of number of beds and number of outpatient, emergency and operating rooms at a facility in order launch the new facility, or add capacity at an existing facility, and reach profitability effectively and efficiently. We are currently using the Auna Model for the expansion of Clínica Vallesur in Arequipa and for the opening of our new 68-bed facility that we believe will be the leading hospital in Chiclayo.

In Colombia, given the market fragmentation and the relatively larger number of high-quality facilities operated by third parties than in Peru, we are currently focused primarily on inorganic growth. In September 2020, for example, we acquired Clínica Portoazul, a private hospital located in Barranquilla, Colombia. We have identified a robust pipeline of other opportunities that can help us continue to expand our presence in the country, and we believe our proven integration capabilities position us as a natural market consolidator. Our acquisition strategy in Colombia is focused on the key urban areas in the country, such as Bogotá and Cali. We are also pursuing organic growth in Medellín where we already have a strong presence through the construction of Clínica del Sur, a state-of-the-art hospital providing medium and high-complexity services in Envigado, a city bordering Medellín that has low hospital penetration. We are using the Auna Model to build Clínica del Sur and expect to launch operations at the facility in 2022, which will further strengthen our position in the Antioquia region of which Medellín is the capital.

In addition, we are continually evaluating expansion opportunities in other markets in Latin America that are structurally and demographically similar to Peru and Colombia and may seek to enter new markets in the future. As we expand our healthcare networks, we will increase our horizontal integration, which we believe will allow us to continue capturing increased demand for our services and generating substantial cost savings and synergies across facilities.

***Continue enhancing and increasing the value proposition of our networks***

Our ability to offer high quality healthcare services across our Auna Peru and Auna Colombia networks has been a significant contributor to demand for our healthcare services and has made us a “must carry” for healthcare coverage providers in Peru and Colombia. Through the breadth of our networks, we are able to be a one-stop shop for our patients, offering treatments in addition to diagnostic imaging, pharmaceuticals and laboratory services within our network of facilities. In addition, with the benefit of our technology and the standardized information it provides across facilities, we are able to provide patients care at any of our facilities, even if it is not the usual location at which they obtain healthcare services. For example, if a patient typically receives healthcare at one of our lower complexity facilities, but needs a high-complexity service, we can access their medical records at another facility that is able to provide the high-complexity service, which allows us to provide efficient service across our network. We intend to place a greater focus going forward on differentiating the role that each of our facilities has within the networks so that we can increase the value proposition of our networks overall. While high-complexity services will be centered at Clínica Delgado in Peru and Clínica Las Américas in Colombia, we intend to increase the complexity of services that all of our facilities can handle in each of our markets where the need for higher-complexity services justifies it, particularly in the hospitals in provinces outside of Lima and Medellín. To complement our existing network, we intend to open new lower-complexity facilities in residential areas closer to our patients, providing easy access to care. We believe this will increase our touchpoints with patients, boost our brand awareness and foster further loyalty to our networks, while also deepening our horizontal integration and our ability to achieve network-level efficiencies.

***Continue expanding our ecosystem to position the company as one of the largest healthcare platforms offering immediate experiences throughout SSLA, via tailor-made healthcare plans supported by AI and end-to-end online and offline solutions, significantly raising entry barriers***

We believe that we are uniquely positioned to fill the healthcare gap in SSLA by providing our members and users with a personalized and immediate online and offline healthcare solution. The healthcare markets in

Chile, Colombia, Mexico and Peru are highly fragmented and underserved, forcing users to navigate among different providers to solve their needs, which is costly, inefficient and leads to high out-of-pocket expenditures. Traditional players continue to expand with a very limited digital footprint, and SSLA is not a priority for many global players as they struggle to navigate the complexities of the region's key markets. In parallel, venture capital flows into the health-tech space remain unprioritized and most of the region's health-tech startups are in early-stage phases. Against this backdrop, Auna plans to disrupt the industry by building an integrated healthcare ecosystem that we believe will provide our current and future users with an unparalleled, end-to-end healthcare experience, allowing us to accompany patients at every step of their healthcare digital journey. As the healthcare industry in SSLA evolves, we believe that our technology investments and underlying technology infrastructure will facilitate improved productivity and patient outcomes. Some of the key projects that form our integrated healthcare ecosystem, all of which will be fully integrated with the Auna App, include:

- *Farmauna*, a retail digital pharmacy with last-mile delivery. We believe that Farmauna will provide us with scalability, proximity to customers and valuable data collection about consumption patterns of consumers in the healthcare space. We utilize a dark store delivery model to reduce transaction times and utilize customer micro-segmentation analysis to uncover pathology concentration and predict demand per nano-location. We believe that Farmauna will help us to generate critical mass in one of the most competitive segments of Latin America's healthcare market.
- *Romina*, our digital healthcare membership initiative that integrates our healthcare plans into the Auna App, offering segmented and tailor-made digital memberships to each user. Healthcare memberships are the cornerstone of our healthcare ecosystem, as they will allow us to build trust with customers, improve customer engagement and increase overall healthcare access. Romina will help strengthen Auna's competitive advantage and will raise entry barriers through scale and end-to-end resolution.
- *Clinica 360*, a telehealth platform offering complementary online and offline health services. We envision Clinica 360 as a main entry point for telehealth delivery, yet differentiated from standalone telemedicine by seamlessly delivering last-mile services, such as diagnostics, pharmacy and/or treatment. In its next phase, Clinica 360 will incorporate AI support to maximize scalability and will leverage on Auna's regional network to tackle constraints that limit international teleconsultations.

We intend to continue to expand our healthcare ecosystem throughout SSLA, including where we do not have last-mile capabilities. We aim to consolidate the region's fragmented healthcare markets at both the digital and last-mile levels with strategic alliances allowing us to strengthen our key growth levers and facilitating our entry into new markets throughout SSLA. As we arrive in new markets, the Auna App, utilizing the Auna Data Engine, will be deployed in those markets providing users with instant access to our expanding ecosystem, which, in turn, will contribute to drive our regional scalability. In addition, we believe that our "digital hooks," such as *Farmauna* and *Clinica 360*, will allow us to generate critical mass and enhance our last-mile delivery while also serving as key entry points into our ecosystem. Furthermore, we believe that our healthcare plans and the expansion of our healthcare plans into new regions will serve to improve our members' engagement and allow us to build their trust in our services. We believe that the knowledge and information that our Auna Data Engine will accumulate over time will enable us to anticipate our plan members' and patients' needs and further enhance healthcare access. Finally, we plan to provide last-mile services through Auna's premium infrastructure and, in markets where we do not have infrastructure to provide last-mile services, strategic partnerships with previously vetted and certified third parties. This approach will ensure that we deliver a distinctive end-to-end experience in every market where we operate. To help us manage our strategic alliances, we intend to develop a healthcare marketplace that will deliver services through third-party healthcare provider networks. We expect that our marketplace will expand our capabilities to deliver healthcare in hard-to-reach areas where it is inefficient to implement proprietary last-mile services and strengthen our understanding of customer behavior and their decision-making process through marketplace data collection. As we continue to achieve scale in the region, our multi-country last-mile footprint will help to tackle SSLA's regulatory and cultural constraints, further raising entry barriers.

## Summary of Risk Factors

Investing in the ADSs representing our class A shares involves risks. You should carefully consider the risks described in the “Risk Factors” section beginning on page 27 before making a decision to invest in the ADSs representing our class A shares. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of the ADSs representing our class A shares would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks we face:

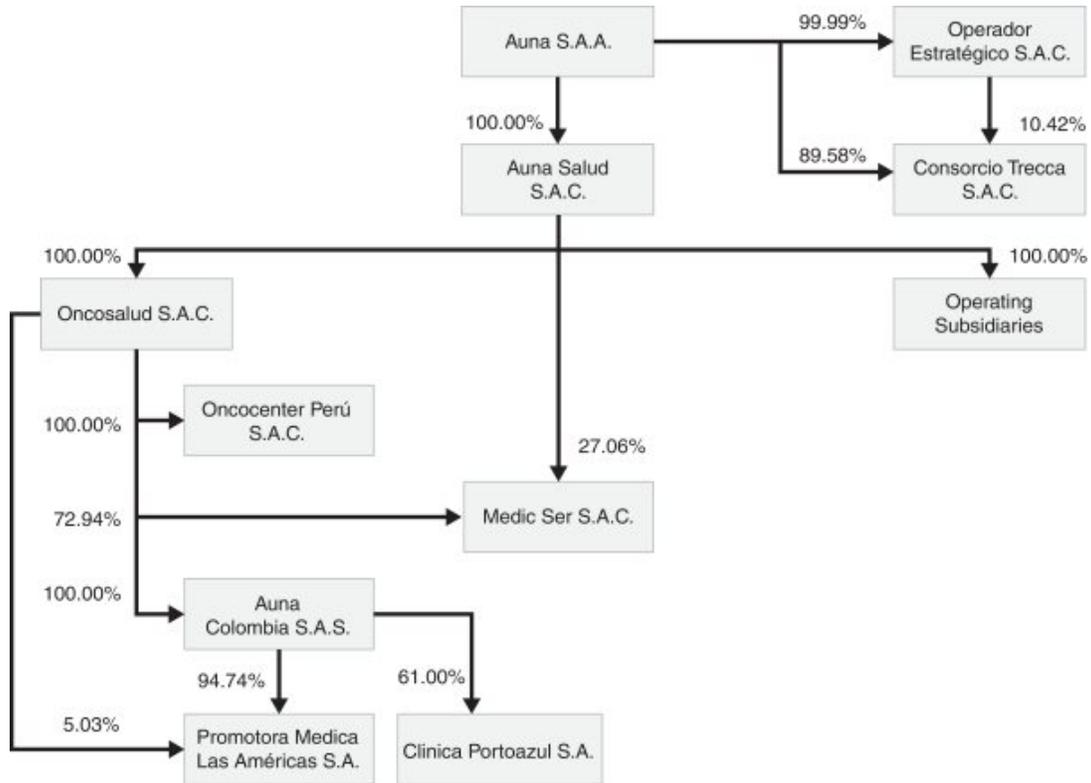
- we depend substantially on our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate, and any negative impact on those brands could have a material adverse effect on us;
- our operating results may be adversely affected if we are not able to estimate or control healthcare costs, or if we cannot increase our prices to offset cost increases, at our hospitals and clinics and with respect to our oncology plans;
- we may not have sufficient funds to settle current liabilities and as a result we may continue to have negative working capital from time to time;
- our business has been and continues to be impacted by the COVID-19 pandemic and the extent to which the COVID-19 pandemic impacts our business, financial condition and results of operations will depend on the duration and severity of the pandemic and the level of continued disruption to regional and global economic activity, which are impossible to predict at this time;
- we have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to prevent or detect a material misstatement of our financial statements, and may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the price of our ADSs;
- our revenues and results of operations are affected by our relationships with third-party payers, and any change to, or deterioration in, these relationships could have a material effect on us, such as, for example, due to limitations on reimbursement and, in some cases, reduced levels of reimbursement for healthcare services as a result of changes in Colombia’s social security system, the *Sistema General de Seguridad Social en Salud* (“SGSSS”), in recent years;
- the healthcare industries in Peru and Colombia are competitive, and if we are not able to maintain or grow our competitive positions, our business, financial condition and results of operations may be adversely affected;
- our performance depends on our ability to recruit and retain quality medical professionals, and we face a great deal of competition for these professionals, which may increase our labor costs;
- any acquisitions, partnerships or joint ventures that we make or enter into could disrupt our business and harm our financial condition;
- our performance is dependent on economic, social and political developments in Peru and Colombia, and our results of operations may be negatively affected by recent political instability in Peru;
- following the completion of the offering, Enfoca, our controlling shareholder, will own approximately % of our class B shares and % of our class A shares, representing approximately % of the combined voting power of our outstanding common stock assuming no exercise of the underwriters’ option to purchase additional ADSs. The remaining % of the class B shares will be owned by Mr. Pinillos Casabonne and certain of our minority shareholders. All class B shares will be held in trust under the Trust Agreement, pursuant to which the trustee will vote all class B shares held in trust as

directed by Enfoca. Certain of our officers and a majority of our directors may be employed by or otherwise affiliated with Enfoca, which could give rise to potential conflicts of interest; and

- we are an “emerging growth company,” and the reduced reporting requirements applicable to emerging growth companies may make our ADSs less attractive to investors.

**Corporate Structure**

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



\* We own 100% of all of our operating subsidiaries, other than Clínica Miraflores, Clínica Vallesur and Clínica Portoazul, of which we own 94.17%, 88.23% and 61.00%, respectively.

**Corporate Information**

Our principal executive offices are located at Avenida República de Panamá 3461, San Isidro, Lima, Peru. Our telephone number at this address is +51 1-205-3500.

Investors should contact us for any inquiries through the address and telephone number of our principal executive office. Our principal website is <http://auna.pe/>. The information contained in, or accessible through, our website is not incorporated by reference in, and should not be considered part of, this prospectus.

### **Implications of Being an Emerging Growth Company**

As a company with less than US\$1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified exemptions from various requirements that are otherwise applicable generally to public companies in the United States. These provisions include:

- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (2) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of certain of these provisions for up to five years following our initial public offering or such earlier time that we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual revenues of at least US\$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our class A shares that is held by non-affiliates exceeds US\$700 million as of the prior June 30th, and (2) the date on which we have issued more than US\$1.0 billion in non-convertible debt during the prior three-year period. We may choose to take advantage of some but not all of the above-described provisions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. Given that we currently report and expect to continue to report under IFRS we have irrevocably elected not to avail ourselves of any extended transition period provided for by IFRS and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the International Accounting Standards Board. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies. References to an “emerging growth company” in this prospectus shall have the meaning associated with that term in the JOBS Act.

## THE OFFERING

*The following is a brief summary of the terms of this offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. For a more complete description of our ADSs and common stock, see “Description of Our Share Capital” and “Description of American Depositary Shares” in this prospectus.*

Issuer	Auna S.A.A.
Securities Offered	ADSs, representing _____ of our class A shares.
Offering Price	We expect the offering price will be between US\$ _____ and US\$ _____ per ADS.
Option to Purchase Additional ADSs	We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to _____ additional ADSs at the initial public offering price, representing _____ class A shares, less underwriting discounts and commissions.
ADSs	Each ADS represents _____ class A shares held by Citibank, N.A., the depository. The ADSs may be evidenced by American depository receipts, or ADRs, issued under a deposit agreement among us, Citibank, N.A., as depository, and the holders and beneficial owners of the ADSs issued thereunder (the “deposit agreement”).
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately US\$ _____, or approximately US\$ _____ if the underwriters exercise their option to purchase additional ADSs in full. These amounts assume an initial public offering price of US\$ _____ per ADS (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, including acquisitions, expansion of our existing facilities, other capital expenditures and the repayment of indebtedness from time to time. See “Use of Proceeds.”
Lock-Up Agreements	We, our directors and officers and our existing shareholders have agreed, subject to limited exceptions, not to sell any shares of our common stock or ADSs for a period of 180 days after the date of this prospectus without the prior approval of Morgan Stanley & Co. LLC. See “Underwriting.”
Share Capital Immediately Prior to and Following the Offering	<p>Our share capital is divided into class A shares of common stock and class B shares of common stock.</p> <p>Immediately prior to the offering, we had _____ class A shares and 1,000 class B shares issued and outstanding. After giving effect to the offering, we will have _____ class A shares and 1,000 class B shares outstanding. Following the completion of the offering, Enfoca</p>

will own approximately % of our class B shares and % of our class A shares, representing approximately % of the combined voting power of our outstanding common stock assuming no exercise of the underwriters' option to purchase additional ADSs. The remaining % of the class B shares will be owned by Mr. Pinillos Casabonne and certain of our minority shareholders. All class B shares will be held in trust under the Trust Agreement, pursuant to which the trustee will vote all class B shares held in trust as directed by Enfoca irrespective of Enfoca's aggregate ownership of our common stock at any given time. See "Description of Our Share Capital—Trust Agreement."

No Preemptive Rights Offer

Because all of our existing shareholders have agreed to waive their preemptive rights under Peruvian law in connection with this offering, there will not be a preemptive rights offer for our shares in connection with this offering. See "Description of Our Share Capital—Preemptive and Accretion Rights."

Voting Rights

Each share of our common stock is entitled to one vote. Each class B share of our common stock is entitled to vote on any matter submitted to a vote of the shareholders. Each class A share of our common stock is entitled to vote (together with the class B shares) only on the following matters submitted to a vote of the shareholders: (i) approval of corporate management and financial statements; (ii) approval of capital increases or reductions (other than as described below); (iii) appointment, or delegation to our board of directors of the appointment, of our independent auditors; and (iv) application of profits. The class A shares will not have voting rights on any other matter subject to shareholders' approval.

Therefore, the class A shares will not vote on, among other matters, the election and removal of directors and fixing of directors' compensation; our issuance of debt securities; amendments to our by-laws (other than in connection with capital increases or reductions); the sale, in a single transaction, of assets with a value exceeding 50% of the our share capital; the merger, spin-off, division, reorganization, transformation or dissolution of the Company; and special investigations and audits.

In September 2020, our shareholders delegated to our board of directors the authority to approve one or more capital increases of up to S/236,546,679, which delegation will remain in place for five (5) years thereafter and will allow our board of directors to determine the timing, amount, and conditions of each such capital increase, without requiring further shareholders' approval. This approval also included an express advanced waiver of any preemptive rights that would apply in connection with any such capital increases. This delegation may only be revoked by a vote of the class B shares.

Subject to Peruvian law and the terms of the deposit agreement, a holder of ADSs will generally have the right to instruct the depository

how to vote the class A shares represented by its ADSs. See “Description of Our Share Capital” and “Description of American Depositary Shares.”

Subject to the terms of the Trust Agreement, Enfoca will generally have the right to instruct the trustee how to vote the class B shares held in trust. See “Description of Our Share Capital—Trust Agreement.”

Conversion

Each class B share will convert automatically into one class A share upon any transfer, except for transfers of class B shares by Enfoca, our chief executive officer and certain of our minority shareholders to a trust established pursuant to the Trust Agreement or in case of transfers of class B shares in favor of Enfoca or of Luis Felipe Pinillos Casabonne, as appropriate.

For so long as either Enfoca and Luis Felipe Pinillos Casabonne hold in the aggregate 10% or more of the outstanding amount of class A shares, we will have a dual class structure. However, if, on any given date, the class A shares held directly or indirectly by Enfoca and Mr. Pinillos Casabonne represent in the aggregate less than 10% of the outstanding amount of class A shares on a combined basis, then on the date of the call for the next annual shareholders meeting following such event, all the class A shares and all the class B shares will automatically convert into one class of common shares with full and equal economic and political rights as provided under Peruvian law on a one-to-one basis. See “Description of Our Share Capital—Conversion.”

Dividends

Our dividend policy has historically been to distribute up to S/10 million per year of our net profit obtained from the preceding year. Following this offering, we intend to retain all available funds and future earnings, if any, to fund the expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Our dividend policy notwithstanding, under Peruvian law, shareholders representing 20% of our class A shares and class B shares have the right to compel us to distribute at least 50% of the net profit of the previous fiscal year. See “Dividend Policy.”

Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, 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 cash dividends (or its equivalent in *soles*).

Subject to the terms of the deposit agreement, holders of our ADSs will be entitled to receive dividends, if any, paid on the class A shares represented by the ADSs. Cash dividends on our class A shares will be paid in *soles* and will be converted by the depositary into U.S. dollars and paid in U.S. dollars to the holders of ADSs, net of fees, expenses and any taxes. Under Peruvian law, dividends are subject to a withholding tax of 5% if paid to non-Peruvian holders. See “Dividends” and “Description of American Depositary Shares.”

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Depository	Citibank, N.A.
Listing	We intend to apply to list our ADSs on the NYSE under the symbol “AUNA.” We intend to apply to list our class A shares on the BVL under the symbol “ .”
Risk Factors	See “Risk Factors” and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our ADSs.

Unless otherwise indicated, all information contained in this prospectus assumes:

- no exercise of the option granted to the underwriters to purchase up to additional ADSs; and
- ADSs will be sold at US\$ per ADS, which is the midpoint of the range set forth on the cover page of this prospectus.

## SUMMARY FINANCIAL AND OTHER INFORMATION

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

The summary statement of income and other comprehensive income and statement of financial position as of and for the years ended December 31, 2020, 2019 and 2018 of the Company are derived from the audited consolidated financial statements included elsewhere in this prospectus. Due to our acquisition of Grupo Las Américas at the end of 2018, our results of operations for the year ended December 31, 2019 are not directly comparable to the year ended December 31, 2018.

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

The following table sets forth our summary consolidated financial data as of and for the years ended December 31, 2020, 2019 and 2018.

	Year ended December 31,			
	2020 (in millions of US\$)(1)	2020	2019	2018
	(in millions of <i>soles</i> )			
<b>Statement of Income and Other Comprehensive Income Data:</b>				
Revenue				
Premiums earned	\$ 147.1	S/566.4	S/522.3	S/467.6
Health care services revenue	182.8	703.7	658.9	229.6
Sales of medicines	45.1	173.7	201.3	164.0
<b>Total revenue from contracts with customers</b>	<b>375.0</b>	<b>1,443.8</b>	<b>1,382.6</b>	<b>861.2</b>
Cost of sales and services	(237.5)	(914.4)	(844.5)	(497.8)
<b>Gross profit</b>	<b>137.5</b>	<b>529.4</b>	<b>538.0</b>	<b>363.4</b>
Selling expenses	(34.6)	(133.1)	(132.5)	(120.7)
Administrative expenses	(71.0)	(273.4)	(236.5)	(154.4)
Loss for impairment of trade receivables	(4.3)	(16.4)	(6.0)	(2.8)
Other expenses	(0.08)	(0.3)	(1.4)	—
Other income	3.1	12.1	5.5	5.3
<b>Operating profit</b>	<b>30.8</b>	<b>118.4</b>	<b>167.1</b>	<b>90.8</b>
Finance income	1.0	3.8	1.5	0.6
Finance costs	(35.5)	(136.7)	(56.1)	(38.2)
<b>Net finance cost</b>	<b>(34.5)</b>	<b>(133.0)</b>	<b>(54.5)</b>	<b>(37.5)</b>
<b>Share of profit of equity-accounted investees</b>	<b>0.3</b>	<b>1.3</b>	<b>2.4</b>	<b>1.0</b>
<b>(Loss) profit before tax</b>	<b>(3.4)</b>	<b>(13.2)</b>	<b>115.1</b>	<b>54.2</b>
Income tax expense	2.0	7.8	(41.2)	(17.5)
<b>(Loss) profit for the year</b>	<b>\$ (1.4)</b>	<b>S/(5.4)</b>	<b>S/73.9</b>	<b>S/36.6</b>

(1) Calculated based on an exchange rate of S/3.8498 to US\$1.00 as of June 30, 2021.

	As of December 31,			
	2020 (in millions of US\$)(1)	2020	2019	2018
	(in millions of soles)			
<b>Statement of Financial Position Data:</b>				
Cash and cash equivalents	\$ 89.2	S/ 343.5	S/ 36.1	S/ 110.9
Total assets	688.6	2,651.1	1,891.3	1,740.1
Total liabilities	519.2	1,999.0	1,312.5	1,206.8
Total equity	169.4	652.1	578.8	533.3

(1) Calculated based on an exchange rate of S/3.8498 to US\$1.00 as of June 30, 2021.

	Year ended December 31,			
	2020 (in millions of US\$)(1)	2020	2019	2018
	(in millions of soles)			
<b>Segment Financial Data:</b>				
Revenue				
Oncosalud Peru:	\$ 171.2	S/ 659.1	S/ 591.9	S/ 530.6
Healthcare Services in Peru:	\$ 123.7	S/ 476.4	S/ 469.9	S/ 405.3
Healthcare Services in Colombia(2):	\$ 109.0	S/ 419.6	S/ 409.4	S/ 4.8
Operating profit				
Oncosalud Peru:	\$ 28.3	S/ 109.0	S/ 106.8	S/ 78.4
Healthcare Services in Peru:	\$ (4.0)	S/ (15.4)	S/ 22.3	S/ 16.4
Healthcare Services in Colombia(2):	\$ 6.3	S/ 24.2	S/ 42.5	S/ (0.6)
(Loss) profit before tax				
Oncosalud Peru:	\$ 22.6	S/ 87.0	S/ 97.0	S/ 60.2
Healthcare Services in Peru:	\$ (7.0)	S/ (27.0)	S/ 15.1	S/ 11.9
Healthcare Services in Colombia(2):	\$ (14.8)	S/ (56.9)	S/ 11.4	S/ (7.4)

(1) Calculated based on an exchange rate of S/3.8498 to US\$1.00 as of June 30, 2021.

(2) We acquired Grupo Las Américas, which constitutes our Healthcare Services in Colombia segment, on December 27, 2018. As a result, we only had five days of results of operations for our Healthcare Services in Colombia segment in 2018.

### Key Performance Indicators

	Year ended December 31,			
	2020 (in millions of US\$)(1)	2020	2019	2018
	(in millions of soles)			
EBITDA(2)	\$ 47.9	S/ 184.4	S/ 226.3	S/ 123.7
Segment EBITDA(3)				
Oncosalud Peru:	\$ 33.2	S/ 128.0	S/ 121.5	S/ 91.0
Healthcare Services in Peru:	\$ 2.1	S/ 7.9	S/ 43.9	S/ 31.9
Healthcare Services in Colombia:	\$ 10.2	S/ 39.3	S/ 58.4	S/ (0.5)
Adjusted EBITDA(4)	\$ 48.4	S/ 186.4	S/ 234.4	S/ 131.5

	Year ended December 31,		
	2020	2019	2018
<b>Oncology Services:</b>			
Number of plan members(5)(6)	830,643	922,945	896,838
Average monthly revenue per plan member(7)	S/ 54.2	S/ 48.1	S/ 44.0
Number of preventive check-ups	57,920	104,898	92,364
Number of patients treated(8)	15,651	14,230	12,646
Medical loss ratio(9)	43.0%	51.9%	52.4%
% of cost of services related to preventive check-ups	4.2%	9.1%	7.3%
% of cost of services related to treatment provided by Oncosalud network facilities	64.3%	66.2%	67.7%
% of cost of services related to treatment provided by Auna Peru network facilities	28.5%	21.8%	21.7%
% of cost of services related to treatment provided outside our networks	3.0%	3.0%	3.2%
<b>Healthcare Services:</b>			
Number of beds(5)			
In Peru:	287	284	282
In Colombia(10):	441	305	—
Number of patients treated(11)			
In Peru:	184,094	198,664	175,605
In Colombia(10):	263,660	246,864	—
Average revenue per patient			
In Peru:	S/ 2,588	S/ 2,365	S/ 2,307
In Colombia(10):	S/ 1,591	S/ 1,659	S/ —
Total number of outpatient consultations			
In Peru:	367,836	541,934	459,407
In Colombia(10):	59,342	54,044	—
Total number of emergency treatments			
In Peru:	76,532	113,519	98,359
In Colombia(10):	65,725	62,743	—
Total number of days hospitalized(12)			
In Peru:	56,552	58,046	56,314
In Colombia(10):	120,771	88,783	—

(1) Calculated based on an exchange rate of S/3.8498 to US\$1.00 as of June 30, 2021.

(2) EBITDA is a non-GAAP financial measure. See “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following table shows a reconciliation of EBITDA to (loss) profit for the year for each of the years presented.

	Year ended December 31,			
	2020	2020	2019	2018
	(in millions of US\$)(1)	(in millions of soles)		
(Loss) profit for the year	\$ (1.4)	S/ (5.4)	S/ 73.9	S/ 36.6
Income tax expense	(2.0)	(7.8)	41.2	17.5
Net finance cost	34.5	133.0	54.5	37.5
Depreciation and amortization	16.8	64.7	56.7	32.0
<b>EBITDA</b>	<b>\$ 47.9</b>	<b>S/ 184.4</b>	<b>S/ 226.3</b>	<b>S/ 123.7</b>

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

	Year ended December 31, 2020			
	Oncosalud Peru	Healthcare Services in Peru	Healthcare Services in Colombia	Total Reportable Segments(a)
	(in millions of soles)			
(Loss) profit before tax	S/ 87.0	S/ (27.0)	S/ (56.9)	S/ 3.1
Net finance cost(b)	22.3	11.7	82.1	116.1
Depreciation and amortization	18.7	23.3	14.1	56.1
<b>Segment EBITDA</b>	<b>S/ 128.0</b>	<b>S/ 7.9</b>	<b>S/ 39.3</b>	<b>S/ 175.3</b>

	Year ended December 31, 2019			
	Oncosalud Peru	Healthcare Services in Peru	Healthcare Services in Colombia	Total Reportable Segments(a)
	(in millions of soles)			
(Loss) profit before tax	S/ 97.0	S/ 15.1	S/ 11.4	S/ 123.5
Net finance cost(b)	10.8	7.3	32.4	50.5
Depreciation and amortization	13.7	21.5	14.5	49.7
<b>Segment EBITDA</b>	<b>S/ 121.5</b>	<b>S/ 43.9</b>	<b>S/ 58.4</b>	<b>S/ 223.7</b>

	Year ended December 31, 2018			
	Oncosalud Peru	Healthcare Services in Peru	Healthcare Services in Colombia	Total Reportable Segments(a)
	(in millions of soles)			
(Loss) profit before tax	S/ 60.2	S/ 11.9	S/ (7.4)	S/ 64.7
Net finance cost(b)	19.1	4.4	6.8	30.3
Depreciation and amortization	11.6	15.5	0.1	27.2
<b>Segment EBITDA</b>	<b>S/ 91.0</b>	<b>S/ 31.9</b>	<b>S/ (0.5)</b>	<b>S/ 122.2</b>

- (4) Adjusted EBITDA is a non-GAAP financial measure. See “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following table shows a reconciliation of Adjusted EBITDA to (loss) profit for the year for each of the years presented.

	Year ended December 31,			
	2020	2020	2019	2018
	(in millions of US\$)(1)	(in millions of soles)		
(Loss) profit for the year	\$ (1.4)	S/ (5.4)	S/ 73.9	S/ 36.6
Income tax expense	(2.0)	(7.8)	41.2	17.5
Net finance cost	34.5	133.0	54.5	37.5
Depreciation and amortization	16.8	64.7	56.7	32.0
Pre-operating expenses(a)	0.9	3.4	1.8	0.7
Business development expenses(b)	1.0	4.0	1.2	7.0
Retention bonus for doctors(c)	(0.3)	(1.0)	3.7	—
Change in fair value of assets held for sale(d)	—	—	0.5	—
Loss on sale of investments in associates(e)	—	—	0.9	—
Gain from purchase(f)	(1.2)	(4.5)	—	—
<b>Adjusted EBITDA</b>	<b>\$ 48.4</b>	<b>S/ 186.4</b>	<b>S/ 234.4</b>	<b>S/ 131.5</b>

- (a) Pre-operating expenses consist of legal and administrative expenses incurred in connection with projects under construction, such as the new hospital in Chiclayo, costs relating to the Torre Trecca PPP and legal and administrative expenses incurred in connection with the acquisition of land banks for future projects.
- (b) Business development expenses consist of expenses incurred in connection with projects for the expansion into new markets, including through greenfield projects and M&A activity. In 2018 and 2019 these expenses were related to the acquisition of Grupo Las Américas, including legal fees.
- (c) Retention bonus for doctors employed by Grupo Las Américas to secure their continued employment by Auna during the first year of operations after the acquisition of Grupo Las Américas.
- (d) Change in fair value of assets held for sale consists of the change in fair value of certain land held for sale by Grupo Las Américas at the time of its acquisition by Auna.
- (e) Loss on sale of investments in associates consists of losses incurred in connection with the sale of our stake in Hospital en Casa S.A., a company in which we acquired a minority stake through the acquisition of Grupo Las Américas.
- (f) Gain on bargain purchase for the acquisition of Clínica Portoazul resulting from purchase price adjustments pursuant to the acquisition agreement. See Note 1 to our audited consolidated financial statements included elsewhere in this prospectus.
- (5) As of year-end.
- (6) Includes active plan members as well as plan members that have not paid monthly fees due on their plans for up to three months, during which time their plans remain active. Once such three-month period has passed, their plans are terminated and they are not included in our total number of plan members. As of December 31, 2020, we had 800,828 active members and 29,815 inactive members.
- (7) Total revenue for the year corresponding to premiums earned in the Oncosalud Peru segment divided by the average number of plan members during the period, divided by the number of months in the period.
- (8) Number of individual plan members receiving treatment for cancer during the year, which may include multiple instances of treatment per plan member.
- (9) MLR is calculated as (i) claims for medical treatment generated by our prepaid oncology plans plus (ii) technical reserves relating to plan members treated pursuant to such plans, whether at our facilities or third-party facilities, divided by revenue generated by our prepaid oncology plans.

- (10) We acquired Grupo Las Américas on December 27, 2018. The information in this table for the year ended December 31, 2018, as it relates to Grupo Las Américas, is based on data provided to the Company by Grupo Las Américas. We believe it is reliable, but it does not form part of our consolidated operating history. We acquired Clínica Portoazul, which has added 148 beds to our Auna Colombia network, in September 2020 and as such, the information in this table does not include data for Clínica Portoazul.
- (11) Number of individual patients that received healthcare treatment during the year, which may include multiple instances of treatment per plan member.
- (12) Total number of days in which any of our beds had a hospitalized patient.

## RISK FACTORS

*Investing in our ADSs involves a significant degree of risk. The material risks and uncertainties that management believes affect us are described below. Before investing in the ADSs, you should carefully consider the risks and uncertainties described below in addition to the other information contained in this prospectus. In general, investing in the securities of issuers in emerging market countries, such as Peru, involves a higher degree of risk than investing in the securities of issuers whose operations are located in the United States or other more developed countries. Any of the following risks, alone or together with risks and uncertainties that we do not know or currently deem immaterial, could have a material adverse effect on our business, financial condition, results of operations or prospects. As a result, the trading price of the ADSs could decline, and you could lose some or all of your investment. When determining whether to invest, you should consider all of the information in this prospectus, including our financial statements and the notes thereto. Further, the risk factors below include cautionary statements identifying important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. See “Forward-Looking Statements.”*

### **Risks Related to Our Business**

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

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

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

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

Our operating results depend in large part on our ability to estimate and control the future costs involved in providing healthcare services at our hospitals and clinics. According to data published by the *Instituto Nacional de Estadística e Informática* (“INEI”) in Peru and the *Departamento Administrativo Nacional de Estadística* in Colombia, healthcare costs increased in Peru and Colombia by 3.4% and 5.0%, respectively, during 2020.

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

- increased cost of medical supplies, including pharmaceuticals, whether due to demand, inflation or otherwise;
- the cost of acquiring new equipment and technologies, or upgrading existing equipment and technologies, needed to provide our services;
- annual renegotiations of contracts with insurance providers and their ability to pay for our healthcare services; and
- periodic renegotiations of contracts with doctors and medical support personnel as well as other medical services providers and suppliers.

Many of these factors are outside of our control. In addition, certain aspects of our growth strategy may also result in increased operating expenditures, such as opening new facilities or hiring additional personnel, which may not be offset by an increase in our revenue, resulting in diminished operating margins.

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

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

***Our business has been and continues to be negatively impacted by the COVID-19 pandemic.***

Since December 2019, a novel strain of coronavirus (COVID-19) has spread around the world, including in Peru and Colombia. The Peruvian government closed its international borders and ordered an initial national lockdown on March 16, 2020 that lasted until June 30, 2020. In connection with the lockdown, all non-essential businesses were ordered to close. On July 1, 2020, the national lockdown was lifted and non-essential businesses gradually reopened; however, as a result of a subsequent increase in COVID-19 cases, on January 26, 2021, the Peruvian government announced new measures which applied to regions based on the region's classification from high, very high and extreme. These measures included quarantines, limitation of activities, suspension of inter-provincial land trips and curfews. Auna's activities are mainly carried out in the department of Lima, Peru, which was originally classified as extreme and was subsequently classified as high. On August 14, 2021, the Peruvian government declared an extension of these measures, which will become effective on September 3, 2021, until March 1, 2022. Furthermore, as the economy gradually recovers, Peru continues to be one of the countries with the highest mortality rates from COVID-19. Similarly, the Colombian government closed its borders and ordered a national lockdown on March 25, 2020 until August 31, 2020. However, at the end of August 2020, it announced a selective quarantine phase from September 1, 2020 until November 30, 2020. The lockdowns in Peru and Colombia effectively restricted nearly all economic activity in both countries, significantly impacting both the financial and operating performance of our business.

Our hospitals in Peru and Colombia are essential businesses, however, as a result of the pandemic, we were ordered to cancel all elective, non-emergency procedures and outpatient consultations in Peru and Colombia,

restricting our services to emergency care only for the duration of the lockdowns. As a result, revenue from our Healthcare Services in Peru and Healthcare Services in Colombia segments presented a low level of growth of 1.4% and 2.5%, respectively, for the year ended December 31, 2020 compared to the year ended December 31, 2019. We have also seen a significant increase in the cost of sales and services throughout 2020 due to an increase in the purchase of gloves, masks and other personal protective equipment for all medical and administrative personnel who are in direct patient contact. At the same time, we have seen an increase in the prices of personal protective equipment, which has been in short supply around the world. In addition, we have experienced staffing shortages at our hospitals and clinics as medical personnel, working on the front lines, have contracted COVID-19 at high rates. We have covered these shortages by hiring temporary personnel and granting special bonuses to medical personnel caring for patients with COVID-19, which has increased our labor-related costs. As a result of increased costs, gross profit in our Healthcare Services in Peru and Healthcare Services in Colombia segments decreased 25.4% and 8.5%, respectively, for the year ended December 31, 2020 compared to the year ended December 31, 2019.

Moreover, the healthcare systems in several countries, including Peru and Colombia, have been overwhelmed with hospitals lacking the supply and personnel to treat the influx of COVID-19 patients and there have been several reports in the media containing misinformation about COVID-19 testing and COVID-19 treatment. As a result, we have seen public trust in healthcare facilities decline more broadly. Although such conditions have not been present in our facilities as of the date of this prospectus, if such conditions occur in our facilities and we have difficulty treating the influx of patients, we may face claims for damages and experience reputational damage and loss of public trust in the quality of our healthcare services.

The COVID-19 pandemic has also led to disruption of regional and global economic activity, and to volatility and a downturn in the financial markets, which is expected to continue at least in the near term. In our Oncosalud segment, we have seen a decline in sales of our prepaid oncology plans as much of our sales force is working from home and our sales channels gradually adjusted to virtual sales. The disruption has also led to a significant increase in unemployment and discretionary expenses and as a result, we have seen an increase in the number of plan members cancelling their plans, which led to a 10% decrease in our number of plan members from 922,945 in December 2019 to 830,643 in December 2020. Plan members cancelling plans were primarily younger members who are at less risk of developing cancer. Because plan prices increase by age, this demographic trend had a positive impact on our segment revenue during the first half of the year and acted as an offset to other declines. We cannot predict whether the changes in the demographics of our plan members and Peruvian government policies in response to COVID-19 will continue to have a similar offsetting impact going forward. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Impact of COVID-19” for more detail.

We took certain measures in 2020 to bolster our capital position as a result of the economic uncertainty. For example, four of our subsidiaries, Medic Ser S.A.C. (“MedicSer”) (Clínica Delgado), Oncocenter Perú S.A.C. (“Oncocenter”), Oncosalud S.A.C. and GSP Servicios Generales S.A.C. (“GSP Servicios Generales”), each applied for and received a loan of S/10 million and Clínica Vallesur S.A. applied for and received a loan of S/7.5 million, in each case under a loan relief program offered by the Peruvian government in response to the COVID-19 pandemic. In addition, our subsidiaries Grupo Las Américas and Instituto de Cancerología S.A.S. applied for and received loans of COP12,837.0 million and COP4,069.0 million, respectively, under a loan relief program offered by the Colombian government in response to the COVID-19 pandemic. On November 20, 2020, we issued US\$300 million aggregate principal amount of 6.500% Senior Notes due 2025 (the “2025 Notes”). We used the net proceeds from the issuance of the 2025 Notes to repay US\$255.9 million of indebtedness outstanding under the Credit Agreements and other facilities, including COVID-19 loans received from the Peruvian government and for general corporate purposes, including payment of dividends.

Due to the nature of COVID-19 treatments, we shifted some of our capital expenditure budget to address the necessity for additional ventilators and adequate temporary isolation units in some of our clinics, including refitting of our Bellavista and Guardia Civil hospitals. While our capital expenditure projects were also delayed during lockdowns, we resumed our organic projects during the second half of 2020 and as of the date of this prospectus we expect to inaugurate three projects in Peru and one project in Colombia during 2021.

The extent to which the COVID-19 pandemic impacts our business, results of operations, liquidity and financial condition will depend on the duration and severity of the pandemic and the level of continued disruption to regional and global economic activity, which are impossible to predict at this time. Future developments with respect to COVID-19 are highly uncertain and new information may emerge concerning the severity of the COVID-19 pandemic and the actions necessary to mitigate or contain its impact. While such actions may be relaxed or rolled back if and when COVID-19 abates, the actions may be reinstated as the pandemic continues to evolve. The scope and timing of any such reinstatements is difficult to predict and may continue to materially affect our financial and operating performance in the future.

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

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

Any future pandemic, epidemic, outbreak of a contagious disease or other public health crisis could similarly disrupt our operations, diminish the public trust in our healthcare services, especially if we fail to accurately or timely diagnose any future contagious diseases and adversely affect our business, financial condition and results of operations. In addition, the introduction of new laws and regulations, or changes to existing ones, as a response to COVID-19 or a future pandemic, epidemic or public health crisis is difficult to predict and could materially affect our business. Our facilities could also be affected by the withdrawal of licenses, permits or authorizations as a result of a pandemic, epidemic or outbreak. Although we have disaster plans in place and operate pursuant to infectious disease protocols, the potential impact of a pandemic, epidemic or outbreak of a contagious disease with respect to our markets or our facilities is difficult to predict and could adversely impact our business.

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

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

As an emerging growth company, we currently are not required to comply with the Sarbanes-Oxley Act. As a result, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act. Had we or our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified. The report on the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 will not be required until our annual report on Form 20-F following the date on which we cease to qualify as an "emerging growth company," which may be up to five full fiscal years following the date of this offering.

The material weaknesses identified in our internal controls relate to (i) the adequacy of our information technology (“IT”) security management, including segregation of duties and access and privileged users, (ii) the comprehensiveness of our accounting policies and procedures manuals and (iii) the formalization of controls in key areas of the accounting process, including relating to the documentation and implementation of IFRS reporting requirements. If these weaknesses are not remediated, they could result in material misstatements in our annual or interim financial statements.

We have made progress on remediation of the aforementioned weaknesses, including: (i) implementing a segregation of duties and privileged users’ activities monitoring in our SAP RP systems, including having an information security officer and currently implementing a cybersecurity roadmap based on industry best practices; (ii) updating all of our accounting policies and procedures manuals according to current IFRS reporting requirements with the support of a Big Four accounting firm; and (iii) deploying an internal project for the implementation of our internal control over financial reporting based on Sarbanes-Oxley 404 standards (we have completed the control documentation and design assessment phase and are currently in the internal testing phase).

These remediation steps are monitored by the audit and risk committee and senior management.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.

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

During 2020, in our healthcare services business in Peru and Colombia, 79% of payments came from third-party insurance providers, including the Peruvian and Colombian governments, and 21% were paid out-of-pocket by our patients. In Peru, our accounts receivable are typically collected in an average of 105 days whereas in Colombia, these are typically collected in 157 days. An increase in this timing can significantly impact our ability to convert recognized revenue into payments, lengthening our cash conversion cycle. In addition, certain of our principal third-party payers also run their own hospital networks and therefore compete with us. See “—We face competition in a fragmented market like Peru and Colombia, from our current competitors and from future competitors that might enter the sector.”

In Peru, a facility must be included on an insurance provider’s approved list of healthcare facilities for an individual to be reimbursed for the services they receive at that facility. We negotiate with private insurance providers to ensure that we are on their list of approved facilities and to agree on the prices at which we are reimbursed for services provided to their plan members. As a large hospital network with one of the premier hospitals in Lima and leading hospitals in several other key cities, we have historically been able to renegotiate contracts at favorable rates with insurance providers on an annual basis. However, we expect continued third-party efforts to aggressively manage reimbursement levels and control costs. Moreover, our negotiating position could decline in the future if our brands’ reputation suffers. See “—We depend substantially on our brands’ reputation among our plan members, patients, the medical community and our suppliers in the regions in which we operate.”

In Colombia, approximately 95% of the population receives healthcare insurance through the government’s social security system, the SGSSS. Funds contributed to the SGSSS are administered by a government trust and distributed to private healthcare coverage providers, or EPSs. Changes in the SGSSS in recent years have resulted in limitations on reimbursement and, in some cases, reduced levels of reimbursement for healthcare services. Moreover, payments from SGSSS funds are subject to statutory and regulatory changes, administrative

rulings, interpretations and determinations, requirements for utilization review, and funding restrictions, all of which could materially increase or decrease program payments, as well as negatively affect the cost of providing service to patients and the timing of payments to facilities. We are unable to predict the effect of recent and future policy changes on our operations, and any such changes could have a material adverse effect on us.

In addition, like in Peru, EPSs in Colombia provide plan members with an approved list of facilities and plan members can choose which of those facilities to go to, although under certain circumstances, a plan member can challenge that decision and request to go elsewhere in the EPS' network. If we do not maintain our reputation among EPSs and/or patients as one of the leading healthcare providers in Medellín and Barranquilla, EPSs may choose to send their plan members to, or patients may choose to go to, other facilities, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

In Medellín, where a majority of our Colombian operations are currently located, we face competition from other hospital networks with premium facilities, including San Vicente de Paul, Pablo Tobón Uribe and El Rosario. In Barranquilla, where Clínica Portoazul is located, we also face competition from other hospital networks, including Clínica Iberoamericana (Grupo Keralty/Sanitas), Clínica del Caribe, Organización Clínica General del Norte y Bonnadona. Certain of our competitors may have greater financial resources, be better equipped and offer a broader range of healthcare services than we do. If we are unable to maintain or grow our competitive position in Colombia, our business, financial condition and results of operations may be adversely affected.

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

We believe we have a unique, patient-centric culture that is important to our mission of transforming healthcare in the countries in which we operate. The success and competitive advantage of our hospitals and clinics depends in large part on the number, quality and experience of the physicians and other medical professionals at our facilities, as well as their ability to fit into our culture and our ability to maintain good relations with those professionals. The majority of our physicians in Peru and Colombia are hired on a fee-for-service basis. As a result, and because these arrangements are non-exclusive, there is significant competition between us and our competitors to ensure that the best qualified and most renowned physicians are treating patients at our hospitals. If we are unable to provide high-quality treatment for our patients, ethical and professional standards, adequate support personnel, technologically advanced equipment and facilities and research opportunities that meet their professional needs and goals, our physicians may choose to practice at other facilities. We may not be able to compete with other healthcare providers on some or all of these factors.

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

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

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

We cannot predict the degree to which we will be affected by the future availability or cost of attracting and retaining talented medical support staff. If our general labor and related expenses increase, we may not be able to raise the rates we charge for our services correspondingly. Our failure to either recruit and retain qualified

hospital management, nurses and other medical support personnel or control our labor costs could harm our business, financial condition and results of operations.

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

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

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

In addition, the acquisition of a healthcare provider may require approval of the relevant antitrust regulator, such as the *Superintendencia de Industria y Comercio* (the "SIC") in Colombia. In Peru, entities administering public health insurance funds (*Instituciones Administradoras de Fondos de Aseguramiento en Salud Públicas* or "IAFASs"), such as Oncosalud, must provide written notice to SUSALUD of any transfer of shares within 10 business days from such transfer. In addition, newly enacted legislation in Peru became effective in March 2021 establishing a merger control regime that will require us to comply with antitrust clearance for certain acquisitions. If the relevant regulator delays or withholds its approval for acquisitions in Peru, Colombia or elsewhere, we may not be able to implement our business strategy on a timely basis or grow our operations in the timeframe that we expect, which may have a material adverse effect on our business, financial condition and results of operations.

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

Our strategic growth plan, particularly in Colombia, depends on the acquisition and integration of existing medical care facilities into our network. We may not be able to successfully and efficiently integrate the operations of the facilities we acquire, including their personnel, financial systems, distribution or operating procedures. In 2018, we completed the acquisition of Grupo Las Américas in Medellín, Colombia and in 2020, we completed the acquisition of Clínica Portoazul in Barranquilla, Colombia. The integration process for both acquisitions is ongoing. We may also be unable to retain physicians and other medical support staff, in particular if the acquired facilities are in other countries with different cultures, and our relationship with current and new professionals, including physicians, may be impaired. If we are not able to manage our expanded operations and the corresponding integrations effectively, our business, financial condition and results of operations could be materially adversely affected.

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

In 2010, we entered into an agreement for our first PPP with EsSalud to rebuild Torre Trecca, an outpatient facility (which is currently not in use) providing healthcare services to patients covered through EsSalud, as a

high-rise treatment center, and begin operating it on behalf of EsSalud. There are substantial risks and uncertainties associated with this agreement, and any additional PPPs that we may enter into in the future. For example, we signed our initial agreement with EsSalud in 2010, but have not been able to begin the partnership because approval of certain project milestones and amendments to the relevant concession agreement, which are necessary to make the project viable, remain pending with EsSalud and other government bodies. Once we receive approval of the applicable milestones, we expect it to take 18 to 24 months to rebuild and redevelop the Torre Trecca facility, which is currently not in use, and begin operations. If the relevant Peruvian governmental authorities delay or withhold their approval of the applicable project milestones and amendments to the concession agreement required to start operation of the Torre Trecca PPP, the concession agreement may be terminated. Even if we receive approval to begin operating the PPP, we have not previously operated a PPP, and we may underestimate the level of resources or expertise necessary to make the Torre Trecca partnership, or any future PPPs, successful or to otherwise realize expected benefits. Moreover, given the nature of PPPs, we expect this business, as well as any future PPPs, to generate lower margins than our current business segments have historically generated. In addition, the quality of medical services provided by EsSalud is widely considered deficient and over capacity, and our association with EsSalud and any complaints of the quality of government health services may adversely affect our reputation. We may face similar reputational risks with other PPPs in the future. Our failure to successfully manage these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

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

Our organic growth plan includes building additional hospitals and clinics, in particular in Peru. We are identifying suitable locations in Peru and Colombia for future facilities by considering a number of factors, including regional market size, existing competition and potential strategic partners. There are uncertainties regarding how successfully we can identify the suitable market and obtain required government approvals in a timely manner. We are currently constructing hospitals in Piura and Chiclayo as well as Clínica del Sur in Colombia. In addition, we consider the expansion of our existing facilities to be an important part of our organic growth plan and we are currently working on expanding Clínica Delgado and Clínica Vallesur in Arequipa, Peru.

While we believe our Auna Model provides an effective framework for building and expanding our facilities, our current and future construction projects are and will be subject to a number of risks, including:

- engineering problems, including defective plans and specifications;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;
- disputes with, defaults by, or delays caused by contractors and subcontractors and other counterparties;
- environmental, health and safety issues, including site accidents and the spread of viruses;
- fires, earthquakes, adverse weather events and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

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

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

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

Our revenue has experienced substantial growth since 2008 and our strategy is to continue to grow our operations, through organic and inorganic growth. However, we may not be able to continue to grow at a rate consistent with our recent performance or to continue growing at all in the future due to factors beyond our control. For example, we expect gross domestic product (“GDP”) growth to continue to slow in Peru and Colombia in 2021 as compared to years before 2020, in particular as a result of the COVID-19 pandemic, which could affect healthcare spending in these countries. Our growth could also be impacted by changes in laws or regulations or delays in construction or acquisition of new facilities, any of which could make the execution of our strategic growth plan more difficult. In addition, as we grow our business, we will need to expand our internal controls and administrative and IT systems, among other functions, and hire additional personnel to continue effectively operating our business. The market for qualified personnel that are able to fill management and key operational roles is highly competitive in Peru and Colombia due to the limited number of professionals that have the requisite training and experience, and we may be unable to hire sufficient qualified personnel to support our growth. Demand for qualified personnel may also increase as a result of the COVID-19 pandemic. Any inability to adequately scale our operations to meet the increased size of our business may have a material adverse effect on our ability to continue growing our business and/or on our financial condition or results of operations.

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

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

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

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

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

A substantial portion of the medical equipment, medicines and other supplies used in our hospitals and clinics is highly complex and produced by a limited number of suppliers. For example, we purchased 71% and 52% of our medicines and 43% and 14% of other medical supplies in Peru and Colombia, respectively, from our 10 largest suppliers in of 2020 via purchase orders, and whose commercial terms are renegotiated annually. In addition, in many instances, there are only a small number of suppliers that provide a particular type of medicine or other supplies, which increases their bargaining power. Any interruption in the supply of medical equipment, medicines or other supplies from these suppliers, including as a result of the failure by any of these suppliers to obtain required third-party consents and licenses for production or import/clearance, may compromise our ability to provide effective and adequate services in our hospitals and clinics, which could have a material adverse effect on our business and on the market value of the ADSs.

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

We are subject to extensive legislation and regulations in Peru and Colombia, including in relation to the provision of healthcare services and prepaid healthcare plans, environmental protection, health surveillance and workplace safety and management of waste by a variety of national, regional and local governmental authorities, and we are supervised by a number of governmental bodies and agencies. The regular functioning of hospitals and clinics depends, among other things, on obtaining and maintaining valid registrations, licenses, authorizations, grants and permits for installation and operations, including for the sale of medicines and the operation of medical equipment, as well as for the collection, deposit or storage of products; utilization of equipment; import of merchandise and biological materials; handling, treatment, transport and disposal of contaminant wastes, radioactive materials and controlled chemical products; and use of water resources (including installing wells to supply water and disposing of wastewater in accordance with applicable laws and regulations). Moreover, as a provider of prepaid healthcare plans in Peru, we are subject to various economic and financial related regulations, including minimum capital requirements, investment requirements and limitations on asset allocations and indebtedness, among others. We are subject to government inquiries, inspections and audits from time to time. For example, in August and September 2020, the Peruvian National Institute for the Defense of Competition and the Protection of Intellectual Property (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual*) (“INDECOPI”) began inquiries in order to assess if private clinics, such as us, have been involved in horizontal collusion in connection with the prices of medicines and sanitary equipment. We are fully cooperating with these inquiries. We are unable to predict the effect of the conclusion of such inquiries on our operations, and if any such consequences of those inquiries could have a material effect on us. If we fail to comply with applicable laws and regulations, if such laws or regulations change in a manner adverse to us or if we cannot maintain, renew or secure required registrations, permits, licenses or other necessary regulatory approvals, we may be unable to operate our business, suffer administrative penalties, civil liability and criminal charges and fines, have our registration or operating license suspended or revoked, or incur additional liabilities from third-party claims, any of which may also have a negative impact on our brand and reputation. For example, in 2017, the competent environmental authority of Medellín’s Metropolitan Area (*Área Metropolitana del Valle de Aburrá*) (“AMVA”) alleged that Grupo Las Américas, along with other healthcare facilities, needed to comply with certain newly implemented requirements for processing and disposing wastewater. Grupo Las Américas has implemented the necessary procedures and we believe it is currently in compliance with such requirements based on a third party report. If Grupo Las Américas or other facilities in our Auna Colombia network fail to comply with regulations related to the processing of wastewater in the future, AMVA may initiate administrative proceedings and ultimately, issue sanctions against us. See “Industry—Regulation of the Colombian Healthcare Sector—Environmental Regulations.” No assurance can be given that any investigations, proceedings or penalties will not occur and will not materially and adversely affect our businesses and results of operations and financial conditions with respect to our recently acquired businesses or any of our other businesses.

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

We cannot ensure that the Peruvian and Colombian legislation and regulations applicable to our industry will not become more severe or subject us to greater costs in the future, or that the Peruvian and Colombian authorities or regulatory agencies will not adopt more restrictive or more rigorous interpretations of existing laws and regulations, including with respect to obtaining and renewing the licenses, permits and registrations, or the environmental, solvency, minimum capital, health surveillance and workplace safety laws and regulations to which we are subject. For instance, in December 2019, the Peruvian government began requiring that all pharmacies carry generic versions of medicines appearing on a list published by MINSA, which currently includes 34 medicines, with the goal of giving patients the option to purchase lower cost alternatives of common medicines at every pharmacy. In addition, around the same time, an emergency decree established that uninsured Peruvians will be able to access the SIS regardless of their socioeconomic classification. We are unable to predict the effect of recent and future policy changes on our operations, and any such changes could have a material adverse effect on us.

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

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

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

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

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

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

We and our healthcare professionals are subject to medical malpractice lawsuits, product liability lawsuits and other legal actions in the ordinary course of business. Some of these actions may involve large claims, as well as significant defense costs and potential reputational damage. We cannot predict the outcome of these lawsuits or the effect that findings in such lawsuits may have on us. In an effort to resolve one or more of these matters, we may choose to negotiate a settlement, which may have negative implications. Amounts we pay to settle any of these matters may be material. All professional and general liability insurance we purchase is subject to policy limitations. We believe that, based on our past experience, our insurance coverage is adequate considering the claims arising from the operations of our hospitals, clinics and oncology plans. While we

continuously monitor our coverage, our ultimate liability for professional and general liability claims could change materially from our current estimates. If such policy limitations are partially or fully exhausted in the future, or payments of claims exceed our estimates or are not covered by our insurance, it could have a material adverse effect on our business, financial condition and results of operations. See “—Our insurance policies may be insufficient to cover potential losses.”

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

We are regularly party to litigation and other legal proceedings relating to claims resulting from our operations in the normal course of business. These matters have included or could in the future include matters related to Oncosalud’s healthcare benefits coverage and other payment claims (including disputes with plan members, physicians, other healthcare professionals and members of its salesforce), tort claims (including claims related to the delivery of healthcare services, such as claims of medical malpractice by medical professionals employed by us or physicians with whom we have a contractual relationship), labor claims (including disputes with employees, former employees and independent contractors) and administrative and regulatory claims (including retroactive tax claims or challenges arising out of our failure or alleged failure to comply with applicable laws and regulations). In addition, we have certain ongoing lawsuits, which include claims against Grupo Las Américas, relating to events that took place prior to our acquisition of Grupo Las Américas. Pursuant to the share purchase agreement we entered into in connection with the acquisition, the sellers contributed an amount in cash to an escrow account to cover these claims. At this time, the amounts held in escrow cover what we believe is our potential exposure pursuant to these ongoing proceedings. However, if additional claims are asserted against us as a result of our acquisition of Grupo Las Américas and one or more of these claims results in an adverse decision against us, these amounts may not be sufficient to cover our exposure. In addition, the interpretation and enforcement of certain provisions of our existing or any future agreements (including those related to force majeure clauses in the context of pandemics) may result in disputes among us and our patients or third parties. Litigation and other legal proceedings are subject to inherent uncertainties, and unfavorable rulings may occur. We cannot assure you that the legal, labor, administrative and regulatory proceedings in which we are or may become involved will not materially and adversely affect our ability to conduct our business in the manner that we expect, or otherwise adversely affect our business, financial condition and results of operations. See “Business—Legal Proceedings.”

***Our insurance policies may be insufficient to cover potential losses.***

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

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

Our business operations and current and future arrangements with medical professionals, third-party payers, plan members and patients expose us to various laws and regulations protecting the privacy and security of health information and personal data, including personal data protection laws in Peru and Colombia. We have made significant investments in technology to adopt and utilize electronic health records and to become meaningful

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

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

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

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

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

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

Our board of directors has the ultimate responsibility for liquidity risk management. It has established an appropriate framework allowing our management to handle financing requirements for the short-, medium- and long-term. As of December 31, 2020, we had working capital of S/269.5 million (US\$70.0 million). Our management believes that our available cash and cash equivalents and cash flows expected to be generated from operations and borrowings available to us under our revolving credit lines, will be adequate to satisfy our capital expenditure and liquidity needs for the foreseeable future. However, we may require additional capital in the form of additional debt or equity to meet our long-term objectives relating to the expansion of our business. As a result, we may have negative working capital from time to time. It may be difficult for us to obtain additional financing in the future, on acceptable terms or at all, given that all of our assets are currently collateralized. If we are unable to access the capital markets to finance our operations in the future, this could adversely affect our ability to obtain additional capital to grow our business and have an adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

***We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to pay dividends to you will depend on the ability of our subsidiaries to pay dividends and make other distributions to us.***

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

Furthermore, we have certain existing indebtedness, and may incur additional indebtedness or enter into other arrangements in the future, that contain terms that restrict or prohibit our subsidiaries from paying dividends, making other distributions and making loans to us. The restrictions on these subsidiaries' ability to pay dividends to us have not to date had a material impact on our liquidity or our ability to pay dividends to our shareholders because several of our key operating subsidiaries remain able to pay dividends to us. However, we cannot assure you that we will not need to take out additional loans under these programs in the future, or that the agreements governing our existing or future indebtedness will permit them to provide us with sufficient dividends or distributions or permit us to loan money or enter into other similar arrangements to fund dividend payments.

To the extent our subsidiaries do not have funds available or are otherwise restricted from paying dividends to us, our ability to pay dividends to our shareholders will be adversely affected.

***Our indebtedness could adversely affect our financial condition and ability to operate our business.***

As of December 31, 2020, we had S/1,208.7 million of long-term debt outstanding. Our indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences for our business. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in an event of default under the agreements governing such indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, business development and other purposes;
- compromise our ability to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors, due to our debt and the restrictive covenants in the indenture that governs our 2025 Notes and the Chiclayo Hospital Financing Agreement;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions and other corporate purposes;
- prevent us from raising the funds necessary to repurchase all the notes tendered to us upon the occurrence of certain changes of control, which would constitute a default under the agreements governing such indebtedness;
- limit our ability to redeem, repurchase, defease or otherwise acquire or retire for value any subordinated indebtedness we may incur; and
- limit our ability to pay dividends.

These restrictions could adversely affect our financial condition and limit our ability to successfully implement our growth strategy.

In addition, we may need additional financing to support our business and pursue our growth strategy, including for strategic acquisitions. Our ability to obtain additional financing, if and when required, will depend on investor demand, our operating performance, the condition of the capital markets and other factors. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to those of our common stock, and, in the case of equity and equity-linked securities, our existing stockholders may experience dilution.

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

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

## Risks Relating to Peru and Colombia

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

We derived 70.9% of our revenues from operations in Peru in 2020. As such, our results of operations are substantially dependent on the ability of patients in Peru to pay for services at our hospitals and clinics and our oncology plans. Our business, financial condition and results of operations could be affected by changes in economic and other policies of the Peruvian government (which has exercised and continues to exercise substantial influence over many aspects of the private sector) and by other economic and political developments in Peru, including devaluation, currency exchange controls, inflation, economic downturns, corruption scandals, social unrest and terrorism.

Peru has experienced political instability from time to time, spanning a succession of regimes with differing economic policies and programs. Although Peru has been widely considered a stable democracy in recent years, on September 30, 2019, President Martin Vizcarra took executive action to dissolve the Peruvian Congress and called for a new election of congressional members, giving rise to a protracted period of political crisis. On January 14, 2020, the Peruvian Constitutional Court ruled on a constitutional action challenging President Vizcarra's closing of Congress, declaring the executive action to be constitutionally and legally valid. Congressional elections were held to form a new Congress, which was highly fragmented. In the aftermath of these elections, the Peruvian executive and legislative branches have been at odds over several important economic and social measures, including initiatives to address the economic and social impacts of the COVID-19 pandemic on Peru. In October 2020, a group of congressmen introduced a motion to hold impeachment proceedings against President Vizcarra on the basis of allegations that he received illicit payments from construction companies when he was the governor of Moquegua between 2011 and 2014. In November 2020, Congress approved the impeachment and, because Peru did not have any designated Vice President at such time, the then-President of Congress, Manuel Merino, assumed the role of acting President. Following multiple protests across the country, Merino resigned from his role as acting President, and Congress selected congressman Francisco Rafael Sagasti Hochhausler as president of Congress, and therefore as acting President.

Peru's general elections to elect a new president and all 130 members of Congress for the 2021-2026 period were held on April 11, 2021 and resulted in increased economic uncertainty and a climate of intense political polarization. Since no presidential candidate achieved an outright majority, a run-off election was held on June 6, 2021, leading to the election of Pedro Castillo Terrones, a member of the left-wing Peru Libre party. The new government took office on July 28, 2021, and will face challenges in aligning initiatives with and obtaining support from Congress, in which no political party has achieved clear majority and which, with at least ten political parties holding minority representations, is highly fragmented. In his first official speech, Castillo made clear his interest in a left turn in economic matters, granting the State a greater participation in the economy. While he reaffirmed that his government will not expropriate or nationalize private businesses and will not impose price or FX controls, he reiterated his intention to draft a new Constitution through a Constituent Assembly, which would include a change in the economic model in order to shift from a generally passive and subsidiary role to granting the State a more active role in the economy. Moreover, Castillo appointed an ideologically-charged and inexperienced cabinet and a prime minister very much aligned with the radical left faction of the Peru Libre party, indicating Castillo's intention to confront Congress, where his party has little representation and faces an ironclad opposition, and exacerbating fears of further tensions between powers in the coming months. Although the President of the Peruvian Central Bank, Julio Velarde, recently agreed to remain in his post and it is expected that his continued presence will help preserve a sense of stability at a time of acute market volatility due to uncertainties over Castillo's policies, we cannot guarantee that we will remain in this position nor that the Castillo administration will continue to pursue business-friendly and open-market economic policies that stimulate economic growth and stability, a key feature of the Peruvian economy over the past 30 years. Moreover, the political instability that may result from Castillo's policies could materially adversely affect the Peruvian economy, our business, financial condition, results of operations and cash flows.

Until the recent political crisis, Peru has experienced a period of relative economic and political stability since the early 2000s. Peru's GDP growth rates, low inflation, and external surplus reflect, in part, the strength of the fundamentals of Peru's economy. However, a deterioration of the global economy, including as a result of the global coronavirus outbreak, or a sharp decrease in commodity prices may adversely affect Peru's economy. In addition, an economic contraction or weak economic growth in Peru's trading partners may have an adverse effect on Peru's economy. Despite Peru's ongoing economic growth and stabilization, the social and political tensions and high levels of poverty and unemployment continue. Future government policies to preempt or respond to social unrest could include, among other things, expropriation, nationalization, suspension of the enforcement of creditors' rights and new taxation policies. There can be no assurance that Peru will not face political, economic or social problems in the future or that these problems will not adversely affect our business, financial condition and results of operations.

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

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

In 2020, we derived 29.1% of our revenues from operations in Colombia. As such, our results of operations are substantially dependent on the ability of patients in Colombia to pay for services at our hospitals and clinics. Decreases in the economic growth rate, periods of negative growth, increases in inflation, changes in law, regulation, policy, or future judicial rulings and interpretations of policies involving exchange controls and other matters such as (but not limited to) currency depreciation, inflation, interest rates, taxation, banking laws and regulations and other political or economic developments in or affecting Colombia may affect the overall business environment and may, in turn, impact our financial condition and results of operations.

Colombia's central government fiscal deficit and growing public debt could adversely affect the Colombian economy. The Colombian fiscal deficit was 7.8% of GDP in 2020, 2.5% of GDP in 2019 and 3.1% of GDP in 2018. According to projections published in March 2021 by the Ministry of Finance and Public Credit, the Colombian government expects a fiscal deficit of 8.6% of GDP for the year 2021. In 2020, the Colombian economy deteriorated as a result of the COVID-19 pandemic and the collapse in oil prices in April 2020. If the Colombian economy continues to deteriorate as a result of these or other factors, our business, results of operations and financial condition could be adversely affected. The Colombian government frequently intervenes in Colombia's economy and from time to time makes significant changes in monetary, fiscal and regulatory policy. In addition, Colombia held presidential elections in May 2018 with runoffs in June 2018. Iván Duque Márquez was elected president and took office in August 2018. In November 2019, a national protest movement erupted demanding that the Colombian government invest in social measures and turn away from fostering big business, among other demands. We cannot predict what policies will be adopted by the Colombian government and whether those policies would have a negative impact on the Colombian economy or our business and financial performance. Our business and results of operations or financial condition may be adversely affected by changes in government or fiscal policies, and other political, diplomatic, social and economic developments that may affect Colombia.

Furthermore, Colombia has suffered from periods of widespread criminal violence over the past four decades, primarily due to the activities of guerrilla groups such as the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*) (the "FARC"), paramilitary groups and drug cartels. In regions of the country with limited governmental presence, these groups have exerted influence over the local population and funded their activities by protecting and rendering services to drug traffickers. Despite efforts by the Colombian government, drug-related crime, guerrilla paramilitary activity and criminal bands subsists in

Colombia, and allegations have surfaced regarding members of the Colombian Congress and other government officials having ties to guerilla and paramilitary groups. In November 2016, former President Juan Manuel Santos signed a peace deal with the FARC, and FARC guerillas began a process of disarming, which was completed in February 2017. Although the Colombian Congress has approved certain regulations to implement the peace deal, opposing members of Congress have expressed their intention to make amendments to the peace deal and regulations implementing the peace deal. In addition, in August 2019, the former second in command FARC leader, Iván Márquez, announced his return to arms. The former leader of the FARC criticized Márquez's position and reiterated the FARC's commitment to peace. It is unclear what effect the objections of members of Congress, or the subsequent announcement of rearmament, will have on the implementation of the peace deal. If the peace deal is only partially implemented, or not implemented at all, violence associated with the FARC may escalate. In addition, although the Colombian government and the National Liberation Army ("ELN") were in talks since February 2017 to end a five-decade war, the Colombian government suspended the negotiations in January 2019 after a series of rebel attacks, including a car bombing at a police academy in Bogotá resulting in 21 people dead and many injured. The continuation or escalation in the violence associated with the FARC or the ELN may have a negative impact on the Colombian economy or on us, which may affect our patients, employees, assets and projects in the region, as well as our ability to acquire new assets, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

Peru is also located in an area that experiences seismic activity and occasionally is affected by earthquakes. For example, on May 26, 2019, an earthquake of 8.0 magnitude struck a remote part of the Amazon in Peru, resulting in collapsed buildings, certain power failures and two reported deaths. This was the strongest earthquake in Peru since 2007, when an earthquake with a magnitude of 7.9 on the Richter scale struck the central coast of Peru, severely damaging the region south of Lima. Although none of our hospitals and clinics in Peru and Colombia have been materially affected by natural disaster to date, a major earthquake, volcanic eruption or other natural disaster caused by El Niño or otherwise could damage the infrastructure necessary to their operations.

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

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

***Our operations are highly concentrated in Lima and Medellín.***

For the year ended December 31, 2020, 66.9% and 25.6% of our revenues were derived from operations in Lima and Medellín, respectively. As such, our results of operations are particularly dependent on economic conditions in these cities and the ability of patients in these cities to afford our healthcare services or purchase our oncology plans, as applicable. In addition, any earthquakes or other natural disasters, or any other disruptive occurrences such as political or social unrest, sustained power failures, or outbreaks of epidemics or pandemics, such as the novel coronavirus outbreak, that have a negative impact on our infrastructure in these cities could have a disproportionate impact on our ability to provide healthcare services to our patients. As a result, if Lima or Medellín experience a decline in economic conditions or a serious natural disaster, it could have a material adverse effect on our business, financial condition and results of operations.

***Corruption and ongoing high-profile corruption investigations may hinder the growth of the Peruvian or Colombian economy and have a negative impact on our business and results of operations.***

Peruvian and Colombian authorities are currently conducting several high-profile corruption investigations relating to the activities of certain Brazilian companies and their regional partners in the construction and infrastructure sectors, which have resulted in suspension or delay of important infrastructure projects, which were otherwise operational or permitted. These investigations have resulted in political turmoil in both Peru and Colombia. For example, in 2018 Peru suffered its worst institutional crisis since 2000 due to, among other factors, the resignation of former President Pedro Pablo Kuczynski, several corruption scandals involving other previous presidents, political candidates, prominent members of the judicial system and the district attorney's office (each of whom is currently facing prosecution).

Similarly, on January 12, 2017, the Colombian *Fiscalía General de la Nación* initiated a corruption investigation into the activities of Odebrecht and its local partners. While the investigation is ongoing, to date, five individuals have been convicted, including two former public officials. These investigations involve Corficolombiana, a subsidiary of Grupo Aval, one of Colombia's largest financial institutions and its former CEO José Elias Melo. On September 14, 2018, the SIC initiated a corruption investigation in Colombia into Corficolombiana's actions in relation to the adjudication of the Ruta del Sol II highway concession. Meanwhile, on December 6, 2018, the Administrative Tribunal of Cundinamarca imposed on Episol (a Corficolombiana subsidiary) and others a fine of COP8.0 billion (US\$213.0 million) to be paid jointly and severally for the damages caused to popular rights (access to public services, free competition, public morality) as a result of the alleged corruption acts involving the Ruta del Sol II agreement. This decision was appealed and will be decided by the Council of State.

Nevertheless, the potential outcome of such investigations, or any other potential high profile corruption proceeding, on the relevant companies, projects involved or Peruvian or Colombian government officials is uncertain. We cannot predict how long these or other corruption investigations may continue or whether new allegations against Peruvian or Colombian government officials or other companies with operations in Peru or Colombia will arise in the future. We cannot predict how these or future corruption scandals or investigations may affect the Peruvian or Colombian economy and indirectly have a material adverse effect on our business, financial condition and results of operations.

***The political and economic conditions in Venezuela could have an adverse impact on the Peruvian and Colombian economies.***

Venezuela, under the rule of President Nicolas Maduro, has suffered economic collapse and mass emigration since 2015. In connection with this mass emigration, approximately 1.7 million Venezuelans had entered Colombia and approximately 860,000 had entered Peru as of the end of 2019. The influx of migrants to Colombia and Peru has put strains on both countries and threatens to increase political and economic instability and social conflict in the region. Any negative impact from the migrant crisis on the political and economic stability of Colombia or Peru could have a material adverse effect on our business, financial condition and results of operations.

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

The market value of securities issued by companies with operations in the Andean region, including Peru and Colombia, may be affected to varying degrees by economic, political and market conditions in other countries, including other Latin American and emerging market countries. Although macroeconomic conditions in such Latin American and other emerging market countries may differ significantly from macroeconomic conditions in Peru and Colombia, investors' reactions to developments in these other countries may have an adverse effect on the market values of our securities. For example, in recent months, political and social unrest in Latin American countries, including Ecuador, Chile, Bolivia and Colombia has sparked political demonstrations and, in some instances, violence. In October 2019, presidential elections were held in Bolivia, Uruguay and Argentina, which resulted in controversial outcomes in Bolivia and Uruguay, including violent protests and claims of fraudulent elections in Bolivia and a runoff election in Uruguay, and the transition of the political party in power in Argentina. As a result of this political turmoil, investors have viewed investments in Latin American with heightened caution in recent months and further turmoil could have an adverse effect on the market price of the ADSs. Similarly, economic problems in emerging market countries outside of Latin America (such as the Asian financial crisis of 1997, the Russian financial crisis of 1998 and the Turkish and South African crises of 2018), have also caused investors to view investments in emerging markets more generally with heightened caution. Crises in world financial markets, such as those of 2008, could affect investors' views of securities issued by companies that operate in emerging markets. Crises in other emerging market countries may hamper investor enthusiasm for securities of Peruvian issuers, including the ADSs, which could adversely affect the market price of our ADSs. This could also make it more difficult for us and our subsidiaries to access the capital markets and finance our operations in the future on acceptable terms, or at all.

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

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

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

The Peruvian and Colombian currencies have fluctuated against the U.S. dollar, each other and other foreign currencies over the last four decades. For the year ended December 31, 2020, we generated 70.9% of our revenues in Peruvian *soles* and 29.1% of our revenues in Colombian *pesos*. Our consolidated statement of income and other comprehensive income is presented in Peruvian *soles* and is impacted by the translation of income and expenses of transactions in Colombian *pesos* to Peruvian *soles*. The Colombian *peso* has been volatile in recent years, which in turn creates volatility in our results of operations. In particular, the Colombian *peso* experienced significant depreciation against both the U.S. dollar and the Peruvian *sol* in March and April 2020 as a result of the collapse in energy markets. Fluctuations in the exchange rates of the Colombian *peso* to the Peruvian *sol* could impair the comparability of our results from period to period and depreciation in such exchange rate could have a material adverse effect on our results of operations and financial condition.

We are also exposed to the foreign exchange rate risk associated with our U.S. dollar-denominated debt. Although we have entered into hedging arrangements with respect to all of our U.S. dollar-denominated debt, we recognize gains and losses from this debt and the related hedging instruments resulting from exchange rate differences between Peruvian *soles*, Colombian *pesos* and U.S. dollars in profit or loss. For more information see Note 26 to our audited consolidated financial statements.

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

***Changes in tax laws in Peru or Colombia may increase our tax liabilities and, as a result, have a material and adverse effect on us.***

The Peruvian government regularly implements changes to its tax regulations and interpretations. Potential changes may include modifications in the taxable events, the taxable bases or the tax rates, or the enactment of temporary taxes that, in some cases, could become permanent taxes. These changes could, if enacted, indirectly affect us. For instance, the Peruvian government has recently introduced several changes related, among others, to thin capitalization rules, indirect transfer of shares and the concept of permanent establishment.

On May 7, 2019, the Peruvian government approved regulations establishing substantive and procedural provisions for the application of the General Anti-Avoidance Rule (“GAAR”), lifting the suspension in place since 2014. Subsequent guidance published by the *Superintendencia Nacional de Aduanas y de Administracion Tributaria* (“SUNAT”) clarified that the GAAR may be applied to transactions occurring on or after July 19, 2012, the date that GAAR became effective, including during the time in which its application was suspended. GAAR gives SUNAT the power to reclassify certain transactions that are exclusively performed in a manner solely driven by tax reasons, resulting in tax savings or advantages that otherwise would not have been available. As a result, GAAR may have an impact on our taxable base.

In addition, through the enactment of Urgent Decree No. 005-2019, the Peruvian government modified and extended the application of the tax exemption on capital gains derived from the sale of securities through the BVL until December 31, 2022.

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

The Colombian government also regularly implements changes to its tax regulations and interpretations. Colombia has gone through four tax reforms in the last six years, but the Colombian government continues to face serious budgetary constraints and pressure from rating agencies that could lead to future tax reforms, with potential adverse consequences on our financial results. On December 27, 2019, a tax reform was implemented by means of Law 2010 of 2019 intended to strengthen the mechanisms to prevent tax evasion and introduced other substantial changes to the then-existing tax legal framework. As a result, payments made to foreign entities are subject to an income tax withholding rate of 20%, however, this general rate does not apply to foreign indebtedness exceeding one year, in which case the applicable income tax withholding is 15%. Dividends paid by our subsidiaries to us out of profits that were previously subject to corporate income tax are subject to a withholding tax of 10% (increased from 7.5% in 2019 and 5% in 2018) and dividends paid out of profits that were not previously subject to corporate income tax are now subject to a withholding tax of 32% for 2020, 31% for 2021 and 30% for 2022, plus the foregoing 10%, which applies to any amount remaining after the 32%, 31% or 30% withholding is applied, in accordance with the applicable taxable year.

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

## Risks Relating to the Offering and Our ADSs

### *The market price of our ADSs may fluctuate significantly, and you could lose all or part of your investment.*

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

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

### *Following the completion of the offering, Enfoca, our controlling shareholder, will own approximately % of our class B shares and % of our class A shares and certain of our officers and a majority of our directors may be employed by or otherwise affiliated with Enfoca, which could give rise to potential conflicts of interest.*

As of December 31, 2020, Enfoca, our controlling shareholder held approximately 69.5% of our outstanding shares and voting power. Following the completion of this offering, our controlling shareholder will own approximately % of our class B shares and % of our class A shares, and as such, will continue to be our controlling shareholder following the completion of the offering. All class B shares will be held in trust under the Trust Agreement, pursuant to which the trustee will vote all class B shares held in trust as directed by Enfoca irrespective of Enfoca's aggregate ownership of our common stock at any given time. See "Description of Our Share Capital—Trust Agreement." As a holder of ADSs representing class A shares, you will only be entitled to vote on only certain matters submitted to a vote of the shareholders. As a result of its ownership of the majority of our class B shares and class A shares and its right to direct the voting of all or substantially all of the class B shares and a significant portion of the class A shares, Enfoca will have the power to, among other matters, elect all the members of the board of directors and decide upon major corporate transactions, such as a corporate reorganization or acquisitions and divestments of assets under the terms of the *Ley General de Sociedades* – Law N° 26887 (the "Peruvian Corporations Law") and our by-laws. Enfoca will retain this control over significant corporate matters for as long as it, either by itself or together with Mr. Pinillos Casabonne, holds in the aggregate at least 10% of the outstanding class A shares. See "Description of Our Share Capital." As a result, Enfoca may use its significant influence over our business without regard to the interests of other shareholders, including in ways that could have an impact on your investment in the ADSs.

In addition, certain of our officers and a majority of our directors may be employed by or otherwise affiliated with Enfoca. Although these directors and officers attempt to perform their duties within each company independently, such employment relationships and affiliations could give rise to potential conflicts of interest when a director or officer is faced with a decision that could have different implications for the two companies. These potential conflicts could arise, for example, over matters such as the desirability of changes to our business and operations, funding and capital matters, regulatory matters, matters arising with respect to agreements with Enfoca, board composition, employee retention or recruiting, labor, tax, employee benefit, indemnification and our dividend policy and declarations of dividends, among other matters.

***Holders of ADSs may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable results to the plaintiff(s) in any such action.***

The deposit agreement governing our ADSs provides that holders of ADSs, including purchasers in secondary transactions and holders of ADSs that withdraw their class A shares, waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our class A shares, the ADSs or the deposit agreement, including any claim under U.S. federal securities laws. If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depository. As a result of the jury waiver provision, it may also be more costly for you to bring a claim against us or the depository, including a claim for a breach of the U.S. federal securities laws. Moreover, if a lawsuit is brought against us or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

***You may not be able to sell ADSs you own or the class A shares underlying the ADSs at the time or the price you desire because an active or liquid market for these securities may not develop.***

Prior to this offering, there has been no public market for our ADSs or for our class A shares underlying our ADSs. We intend to apply to list our ADSs on the NYSE and we intend to apply to list our class A shares on the BVL. We cannot predict whether an active, liquid public trading market for our ADSs will develop or be sustained. Active, liquid trading markets generally result in lower price volatility and respond more efficiently to orders from investors to purchase or sell securities. Liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. We expect % of our class A shares to be held by unrelated parties following this offering. In addition, although ADS holders will be entitled to withdraw class A shares underlying our ADSs from the depository at any time, the BVL is generally a less liquid trading market than major world equity securities markets.

***Substantial sales of ADSs or class A shares after this offering could cause the price of our ADSs or class A shares to decrease.***

Our existing shareholders will hold a large number of our common shares after this offering. We and our existing shareholders will agree with Morgan Stanley & Co. LLC not to offer, sell, contract to sell or otherwise

dispose of or hedge any class A shares, class B shares or ADSs, without the prior written consent of Morgan Stanley & Co. LLC, during the 180 days following the date of this prospectus, subject to certain exceptions. After this 180-day period expires, these securities will be eligible for sale. The market price of our ADSs could decline significantly if we or our existing shareholders sell securities of our company or the market perceives that we or our existing shareholders intend to do so.

***The disparity in the voting rights between the classes of our shares may have a potential adverse effect on the value of the ADSs, and may limit or preclude your ability to influence our corporate matters.***

The class A shares underlying the ADSs are only entitled to vote (together with the class B shares) on the following matters submitted to a vote of the shareholders: approval of financial statements; approval of capital increases or reductions (other than as described below); appointment, or delegation to our board of directors of the appointment, of our independent auditors; and payment of dividends. The class A shares will not have voting rights on any other matter subject to shareholders' approval.

As a result of the foregoing, the class A shares, including any ADSs representing the class A shares, will not be entitled to vote on, among other matters, the election and removal of directors and setting of directors' compensation; our issuance of debt securities; amendments to our by-laws (other than in connection with capital increases or reductions); the sale, in a single transaction, of assets with a value exceeding 50% of our share capital; the merger, spin-off, division, reorganization, transformation or dissolution of the Company; and special investigations and audits.

In September 2020, our shareholders delegated to our board of directors the authority to approve one or more capital increases of up to S/236,546,679, which delegation will remain in place for five years thereafter and will allow our board of directors to determine the timing, amount, and conditions of each such capital increase, without requiring further shareholders' approval. This approval also included an express advanced waiver of any preemptive rights that would apply in connection with any such capital increases. This delegation may only be revoked by a vote of the class B shares.

Because of the difference in voting rights between our class B and class A shares, the holders of our class B shares will control significant matters submitted to our shareholders following this offering. The different voting rights of our class A shares and class B shares will remain in effect until Enfoca and Mr. Pinillos Casabonne own in the aggregate less than 10% of the outstanding amount of class A shares. This will limit or preclude your ability to influence corporate matters for the foreseeable future, which may have an adverse impact on the value of the ADSs.

***Holders of ADSs may be unable to exercise voting rights with respect to our class A shares underlying the ADSs at our shareholders' meetings.***

As a holder of ADSs representing class A shares being held by the depositary on your behalf, you may exercise voting rights with respect to the class A shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. Holders of our class A shares will receive notice of shareholders' meetings through publication of a notice in an official gazette in Peru, a Peruvian newspaper of general circulation, the daily bulletin of the BVL and through the website of the SMV, and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders will not receive notice directly from us. Instead, pursuant to the deposit agreement, we will notify the depositary, who will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which voting instructions may be given. To exercise your voting rights, you must instruct the depositary how to exercise the voting rights for the class A shares which underlie your ADSs. Due to these additional procedural steps involving the depositary, the ADS holders may not be able to exercise such voting rights on time.

Holders of ADSs also may not receive voting materials in time to instruct the depositary to vote the class A shares underlying their ADSs. In addition, the depositary and its agents are not responsible for failing to carry out

voting instructions of the holders of ADSs or for the manner of carrying out such instructions, unless such failure can be attributed to negligence or bad faith on the part of the depository or its agents. Accordingly, you may not be able to exercise voting rights, and you will have little, if any, recourse if the underlying class A shares are not voted at all or as requested.

***Holders of ADSs may be unable to exercise preemptive or accretion rights with respect to the class A shares underlying their ADSs.***

Under the Peruvian Corporations Law, if we issue new class A shares as part of a capital increase, our shareholders will generally have the right to subscribe to a proportional number of common shares of the class held by them to maintain their existing ownership percentage, which is known as preemptive rights. In addition, shareholders are entitled to the right to subscribe for the unsubscribed common shares of the class held by them or, if expressly provided for in our by-laws or approved by our shareholders, other classes that remain unsubscribed at the end of a preemptive rights offering, on a *pro rata* basis, which is known as accretion rights. See “Description of our Share Capital—Preemptive and Accretion Rights.” You may not be able to exercise the preemptive or accretion rights relating to class A shares underlying your ADSs unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the class A shares relating to these preemptive and accretion rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is available, you may receive only the net proceeds from the sale of your preemptive and accretion rights by the depository or, if the preemptive and accretion rights cannot be sold, they will be allowed to lapse. As a result, U.S. holders of our ADSs may suffer dilution of their interest in our company upon future capital increases.

***We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, without the prior consent of the ADS holders.***

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. Any change related to an increase in ADS fees or charges or any modification that might hinder the rights of the ADS holders will be effective 30 days after the ADS holders have received notice of such change or modification and such holders will have no right to any compensation whatsoever.

***We are an “emerging growth company,” and the reduced reporting requirements applicable to emerging growth companies may make our ADSs less attractive to investors.***

We are an “emerging growth company” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although we could lose that status sooner if our gross revenues exceed US\$1.07 billion, if we issue more than US\$1.0 billion in nonconvertible debt in a three-year period or if the fair value of our common shares held by non-affiliates exceeds US\$700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our ADSs less attractive because we may rely on these exemptions, or if we choose to rely on additional exemptions in the future. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs and the market price of our ADSs may be more volatile.

***Our by-laws provide that the courts of Peru will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under federal or state securities laws of the United States, and that the United States District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under federal or state securities laws of the United States.***

Our by-laws provide that the courts of Peru will be the exclusive forum for resolving all shareholder complaints other than shareholder complaints asserting a cause of action arising under federal or state securities laws of the United States, and that the United States District Court for the Southern District of New York will be the exclusive forum for resolving any shareholder complaint asserting a cause of action arising under federal or state securities laws of the United States, including applicable claims arising out of this offering. These choice of forum provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such provision with respect to suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Additionally, our shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find either choice of forum provision contained in our by-laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition.

***Peru has different corporate disclosure and accounting standards than those you may be familiar with in the United States.***

Financial reporting and securities disclosure requirements in Peru differ in certain significant respects from those required in the United States. There are also material differences among IFRS and U.S. GAAP. Accordingly, the information about us available to you will not be the same as the information available to holders of shares issued by a U.S. company. In addition, the Peruvian Securities Market Law, which governs open or publicly listed companies, such as us, imposes disclosure requirements that may be more limited than those in the U.S. in certain important aspects. Although Peruvian law imposes restrictions on insider trading and price manipulation, applicable Peruvian laws are different from those in the United States, and the Peruvian securities markets may not be as highly regulated and supervised as the U.S. securities markets.

***Our status as a foreign private issuer allows us to follow alternate standards to the corporate governance standards of the NYSE, which may limit the protections afforded to investors.***

We are a "foreign private issuer" within the meaning of the rules under the Securities Act. Under NYSE rules, a foreign private issuer may elect to comply with the practices of its home country and not to comply with certain corporate governance requirements applicable to U.S. companies with securities listed on the exchange. We currently follow certain Peruvian practices concerning corporate governance (which are not mandatory under Peruvian regulations) and intend to continue to do so. Accordingly, holders of our ADSs may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

For example, NYSE listing standards provide that the board of directors of a U.S.-listed company must have a majority of independent directors at the time the company ceases to be a "controlled company." Under Peruvian corporate governance practices, a Peruvian company is not required to have a majority of independent members on its board of directors.

The listing standards for NYSE also require that U.S.-listed companies, at the time they cease to be "controlled companies," have a nominating/corporate governance committee and a compensation committee (in

addition to an audit committee). Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards. Under Peruvian law, a Peruvian company may, but is not required to, form special governance committees, which may be composed partially or entirely of non-independent directors.

In addition, NYSE rules require the independent non-executive directors of U.S.-listed companies to meet on a regular basis without management being present. There is no similar requirement under Peruvian law.

The NYSE listing standards also require U.S.-listed companies to adopt and disclose corporate governance guidelines. In July 2002, the SMV and a committee comprised of regulatory agencies and associations prepared and published a list of suggested non-mandatory corporate governance guidelines called the “Principles of Corporate Governance for Peruvian Companies.” Although we have implemented a number of these measures, we are not required to comply with the corporate governance guidelines by law or regulation.

***As a foreign private issuer, we are exempt from certain provisions applicable to U.S. domestic public companies.***

As a foreign private issuer under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. The information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, holders of our ADSs may not be afforded the same protections or information that would be made available to our shareholders if we were a U.S. company.

***Minority shareholders in Peru are not afforded equivalent protections as minority shareholders in other jurisdictions, such as the United States, and investors may face difficulties in commencing judicial and arbitration proceedings against our company or the controlling shareholder.***

Our company and the controlling shareholder are organized and existing under the laws of Peru, and a majority of our directors and all of our officers reside in Peru or Colombia. Accordingly, investors may face difficulties in serving process on our company, our directors and officers or the controlling shareholder in other jurisdictions, and in enforcing decisions granted by courts located in other jurisdictions against our company, our directors and officers or the controlling shareholder that are based on securities laws of jurisdictions other than Peru.

In Peru, there are no proceedings to file class action suits or shareholder derivative actions with respect to issues arising between minority shareholders and an issuer, its controlling shareholders or directors and officers. Furthermore, the procedural requirements to file actions by shareholders differ from those of other jurisdictions, such as in the United States. As a result, it may be more difficult for our minority shareholders to enforce their rights against us, our directors, officers or controlling shareholder as compared to the shareholders of a U.S. company. The deposit agreement provides that the depositary has no obligation to commence or become involved in any judicial proceedings and any other legal actions relating to the ADSs or the deposit agreement, either on behalf of the ADS holders or on behalf of any other person.

***Judgments of Peruvian courts with respect to our class A shares will be payable only in soles.***

If proceedings are brought in the courts of Peru seeking to enforce our obligations in respect of the class A shares, we will have the right to discharge our obligations in *soles*. Under Peruvian law, an obligation in Peru to pay amounts denominated in a currency other than *soles* and except where there is express agreement to the

contrary, may be satisfied in Peruvian currency at the exchange rate published by the SBS. The then-prevailing exchange rate may not afford non-Peruvian investors with full compensation for any claim arising out of or related to our obligations under the ADSs.

***You will experience immediate and substantial dilution in the book value of the class A shares and ADSs you purchase in this offering.***

Because the initial offering price of the ADSs being sold in this offering will be substantially higher than our net tangible book value per common share, you will experience immediate and substantial dilution in the book value of the class A shares underlying your ADSs. Net tangible book value represents the amount of our tangible assets on an adjusted basis, minus our total liabilities on an adjusted basis. As a result, at the assumed initial public offering price of US\$ \_\_\_\_\_ per ADS (based on the midpoint of the price range set forth on the cover page of this prospectus), we currently expect that you will incur immediate dilution of US\$ \_\_\_\_\_ per ADS if you purchase in this offering (assuming no exercise of the underwriters' option to purchase additional ADSs).

***Our newly issued class A shares from this offering will initially be represented by certificados provisionales and you will not be able to cancel your ADSs and withdraw the deposited class A shares until the definitive class A shares are issued.***

In accordance with Peruvian law, our class A shares underlying the ADSs will be represented by preliminary stock certificates (*certificados provisionales*) until the capital increase allowing for the issuance of such class A shares is recorded in the Corporations Public Registry. We cannot assure you that the Corporations Public Registry will not delay the recording of our capital increase. Once the capital increase has been recorded, we will issue definitive stock certificates in exchange for the preliminary stock certificates. Only after the capital increase has been recorded with the Corporations Public Registry, and we have issued definitive stock certificates in exchange for the preliminary stock certificates, will you be able to cancel your ADSs and withdraw the deposited class A shares.

***Our ADSs may not be a suitable investment for all investors, as an investment in ADSs presents risks and the possibility of financial losses.***

The investment in our ADSs is subject to risks. Investors who wish to invest in ADSs are thus subject to asset losses, including loss of the entire value of their investment, as well as other risks, including those related to the class A shares, the Company, the industry in which we operate, our shareholders and the general macroeconomic environment in Peru and Colombia, among other risks. Each potential investor in ADSs must therefore determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the ADSs, the merits and risks of investing in ADSs and the information contained in this prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in ADSs and the impact the shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the ADSs; and
- understand thoroughly the terms of ADSs and be familiar with the behavior of any relevant indices and financial markets; and be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately US\$      million, or US\$      million if the underwriters exercise their option to purchase additional ADSs in full. These amounts assume an initial public offering price of US\$      per ADS (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock, and facilitate our future access to the capital markets. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. We currently intend to use the net proceeds from this offering for general corporate purposes, including acquisitions, expansion of our existing facilities, other capital expenditures and the repayment of indebtedness from time to time.

We routinely evaluate acquisition and investment opportunities that are aligned with our strategic goals, so we may also acquire, or invest in, businesses or assets that are complementary to our core business. However, we do not have agreements or commitments to enter into any acquisitions at this time. We also routinely evaluate opportunities to expand existing facilities as an important part of our growth plan. We cannot assure you that we will find opportunities that we consider to be favorable to us, whether we will be able to take advantage of such opportunities should they arise, or the timing of and funds required by such opportunities. In addition, we expect to finance these opportunities with a combination of cash on hand, net proceeds from this offering, new borrowings and/or financial contributions from partners, depending on a variety of commercial considerations at such time. Accordingly, we will have significant flexibility in applying the net proceeds from this offering. As a result, our actual use of proceeds from this offering could vary significantly from the currently expected use.

Each US\$1.00 increase (decrease) in the assumed initial public offering price of US\$      per ADS, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately US\$      million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions payable by us. Each increase (decrease) of 1.0 million shares in the number of ADSs sold by us in this offering, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately US\$      million, assuming the assumed initial public offering price of US\$      per ADS, the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions payable by us. The information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

## DIVIDENDS

### Dividend Policy

Our dividend policy has historically been to distribute up to S/10 million per year of our net profit obtained from the preceding year. Following this offering, we intend to retain all available funds and future earnings, if any, to fund the expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will be subject to approval by holders of our class A shares and class B shares voting together at our annual shareholders' meeting. Any determination by our board of directors to recommend for approval the declaration and payment of dividends will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. Our dividend policy notwithstanding, under Peruvian law, shareholders representing 20% of our outstanding common shares have the right to compel us to distribute at least 50% of the net profit of the previous fiscal year.

Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, 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 (or its equivalent in *soles*) in the aggregate in cash dividends.

Under the Peruvian Corporations Law, companies may distribute up to 100% of their profit (after payment of income tax) subject to a mandatory 10% legal reserve requirement until the legal reserve equals 20% of shareholders' equity and provided that no accumulated losses exist. According to Article 40 of the Peruvian Corporations Law, in order to distribute dividends, profits must be determined based on the individual financial statements of the company.

In order to allow for the settlement of securities, under the rules of the SMV, investors who purchase shares of a listed company will have the right to receive the dividend payment, provided that such transaction has been executed by the corresponding cutoff date (*fecha de corte*). Holders of shares are not entitled to interest on accrued dividends. In addition, under Article 232 of the Peruvian Corporations Law, the right to collect dividends declared by a company expires three years after the original dividend payment date (unless, like us, it is a publicly held company, in which case the right to collect dividends declared by the company would expire ten years after the original dividend payment date).

Subject to the terms of the deposit agreement, holders of our ADSs will be entitled to receive dividends, if any, paid on the class A shares represented by the ADSs. Cash dividends on our class A shares will be paid in *soles* and will be converted by the depository into U.S. dollars and paid in U.S. dollars to the holders of ADSs, net of fees, expenses and any taxes. Under Peruvian law, dividends are subject to a withholding tax of 5% if paid to non-Peruvian holders. See "Description of American Depositary Shares."

Because we are a holding company and all of our business is conducted through our subsidiaries, we pay, and we expect to continue paying, dividends, if any, from funds we receive from our subsidiaries. Accordingly, our ability to pay dividends to shareholders is dependent on the earnings of, and dividends and other distributions from, our subsidiaries. The ability of our subsidiaries to make distributions to us may be restricted by law or by the terms of our existing or future indebtedness. Although the restrictions on our subsidiaries' ability to pay dividends to us have not to date had a material impact on our liquidity or capital resources, we cannot assure you that the agreements governing our existing or future indebtedness will permit our subsidiaries to provide us with sufficient dividends or distributions or permit us to loan money or enter into other similar arrangements to fund dividend payments. In addition, the indenture governing our 2025 Notes contains terms that restrict us from paying dividends to our shareholders. See "Risk Factors—Risks Related to Our Business—We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to pay dividends to you will depend on the ability of our subsidiaries to pay dividends and make other distributions to us" and "Risk Factors—Risks Related to Our Business—Our indebtedness could adversely affect our financial condition and ability to operate our business."

In 2019 and 2020, we paid dividends to our shareholders of S/10 million (or US\$2.6 million) each year. These amounts were approved at our annual shareholders' meetings during each year.

## CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2020:

- on an actual basis; and
- as adjusted to give effect to net proceeds amounting to US\$ (S/ ) for the sale of our ADSs in the offering, which reflects the sale of ADSs at an assumed initial public offering price of US\$ per ADS (the midpoint of the price range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and offering expenses payable by us.

The as adjusted information in the table below assumes no exercise of the underwriters' option to purchase additional ADSs.

The table below should be read in conjunction with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and our consolidated financial statements included in this prospectus.

	As of December 31, 2020			
	Actual		As Adjusted	
	(in millions of US\$)(1)	(in millions of S/)	(in millions of US\$)(1)	(in millions of S/)
Loans and borrowings (current portion)(2)	\$ 4.8	S/ 18.4	\$	S/
Loans and borrowings (non-current portion)(2)	309.2	1,190.2		
<b>Total loans and borrowings</b>	<b>314.0</b>	<b>1,208.7</b>		
<b>Total equity</b>	<b>169.4</b>	<b>652.1</b>		
<b>Total capitalization</b>	<b>\$ 483.3</b>	<b>S/ 1,860.8</b>	<b>\$</b>	<b>S/</b>

(1) Calculated based on an exchange rate of S/3.8498 to US\$1.00 as of June 30, 2021.

(2) As of December 31, 2020, we had S/36.3 million (US\$9.4 million) guaranteed secured loans and borrowings and S/1,172.3 million (US\$304.5 million) guaranteed unsecured loans and borrowings.

## DILUTION

Purchasers of our ADSs in this offering will experience immediate and substantial dilution to the extent of any difference between the initial public offering price per ADS and the net tangible book value per ADS upon the completion of the offering.

Net tangible book value represents the amount of our total assets, less our total liabilities and excluding goodwill. Net book value per class A share is determined by dividing our net book value by the number of our outstanding class A shares.

As of December 31, 2020, our net tangible book value was S/            million, or S/            per class A share (equivalent to US\$            per ADS). Based upon an assumed initial public offering price of US\$            per ADS (the midpoint of the price range set forth on the cover page of this prospectus), our net tangible book value would increase to S/            per class A share or US\$            per ADS, and the immediate dilution to purchasers of our ADSs in the offering will be S/            per class A share or US\$            per ADS or    % following the offering. The following table illustrates this dilution per class A share and per ADS, assuming no exercise of the underwriters' option to purchase additional ADSs:

	As of December 31, 2020	
	Per ADS	Per class A share
Assumed initial public offering price	US\$	S/
Net tangible book value		
Dilution to new investors		

If the underwriters exercise their option to purchase additional ADSs in full, our net tangible book value following the offering would increase to S/            per class A share or US\$            per ADS and the immediate dilution to purchasers of ADSs in the offering would be S/            per class A share or US\$            per ADS.

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

*The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2020, 2019 and 2018 and the notes thereto, included elsewhere in this prospectus, as well as the information presented under "Presentation of Financial and Other Information."*

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

### Overview

We are one of the largest and most recognized players in the Peruvian healthcare industry and have a growing presence in Colombia. With more than 30 years of experience in the healthcare industry, we provide oncology healthcare plans in Peru and operate hospitals and clinics in Peru and Colombia that provide high-quality medical services at all levels of complexity. Our mission is to transform healthcare in the countries in which we operate by providing excellent patient outcomes and positive, streamlined patient and plan member experiences at an affordable cost. We believe we are well positioned to fulfill this mission due to our patient-centric culture, scale, innovative use of technology, unique vertically integrated oncology platform in Peru and high degree of horizontal integration in our Peruvian and Colombian healthcare networks, all of which allow us to scale nationally and regionally with cost efficiencies and further advance our strategic development. Furthermore, we believe that we are uniquely positioned to disrupt the health-tech market in Latin America. Leveraging on the breadth of our healthcare network, we intend to expand and accelerate our strategic technology platform to launch one of SSLA's largest one-stop healthcare ecosystems in terms of members, providing our current and future users with an end-to-end, personalized and immediate healthcare solution that we believe will result in us becoming the true digital healthcare leader in the region.

Our business was founded in Peru in 1989 as Oncosalud, a healthcare coverage provider selling prepaid plans covering a full range of services for the prevention, detection and treatment of cancer for a modest monthly payment that varies based on plan type and age of plan members and was on average S/54.2 (US\$14.1) per month for the year ended December 31, 2020. Our prepaid oncology plans addressed an unmet need in the healthcare coverage market in Peru at the time and quickly began to grow. Starting in 1997, we began to build our own network of Oncosalud facilities to primarily treat our plan members but also patients of private payers, including patients covered by private insurance. Clínica Oncosalud, our flagship hospital in this network, has a Diamond accreditation from ACI. Oncosalud had 830,643 members as of December 31, 2020, which was more than each of the private insurance and EPS systems in Peru as of that date. Measured by number of plan members, we had a market share of 28.0% of all private healthcare plans in Peru in 2020 and had the second largest market share of any single private healthcare plan, according to data from SUSALUD. Oncosalud currently operates two specialized oncology hospitals and three oncology clinics. Through its vertically integrated model, Oncosalud has achieved high levels of both effectiveness and efficiency: during the year ended December 31, 2020, 97% of Oncosalud members were treated in our facilities, which allows us to control medical costs, manage treatment protocols and provide high-quality cancer treatment. Notably, for the cohort of patients diagnosed between 2010 and 2015, Oncosalud's 5-year cancer survival rate was 75.5%. In addition, we had an MLR of 43.0% as of December 31, 2020, which we believe is one of the lowest in Latin America, based on the MLRs published by other publicly-traded healthcare companies in Latin America that provide prepaid healthcare plans or health insurance coverage. During 2020 and 2019, through our Oncosalud network of facilities, we treated more than 12,800 and 12,500 patients, respectively. By guiding our plan members from prevention through early detection of cancer and then through the full treatment cycle, we take the uncertainty and fear out of cancer treatment and provide top quality care in a compassionate and humane manner.

In 2011, we took our experience at Oncosalud as a provider of first-class patient outcomes at an affordable cost and began to apply it to the provision of a full range of healthcare services via a broader network of facilities

in Peru. Through the development and acquisition of facilities since that time, we have built a network of hospitals and clinics located in all of the major cities in the country, with premium clinical capabilities and a wide range of medical specialties and subspecialties. Today, with our Auna Peru network, we own and operate five hospitals and two clinics as well as numerous other facilities providing complementary services, such as pharmaceutical, diagnostic imaging and clinical laboratory services. We are a provider to essentially all of the private payers in the Peruvian healthcare sector, including traditional private insurers, EPS providers and prepaid plan operators. Our Auna Peru network is horizontally integrated, meaning that patients can access all of their treatment, diagnostic imaging, laboratory and pharmaceutical needs at one of our facilities instead of having to go to different providers for each service. Additionally, for certain high-complexity procedures that cannot be performed at our regional hospitals, patients can be treated at Clínica Delgado, our high-complexity facility in Lima and the flagship hospital of the Auna Peru network. Moreover, we were the first private institution in Peru to implement an EMR system in 2013 as part of our modern HIS, and today all of our hospitals in Peru use our HIS, which allows us to closely monitor and anticipate patient health needs, efficiently manage costs across our patient population and improve medical outcomes and the quality of our services. Through this horizontal integration, we are able to foster a seamless, positive patient experience across each of our networks in Peru. In addition, we are also able to centralize processes, such as procurement of equipment and medicines, and increase our negotiating power with payers, which allows us to more efficiently manage our costs and price our services competitively.

In our Auna Peru network, we own and operate premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve excellent patient outcomes. Our flagship hospital in this network, Clínica Delgado, which we opened in 2014, is the country's leading high-complexity hospital and has quickly established itself as a standard setter in Latin America, as evidenced by its Diamond accreditation from ACI and its ranking among the best hospitals in Peru across a wide range of categories by GHI in 2018. We also have six other primary facilities that we acquired, modernized, expanded and relaunched after a series of strategic acquisitions in 2011 and 2012 and now have a presence in all of the major urban areas in Peru. We treated more than 184,000 and 198,000 patients during 2020 and 2019, respectively, at facilities in our Auna Peru network, which had a total of 287 beds as of December 31, 2020.

In 2018, we leveraged our experience and success in providing integrated patient experiences and outstanding outcomes in Peru and expanded into Colombia with our acquisition of Grupo Las Américas, one of Colombia's leading healthcare providers located in the country's second largest city, Medellín. In 2020, we began the process of rebranding Grupo Las Américas as our Auna Colombia network and completed such process during the first quarter of 2021. In addition, in September 2020, we further expanded our Auna Colombia network with our acquisition of Clínica Portoazul, a premium high-complexity private hospital located in the country's fourth largest city, Barranquilla. Our Auna Colombia network provides healthcare services to patients covered by a range of payers in Colombia, including both public and private insurers, and currently consists of two hospitals and five clinics in Medellín and one hospital in Barranquilla, as well as a range of facilities providing complementary services. Similar to our Auna Peru network, our Auna Colombia network is also horizontally integrated, which enables us to be a one-stop shop for all of our patients' needs and provide them with a seamless patient experience. In our Auna Colombia network, we also have premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve high quality patient outcomes. The flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín and was ranked the 7th best hospital in Colombia in América Economía's 2020 Best Hospitals Ranking. We also own the IDC in Medellín, one of the country's largest and leading private oncology hospitals and the only institution in Colombia that is a sister institution of MD Anderson, one of the leading cancer care providers in the United States. We currently have more than 440 beds and have treated more than 263,000 and 246,000 patients during 2020 and 2019, respectively, in the Auna Colombia network.

In all of our networks, we seek to focus proactively on our plan members' and patients' health, rather than simply providing services when prescribed to treat disease or other medical conditions. We do this by emphasizing innovation, focusing on healthy lifestyle habits, offering digitalization of services and promoting regular medical check-ups to help ensure our plan members and patients remain healthy and disease is detected early. We believe this emphasis on health allows us to build life-long relationships with our plan members and patients and save lives by detecting and treating disease early on.

### Segment Reporting

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

### Factors Affecting Our Results of Operations

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

- **Utilization and Mix of Healthcare Services.** One of the most important factors affecting our financial condition and results is the rate of utilization of the healthcare services provided to our patients, including the number of outpatient consultations, emergency services, surgeries and hospitalizations that we provide in a period, as well as our ability to adequately cross-sell complementary services such as pharmaceutical, diagnostic imaging and clinical laboratory services. Our utilization rates are dependent on the number of plans for which our facilities are considered in network. As the number of plans for which we are in network increases, so does our patient universe and consequently our utilization rates. As our utilization rates increase, so does our revenue and our margins because it allows us to increase our economies of scale, as our asset base is largely a fixed cost. Likewise, as utilization rates decrease, so do our margins, and because a portion of our costs are essentially fixed, higher utilization rates drive higher margins in our business. The mix of healthcare services provided in a period also impacts our revenue, as we derive higher revenue from high-complexity procedures, such as complex surgeries, than low-complexity procedures.
- **Growth of Oncosalud Membership and Balanced Age Demographic.** Increasing the total number of Oncosalud plan members is vital for the continued growth of our business. As we increase our plan member population, the rate of cancer incidence among our plan members generally stays steady or increases at a stable pace. Through new plan members, we obtain additional resources to treat our plan members that are diagnosed with cancer and are able to spread the costs of treatment across a larger population, while also increasing our profitability. In addition, we seek to maintain a balanced age demographic in our member population. Younger patients pay lower plan rates, which tends to lower our average revenue per plan member, but their likelihood of being diagnosed with cancer is significantly lower, which reduces our expected average medical cost per plan member in any given period. Additionally, expected lifetime revenue is greater for younger plan members. The average age of our plan members as of December 31, 2020 was 34. Keeping a balanced mix of younger and older patients helps us manage our revenue and costs.

- **Medical Inflation.** *Our financial condition and results are driven by our ability to control the costs of providing healthcare services, including oncology services, and appropriately price oncology plans in our Oncosalud Peru segment and negotiate reimbursement levels in our other segments. Our strong reputation in the market also depends on our having access to the newest technologies and medicines to diagnose and treat our patients, all of which can be expensive, and therefore places upward pressure on our costs. Moreover, we face significant competition for qualified medical personnel in both Peru and Colombia, which may require us to increase salaries and other benefits provided to our personnel. If we are unable to continue providing high quality care while managing these cost increases in our Oncosalud Peru segment, our operating profit could decline or we may be required to pass these cost increases onto our plan members via the pricing of our oncology plans, which could make our plans less attractive and also impact our profitability. We continually focus on balancing the pressures of medical inflation with the benefits of providing the best quality healthcare services at affordable prices in order to continue to build the strength of our brands, which helps us grow our revenues and manage our costs.*
- **Acquisition of Grupo Las Américas.** We acquired 97.3% of the shares of Grupo Las Américas on December 27, 2018, which has been consolidated into our results of operations from the date of acquisition. We acquired an additional 2.5% of the share capital of Grupo Las Américas in January 2020. The main asset of Grupo Las Américas is Clínica Las Américas. The acquisition was recorded using the purchase method of accounting, which recognizes assets and liabilities at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the financial statements of each acquired entity, pursuant to IFRS 3 Business Combinations. In connection with our acquisition of Grupo Las Américas, we identified S/172.8 million (US\$44.9 million) of goodwill. Because we only owned Grupo Las Américas for five days in 2018, our results of operations for the year ended December 31, 2019 are not directly comparable to the year ended December 31, 2018. In order to facilitate a more useful comparison of our results of operations period-to-period, we isolate the effect of the acquisition of Grupo Las Américas in certain explanations below.
- **Expansion of Our Network.** Our ability to expand our network of healthcare facilities is one of the most important factors affecting our results of operation and financial condition. Historically, our business growth has been primarily driven by planning and building new hospitals or expanding existing hospitals and by acquiring new hospitals from third parties, and we expect these activities to continue to be key drivers for our future growth. Each additional facility that we develop or acquire increases the number of patient cases treated in our network and contributes to our continued revenue growth. However, building new hospitals requires several years of capital expenditures and ramp up of operations prior to a facility becoming profitable, and it takes time and resources to integrate new hospitals acquired from third parties into our existing networks.
- **Foreign Exchange Rates.** Our functional currency is the Peruvian *sol* and we present our consolidated financial information in Peruvian *soles*. However, we generated 29.1% of our revenue in 2020 in Colombian *pesos*. In addition, a significant portion of our debt is U.S. dollar-denominated. Although we have entered into hedging arrangements with respect to all of our U.S. dollar-denominated debt and we also hedge our exposure to the Colombian *peso*, we recognize gains and losses from this debt and the related hedging instruments resulting from exchange rate differences between Peruvian *soles*, Colombian *pesos* and U.S. dollars in profit or loss.

### Impact of COVID-19

Since December 2019, a novel strain of coronavirus (COVID-19) has spread around the world, including in Peru and Colombia. The Peruvian government closed its international borders and ordered an initial national lockdown on March 16, 2020 that lasted until June 30, 2020. In connection with the lockdown, all non-essential businesses were ordered to close. On July 1, 2020, the national lockdown was lifted and non-essential businesses gradually reopened; however, as a result of a subsequent increase in COVID-19 cases, on January 26, 2021, the

Peruvian government announced new measures which applied to regions based on the region's classification from high, very high and extreme. These measures included quarantines, limitation of activities, suspension of inter-provincial land trips and curfews. Auna's activities are mainly carried out in the department of Lima, Peru, which was originally classified as extreme and was subsequently classified as high. On August 14, 2021, the Peruvian government declared an extension of these measures, which will become effective on September 3, 2021, until March 1, 2022. Furthermore, as the economy gradually recovers, Peru continues to be one of the countries with the highest mortality rates from COVID-19. Similarly, the Colombian government closed its borders and ordered a national lockdown on March 25, 2020 until August 31, 2020. However, at the end of August 2020, it announced a selective quarantine phase from September 1, 2020 until November 30, 2020. The lockdowns in Peru and Colombia effectively restricted nearly all economic activity in both countries, significantly impacting both the financial and operating performance of our business.

Our hospitals in Peru and Colombia are essential businesses, however, as a result of the pandemic, we were ordered to cancel all elective, non-emergency procedures and outpatient consultations in Peru and Colombia, restricting our services to emergency care only for the duration of the lockdowns. As a result, revenue from our Healthcare Services in Peru and Healthcare Services in Colombia segments presented a low level of growth of 1.4% and 2.5%, respectively, for the year ended December 31, 2020 compared to the year ended December 31, 2019. We have also seen a significant increase in the cost of sales and services throughout 2020 due to an increase in the purchase of gloves, masks and other personal protective equipment for all medical and administrative personnel who are in direct patient contact. At the same time, we have seen an increase in the prices of personal protective equipment, which has been in short supply around the world. In addition, we have experienced staffing shortages at our hospitals and clinics as medical personnel, working on the front lines, have contracted COVID-19 at high rates. We have covered these shortages by hiring temporary personnel and granting special bonuses to medical personnel caring for patients with COVID-19, which has increased our labor-related costs. As a result of increased costs, gross profit in our Healthcare Services in Peru and Healthcare Services in Colombia segments decreased 25.4% and 8.5%, respectively, for the year ended December 31, 2020 compared to the year ended December 31, 2019.

Moreover, the healthcare systems in several countries, including Peru and Colombia, have been overwhelmed with hospitals lacking the supply and personnel to treat the influx of COVID-19 patients and there have been several reports in the media containing misinformation about COVID-19 testing and COVID-19 treatment. As a result, we have seen public trust in healthcare facilities decline more broadly. Although such conditions have not been present in our facilities as of the date of this prospectus, if such conditions occur in our facilities and we have difficulty treating the influx of patients, we may face claims for damages and experience reputational damage and loss of public trust in the quality of our healthcare services.

The COVID-19 pandemic has also led to disruption of regional and global economic activity, and to volatility and a downturn in the financial markets, which is expected to continue at least in the near term. In our Oncosalud segment, we have seen a decline in sales of our prepaid oncology plans as much of our sales force is working from home and certain of our other sales channels are shut down completely. The disruption has also led to a significant increase in unemployment and discretionary expenses and as a result, we have seen an increase in the number of plan members cancelling their plans, which led to a 10% decrease in our number of plan members from 922,945 in December 2019 to 830,643 in December 2020. Despite the decrease in plan members, our Oncosalud Peru segment's revenue and gross profit increased 11.4% and 9.2%, respectively, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase in revenue was due to an increase in plan prices upon renewal to account for increased medical costs. The increase in gross profit for our Oncosalud Peru segment was due to a decrease in services provided to plan members as part of the Peruvian government's restrictions on outpatient consultations, including preventive check-ups, which tend to be more costly services. See "Risk Factors—Risks Related to Our Business—Our business has been and continues to be negatively impacted by the COVID-19 pandemic."

We took certain measures in 2020 to bolster our capital position as a result of the economic uncertainty. For example, four of our subsidiaries, MedicSer, Oncocenter, Oncosalud S.A.C. and GSP Servicios Generales, each

applied for and received a loan of S/10 million and Clínica Vallesur S.A. applied for and received a loan of S/7.5 million, in each case under a loan relief program offered by the Peruvian government in response to the COVID-19 pandemic. In addition, our subsidiaries Grupo Las Américas and Instituto de Cancerología S.A.S. applied for and received loans of COP12,837.0 million and COP4,069.0 million, respectively, under a loan relief program offered by the Colombian government in response to the COVID-19 pandemic. On November 20, 2020, we issued US\$300 million aggregate principal amount of 6.500% Senior Notes due 2025. We used the net proceeds from the issuance of the 2025 Notes to repay US\$255.9 million of indebtedness outstanding under the Credit Agreements and other facilities, including COVID-19 loans received from the Peruvian government and for general corporate purposes, including payment of dividends.

Due to the nature of COVID-19 treatments, we shifted some of our capital expenditure budget to address the necessity for additional ventilators and adequate temporary isolation units in some of our clinics, including refitting of our Bellavista and Guardia Civil hospitals. While our capital expenditure projects were also delayed during lockdowns, we resumed our organic projects during the second half of 2020 and as of the date of this prospectus we expect to inaugurate three projects in Peru and one project in Colombia during 2021.

The extent to which the COVID-19 pandemic impacts our business, results of operations, liquidity and financial condition will depend on the duration and severity of the pandemic and the level of continued disruption to regional and global economic activity, which are impossible to predict at this time. Future developments with respect to COVID-19 are highly uncertain and new information may emerge concerning the severity of the COVID-19 pandemic and the actions necessary to mitigate or contain its impact. While such actions may be relaxed or rolled back if and when COVID-19 abates, the actions may be reinstated as the pandemic continues to evolve. The scope and timing of any such reinstatements is difficult to predict and may continue to materially affect our financial and operating performance in the future

## **Components of Our Results of Operations**

### ***Total Revenue from Contracts with Customers***

*Total revenue from contracts with customers.* We generate revenue from (i) premiums earned on our oncologic healthcare plans, which we also refer to as our oncology plans, in our Oncosalud Peru segment, (ii) the sale of healthcare services, which occurs in all of our segments, and (iii) the sale of medicines, which also occurs in all of our segments.

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

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

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

### ***Cost of Sales and Services and Gross Profit***

*Cost of sales and services.* Our cost of sales and services is primarily comprised of costs incurred in providing healthcare services, including the cost of medicines; personnel expenses for medical staff; medical

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consultation fees; surgery fees; depreciation of medical equipment; depreciation of buildings and facilities; amortization of software; cost of services provided by third parties, primarily lease payments to third parties for certain of our facilities, service and repair costs at our facilities, custodial and cleaning services and utilities; cost of room services for inpatients; cost of clinical laboratories; and technical reserves for healthcare services.

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

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

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

*Administrative expenses.* Administrative expenses consist primarily of costs incurred at the administrative level at each of our facilities, including personnel expenses for administrative staff; cost of services provided by third parties, primarily advisory and consulting fees and lease payments to third parties for office space; depreciation, primarily of buildings and facilities; amortization of intangibles, such as IT and software; various other administrative expenses, such as insurance; and tax expenses. We also allocate a portion of administrative expenses at the corporate level to each of our operating segments. For example, in 2018, we completed Project Galeno, an efficiency evaluation of our pharmacy management protocols in Peru. This project benefited both the Oncosalud Peru segment and the Healthcare Services in Peru segment, and as such, we allocated a portion of the expenses relating to that project to each segment.

*Loss for impairment of trade receivables.* Loss for impairment of trade receivables consists of the estimate for impairment of trade receivables. This estimate generally consists of provisions for services to patients who, after a certain period of time and in accordance with our impairment policy, do not pay for those services provided, either by themselves or through insurance companies. We calculate the estimate for impairment of trade receivables using an expected loss model whereby we estimate expected losses on our trade receivables based on our historical experience of impairment and other circumstances known at the time of assessment in accordance with IFRS 9. We record a gain for impairment of trade receivables for any recovery we make in excess of our estimated losses on trade receivables. The amount of the provision made for impairment of trade receivables is written off from the balance account when there is no expectation of cash recovery.

*Other expenses.* Other expenses consists of the change in fair value of assets held for sale and the loss on sale of investments in associates related to the sale of our stake in Hospital en Casa S.A. in December 2019.

*Other income.* Other income consists of (i) rental income from property owned and rented by us for investment purposes, (ii) the parking fees we charge those who park in the parking lots at our facilities and (iii) the increase in fair value of our investment properties.

### ***Finance Income and Finance Cost***

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

### ***Income Tax Expense***

Income tax expense consists of taxes on income generated during the period. Our effective tax rate in 2020 was 59.3%.

## Results of Operations

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

### Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

The following table summarizes our results of operations for the year ended December 31, 2020 and 2019:

	Year Ended December 31,		<u>% Change</u> 2020 vs. 2019
	2020	2019	
	(in millions of soles)		
Revenue			
Premiums earned	S/ 566.4	S/ 522.3	8.4%
Health care services revenue	703.7	658.9	6.8%
Sales of medicines	173.7	201.3	(13.7)%
<b>Total Revenue from contracts with customers</b>	<b>1,443.8</b>	<b>1,382.6</b>	<b>4.4%</b>
Cost of sales and services	(914.4)	(844.5)	8.3%
<b>Gross profit</b>	<b>529.4</b>	<b>538.0</b>	<b>(1.6)%</b>
Selling expenses	(133.1)	(132.5)	0.5%
Administrative expenses	(273.4)	(236.5)	15.6%
Loss for impairment of trade receivables	(16.4)	(6.0)	173.3%
Other expenses	(0.3)	(1.4)	(78.6)%
Other income	12.1	5.5	120.0%
<b>Operating profit</b>	<b>118.4</b>	<b>167.1</b>	<b>(29.1)%</b>
Finance income	3.8	1.5	153.3%
Finance costs	(136.7)	(56.1)	143.7%
<b>Net finance cost</b>	<b>(133.0)</b>	<b>(54.5)</b>	<b>144.0%</b>
<b>Share of profit of equity-accounted investees</b>	<b>1.3</b>	<b>2.4</b>	<b>(45.8)%</b>
<b>(Loss) profit before tax</b>	<b>(13.2)</b>	<b>115.1</b>	<b>(111.5)%</b>
Income tax expense	7.8	(41.2)	(118.9)%
<b>(Loss) profit for the year</b>	<b>S/ (5.4)</b>	<b>S/ 73.9</b>	<b>(107.3)%</b>

### Revenue

	Year Ended December 31,		<u>% Change</u> 2020 vs. 2019
	2020	2019	
	(in millions of soles)		
<b>Total revenue from contracts with customers</b>			
Oncosalud Peru	S/ 659.1	S/ 591.9	11.4%
Healthcare Services in Peru	476.4	469.9	1.4%
Healthcare Services in Colombia	419.6	409.4	2.5%
Holding and Eliminations	(111.3)	(88.7)	25.5%
<b>Total</b>	<b>S/ 1,443.8</b>	<b>S/ 1,382.6</b>	<b>4.4%</b>

Our total revenue from contracts with customers was S/1,443.8 million in 2020, representing an increase of S/61.2 million, or 4.4%, from S/1,382.6 million in 2019. This increase was primarily driven by the increase in revenue in our Oncosalud Peru segment due to the increase in plan prices to upon renewal account for an increase in the average revenue per plan member.

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Revenue from our Oncosalud Peru segment was S/659.1 million in 2020, representing an increase of S/67.2 million, or 11.4%, from S/591.9 million in 2019. This increase was primarily driven by a 12.6% increase in the average revenue per plan member, which contributed S/64.0 million to the increase and was due to an increase in plan prices upon renewal to account for an increase in medical costs and a stock of plan members with a higher mix of products, partially offset by a 3.6% net decrease in the average number of Oncosalud plan members, which had a negative effect of S/19.1 million.

Revenue from our Healthcare Services in Peru segment was S/476.4 million in 2020, representing an increase of S/6.5 million, or 1.4%, from S/469.9 million in 2019. This increase was primarily driven by the increase of the average revenue per patient, which contributed S/41.0 million to the increase and was due to an increase in the number of high-complexity procedures related to COVID-19 treatment, partially offset by a 7.3% decrease in the number of patients, which had a negative effect of S/34.5 million.

Revenue from our Healthcare Services in Colombia segment was S/419.6 million in 2020, representing an increase of S/10.2 million, or 2.5%, from S/409.4 million in 2019. This increase was primarily driven by the acquisition of Clínica Portoazul in Barranquilla in September 2020, which contributed S/50.4 million, or 12.0%, of segment revenue in 2020. This was partially offset by a 2.8% decrease in the number of patients and a 7.3% decrease in average revenue per patient within our operations in Medellín, which had a negative effect of S/11.4 million and S/28.9 million, respectively.

*Cost of sales and services*

	Year Ended December 31,		% Change 2020 vs. 2019
	2020	2019	
	(in millions of soles)		
<b>Cost of sales and services</b>			
Oncosalud Peru	S/ (312.2)	S/ (274.3)	13.8%
Healthcare Services in Peru	(392.9)	(357.9)	9.8%
Healthcare Services in Colombia	(317.5)	(298.0)	6.5%
Holding and Eliminations	108.3	85.7	26.4%
<b>Total</b>	<b>S/ (914.4)</b>	<b>S/ (844.5)</b>	<b>8.3%</b>

Our total cost of sales and services was S/914.4 million in 2020, representing an increase of S/69.9 million, or 8.3%, from S/844.5 million in 2019. This increase was primarily attributable to an increase of costs related to COVID-19, such as medical staff costs and an increase in the cost and use of personal protective equipment.

Cost of sales and services in our Oncosalud Peru segment was S/312.2 million in 2020, representing an increase of S/37.9 million, or 13.8%, from S/274.3 million in 2019. This increase was primarily attributable to (i) an increase in the number of patients treated, which increased costs by S/27.4 million and (ii) an increase in the average cost of treatment per patient due to the inclusion of new treatments for cancer and an increase in the cost and use of personal protective equipment as a result of the COVID-19 pandemic, which increased cost of sales and services by S/10.5 million.

Cost of sales and services in our Healthcare Services in Peru segment was S/392.9 million in 2020, representing an increase of S/35.0 million, or 9.8%, from S/357.9 million in 2019. This increase was primarily attributable to an 18.5% increase of the average cost per patient due to the increase in medical staff costs of S/30.2 million in connection with the hiring of additional medical staff in response to the COVID-19 pandemic and the granting of special bonuses to personnel caring for COVID-19 patients.

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Cost of sales and services in our Healthcare Services in Colombia segment was S/317.5 million in 2020, representing an increase of S/19.5 million, or 6.5%, from S/298.0 million in 2019. This increase was primarily attributable to the acquisition of Clínica Portoazul in Barranquilla in September 2020, which accounted for S/39.4 million, or 12.4%, of the segment cost of sales in 2020. This was partially offset by a 2.8% decrease in the number of patients and a 3.5% decrease in the average cost per patient within our operations in Medellín, which had a positive effect of S/8.3 million and S/10.2 million, respectively.

### *Gross profit and gross margin*

For the foregoing reasons, our gross profit was S/529.4 million in 2020, representing a decrease of S/8.6 million, or 1.6%, from S/538.0 million in 2019. Our gross margin in 2020 was 36.7%. By segment, our gross margin was 52.6% in Oncosalud Peru, 17.5% in Healthcare Services in Peru and 24.3% in Healthcare Services in Colombia. Overall, our gross margin decreased by 2.2 percentage points in 2020, from 38.9% in 2019.

### *Selling expenses*

Our total selling expenses were S/133.1 million in the year ended December 31, 2020, representing an increase of S/0.6 million, or 0.5%, from S/132.5 million in the year ended December 31, 2019.

Selling expenses in our Oncosalud Peru segment were S/120.1 million in the year ended December 31, 2020, representing an increase of S/1.0 million, or 0.8%, from S/119.1 million in the year ended December 31, 2019. The increase in selling expenses was primarily a result of an increase in cash collection fees from credit cards of S/0.7 million due to the increase in revenue.

Selling expenses in our Healthcare Services in Peru segment were S/7.1 million in the year ended December 31, 2020, representing a decrease of S/1.6 million, or 18.4%, from S/8.7 million in the year ended December 31, 2019. The decrease in selling expenses was primarily due to certain measures implemented to manage expenses in order to mitigate the effect of COVID-19-related incremental expenses in the segment such as a S/0.7 million decrease in marketing expenses and S/0.5 million decrease in sales staff expenses.

Selling expenses in our Healthcare Services in Colombia segment were S/2.8 million in the year ended December 31, 2020, representing a decrease of S/0.5 million, or 15.2%, from S/3.3 million in the year ended December 31, 2019. The decrease was primarily due to certain measures implemented to manage expenses in order to mitigate the effect of COVID-19-related incremental expenses in the segment such as a S/0.7 million decrease in sales staff expenses.

### *Administrative expenses*

Our total administrative expenses were S/273.4 million in the year ended December 31, 2020, representing an increase of S/36.9 million, or 15.6%, from S/236.5 million in the year ended December 31, 2019.

Administrative expenses for our Oncosalud Peru segment were S/119.4 million in the year ended December 31, 2020, representing an increase of S/27.2 million, or 29.5%, from S/92.2 million in 2019. The increase was primarily attributable to S/25.2 million in additional corporate-level expenses, primarily for innovation advisory services and a corporate reorganization through which we created regional management teams for Peru and Colombia.

Administrative expenses for our Healthcare Services in Peru segment were S/96.6 million in the year ended December 31, 2020, representing an increase of S/14.4 million, or 17.5%, from S/82.2 million in 2019. The increase was primarily attributable to a S/10.1 million in additional expenses for external IT and innovation advisory services at the corporate level, and a corporate reorganization through which we created regional management teams for Peru and Colombia.

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Administrative expenses for our Healthcare Services in Colombia segment were S/79.1 million in the year ended December 31, 2020, representing an increase of S/15.6 million, or 24.6%, from S/63.5 million in the year ended December 31, 2019. The increase was primarily attributable to (i) the acquisition of Clínica Portoazul in Barranquilla in September 2020, which accounted for S/4.1 million, or 5.2%, of the administrative expenses in 2020, (ii) S/2.1 million related to expenses associated with the acquisition of Clínica Portoazul and (iii) S/3.2 million in administrative expenses at the corporate level in connection with a corporate reorganization through which we created regional management teams for Peru and Colombia.

### *Loss for impairment of trade receivables*

The total loss for impairment of trade receivables was S/16.4 million in the year ended December 31, 2020, representing an increase of S/10.4 million, or 173.3%, from S/6.0 million in the year ended December 31, 2019.

The loss for impairment of trade receivables was S/2.8 million in the year ended December 31, 2020 in our Oncosalud Peru segment, representing an increase of S/1.9 million from S/0.9 million in the year ended December 31, 2019. The increase in the loss for impairment of trade receivables in our Oncosalud Peru segment was primarily due to an increase in the number of patients with COVID-19 paying out-of-pocket that had a payment plan with Auna, but could not complete all of their payments on time.

The loss for impairment of trade receivables was S/8.1 million in the year ended December 31, 2020 in our Healthcare Services in Peru segment, representing an increase of S/6.1 million from S/2.0 million in the year ended December 31, 2019. The increase in the loss for impairment of trade receivables in our Healthcare Services in Peru segment was primarily due to an increase in the number of patients with COVID-19 paying out-of-pocket that had a payment plan with Auna, but could not complete all of their payments on time.

The loss for impairment of trade receivables was S/5.4 million in the year ended December 31, 2020 in our Healthcare Services in Colombia segment, representing an increase of S/2.4 million, or 80.0%, from S/3.0 million in the year ended December 31, 2019. The increase in the loss for impairment of trade receivables in our Healthcare Services in Colombia segment was primarily related to financial performance of some insurers during 2020 that changed certain assumptions in determining the weighted-average loss rate.

### *Operating profit*

	<u>Year Ended December 31,</u>		<u>% Change</u>
	<u>2020</u>	<u>2019</u>	<u>2020 vs. 2019</u>
	<i>(in millions of soles)</i>		
<b>Operating profit</b>			
Oncosalud Peru	S/ 109.0	S/ 106.8	2.1%
Healthcare Services in Peru	(15.4)	22.3	(169.1)%
Healthcare Services in Colombia	24.2	42.5	(43.1)%
Holding and Eliminations	0.6	(4.4)	(113.6)%
<b>Total</b>	<b><u>S/ 118.4</u></b>	<b><u>S/ 167.1</u></b>	<b>(29.1)%</b>

For the foregoing reasons, our operating profit was S/118.4 million in 2020, representing a decrease of S/48.7 million, or 29.1%, from S/167.1 million in 2019.

### *Finance income and finance cost*

Finance income was S/3.8 million in the year ended December 31, 2020, representing an increase of S/2.3 million from S/1.5 million in the year ended December 31, 2019. This increase was primarily due to increased interest income generated by time deposits derived from the proceeds of the 2025 Notes issued in November 2020.

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Finance cost was S/136.7 million in the year ended December 31, 2020, representing an increase of S/80.6 million, or 143.7%, from S/56.1 million in the year ended December 31, 2019. This increase was primarily attributable to an increase in debt (both loans and borrowings, and financial leases) to fund organic and inorganic growth projects.

*Income tax expense*

We had an income tax benefit of S/7.8 million in 2020, representing an increase of S/49.0 million, from an income tax expense of S/41.2 million in 2019. The decrease in income tax expense was primarily attributable to the decrease in profit before tax as a result of the impact of the COVID-19 pandemic on our operations as described above. In addition, our effective tax rate increased from 35.8% in 2019 to 59.3% in 2020, primarily attributable to an increase of 18% in the effective tax rate of our subsidiaries in Colombia, partially offset by a decrease in our consolidated profit before income tax.

*(Loss) profit for the year*

For the foregoing reasons, loss for the year was S/5.4 million in 2020, representing a decrease of S/79.3 million, or 107.3%, from a profit of S/73.9 million in 2019.

**Year Ended December 31, 2019 Compared to Year Ended December 31, 2018**

The following table summarizes our results of operations for the year ended December 31, 2019 and 2018:

	<b>Year Ended December 31,</b>		<b>% Change 2019 vs. 2018</b>
	<b>2019</b>	<b>2018</b>	
	<i>(in millions of soles)</i>		
Revenue			
Premiums earned	S/ 522.3	S/ 467.6	11.7%
Health care services revenue	658.9	229.6	187.0%
Sales of medicines	201.3	164.0	22.7%
<b>Total Revenue from contracts with customers</b>	<b>1,382.6</b>	<b>861.2</b>	<b>60.5%</b>
Cost of sales and services	(844.5)	(497.8)	69.6%
<b>Gross profit</b>	<b>538.0</b>	<b>363.4</b>	<b>48.0%</b>
Selling expenses	(132.5)	(120.7)	9.8%
Administrative expenses	(236.5)	(154.4)	53.2%
Loss for impairment of trade receivables	(6.0)	(2.8)	114.3%
Other expenses	(1.4)	—	N/A
Other income	5.5	5.3	3.8%
<b>Operating profit</b>	<b>167.1</b>	<b>90.8</b>	<b>84.0%</b>
Finance income	1.5	0.6	150.0%
Finance costs	(56.1)	(38.2)	46.9%
<b>Net finance cost</b>	<b>(54.5)</b>	<b>(37.5)</b>	<b>45.3%</b>
<b>Share of profit of equity-accounted investees</b>	<b>2.4</b>	<b>1.0</b>	<b>140.0%</b>
<b>Profit before tax</b>	<b>115.1</b>	<b>54.2</b>	<b>112.4%</b>
Income tax expense	(41.2)	(17.5)	135.4%
<b>Profit for the year</b>	<b>S/ 73.9</b>	<b>S/ 36.6</b>	<b>101.9%</b>

Revenue

	<u>Year Ended December 31,</u>		<u>% Change</u> <u>2019 vs. 2018</u>
	<u>2019</u>	<u>2018</u>	
	(in millions of soles)		
<b>Total revenue from contracts with customers</b>			
Oncosalud Peru	S/ 591.9	S/ 530.6	11.6%
Healthcare Services in Peru	469.9	405.3	15.9%
Healthcare Services in Colombia	409.4	4.8	*
Holding and Eliminations	(88.7)	(79.4)	11.7%
<b>Total</b>	<b><u>S/ 1,382.6</u></b>	<b><u>S/ 861.2</u></b>	<b>60.5%</b>

\* Not meaningful.

Our total revenue from contracts with customers was S/1,382.6 million in 2019, representing an increase of S/521.4 million, or 60.5%, from S/861.2 million in 2018. This increase was primarily driven by the acquisition of Grupo Las Américas in Colombia in 2018, which accounted for S/409.4 million, or 29.1%, of our revenue in 2019. Our Oncosalud Peru and Healthcare Services in Peru segments accounted for 42.8% and 34.0%, respectively, of our revenue in 2019.

Revenue from our Oncosalud Peru segment was S/591.9 million in 2019, representing an increase of S/61.3 million, or 11.6%, from S/530.6 million in 2018. This increase was primarily driven by a 8.7% increase in the average revenue per plan member, which contributed S/44.8 million to the increase and was due to an increase in plan prices upon renewal to account for an increase in medical costs and an increase in the average age of our plan members, as well as a 2.4% net increase in the average number of Oncosalud plan members, which contributed S/13.7 million to the increase.

Revenue from our Healthcare Services in Peru segment was S/469.9 million in 2019, representing an increase of S/64.6 million, or 15.9%, from S/405.3 million in 2018. This increase was primarily driven by a 13.1% increase in the number of patients treated, which contributed S/53.2 million to the increase and was due to an increase in our utilization rates, and a 2.5% increase in average revenue per patient in 2019, which contributed S/11.5 million to the increase and was due to an increase in the number of high-complexity procedures and an increase in the price of medicines sold to our patients.

Revenue from our Healthcare Services in Colombia segment was S/409.4 million in 2019 compared to S/4.8 million in 2018.

Cost of sales and services

	<u>Year Ended December 31,</u>		<u>% Change</u> <u>2019 vs. 2018</u>
	<u>2019</u>	<u>2018</u>	
	(in millions of soles)		
<b>Cost of sales and services</b>			
Oncosalud Peru	S/ (274.3)	S/ (258.6)	6.1%
Healthcare Services in Peru	(357.9)	(313.5)	14.1%
Healthcare Services in Colombia	(298.0)	(3.5)	*
Holding and Eliminations	85.7	77.9	10.0%
<b>Total</b>	<b><u>S/ (844.5)</u></b>	<b><u>S/ (497.8)</u></b>	<b>69.7%</b>

\* Not meaningful.

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Our total cost of sales and services was S/844.5 million in 2019, representing an increase of S/346.7 million, or 69.7%, from S/497.8 million in 2018. The increase was primarily attributable to the acquisition of Grupo Las Américas in Colombia in 2018, which accounted for S/298.0 million, or 35.3%, of our cost of services in the year 2019. Our Oncosalud Peru and Healthcare Services in Peru segments accounted for 32.5% and 42.4%, respectively, of our cost of sales and services in 2019.

Cost of sales and services in our Oncosalud Peru segment was S/274.3 million in 2019, representing an increase of S/15.7 million, or 6.1%, from S/258.6 million in 2018. This increase was primarily attributable to an increase in the number of patients treated, which increased cost of sales and services by S/32.4 million, partially offset by a decrease of the average cost of treatment per patient due to Project Galeno benefits, which decreased cost of sales and services by S/16.7 million.

Cost of sales and services in our Healthcare Services in Peru segment was S/357.9 million in 2019, representing an increase of S/44.4 million, or 14.2%, from S/313.5 million in 2018. The increase was primarily attributable to (i) a 16.6% increase in the cost of medicines and medical consultation fees driven by the increase in revenue in the segment, which increased cost of sales and services by S/31.0 million, and (ii) a 17.2% increase in medical staff costs in connection with the hiring of additional physicians and nurses to meet expanded capacity at our facilities, which increased cost of sales and services by S/14.0 million.

Cost of sales and services in our Healthcare Services in Colombia segment was S/298.0 million in 2019, compared to S/3.5 million in 2018.

*Gross profit and gross margin*

For the foregoing reasons, our gross profit was S/538.0 million in 2019, representing an increase of S/174.6 million, or 48.0%, from S/363.4 million in 2018.

Our gross margin for the year was 38.9%. By segment, our gross margin was 53.7% in Oncosalud Peru, 23.7% in Healthcare Services in Peru and 27.2% in Healthcare Services in Colombia. Overall, our gross margin decreased by 3.3 percentage points in 2019, from 42.3% in 2018, mainly as a result of the acquisition of Grupo Las Américas, which added several facilities to our operations and as a result increased our fixed costs on an aggregate basis.

*Selling expenses*

Our total selling expenses were S/132.5 million in 2019, representing an increase of S/11.8 million, or 9.8%, from S/120.7 million in 2018.

Selling expenses in our Oncosalud Peru segment were S/119.1 million in 2019, representing an increase of S/5.2 million, or 4.5%, from S/113.9 million in 2018. The increase in selling expenses was primarily a result of an increase in the number of salespeople, which led to an increase in sales staff cost of S/5.0 million, and an increase in credit card collection fees of S/1.5 million, partially offset by lower expenses related to advisory services for commercial services and product related studies of S/0.9 million, compared to 2018.

Selling expenses in our Healthcare Services in Peru segment were S/8.7 million in 2019, representing an increase of S/0.2 million, or 2.0%, from S/8.5 million in 2018. The increase in selling expenses was primarily due to an increase of credit card collection fees of S/0.6 million.

Selling expenses in our Healthcare Services in Colombia segment were S/3.3 million in 2019 compared to S/0.03 million in 2018.

*Administrative expenses*

Administrative expenses for our Oncosalud Peru segment were S/92.2 million in 2019, representing an increase of S/7.1 million, or 8.3%, from S/85.1 million in 2018. The increase was primarily attributable to (i) an increase of S/4.2 million due to the hiring of additional personnel for our technical, risk and product teams and (ii) S/4.3 million in additional expenses for external IT and innovation advisory services at the corporate level.

Administrative expenses for our Healthcare Services in Peru segment were S/82.2 million in 2019, representing an increase of S/13.1 million, or 19.0%, from S/69.1 million in 2018. The increase was primarily attributable to a S/3.4 million increase in administrative expenses related to the hiring of additional administrative personnel at our facilities and S/9.9 million in additional expenses for external IT and innovation advisory services at the corporate level.

Administrative expenses for our Healthcare Services in Colombia segment were S/63.5 million in 2019, compared to S/2.0 million in 2018.

*Loss for impairment of trade receivables*

The total loss for impairment of trade receivables was S/6.0 million in the year ended December 31, 2019, representing an increase of S/3.2 million, or 111.9%, from S/2.8 million in the year ended December 31, 2018. The increase was primarily attributable to the acquisition of Grupo Las Américas in Colombia in 2018, which accounted for S/3.0 million, or 49.4%, of our loss for impairment of trade receivables in 2019 and was primarily related to contracts with certain insurance providers. Our Oncosalud Peru and Healthcare Services in Peru segments accounted for 15.5% and 33.3%, respectively, of our loss for impairment of trade receivables in 2019.

The loss for impairment of trade receivables was S/0.9 million in the year ended December 31, 2019 in our Oncosalud Peru segment, representing an increase of S/0.3 million, or 50.0%, from S/0.6 million in the year ended December 31, 2018. The increase in the loss for impairment of trade receivables in our Oncosalud Peru segment was primarily due to treatments provided at certain Oncosalud facilities to individuals that are not members of Oncosalud and tend to take longer to pay amounts due in connection with their treatments.

The loss for impairment of trade receivables was S/2.0 million in the year ended December 31, 2019 in our Healthcare Services in Peru segment, representing an increase of S/0.04 million, or 2.0%, from S/2.0 million in the year ended December 31, 2018. The decrease in the loss for impairment of trade receivables in our Healthcare Services in Peru segment was primarily due to a decrease in provisions for individual clients as compared to 2018 as a result of improvements in our cash collection processes for these clients.

*Operating profit*

	<b>Year Ended December 31,</b>		<b>% Change 2019 vs. 2018</b>
	<b>2019</b>	<b>2018</b>	
	<b>(in millions of soles)</b>		
<b>Operating profit</b>			
Oncosalud Peru	S/ 106.8	S/ 78.4	36.2%
Healthcare Services in Peru	22.3	16.4	36.0%
Healthcare Services in Colombia	42.5	(0.6)	*
Holding and Eliminations	(4.4)	(3.4)	*
<b>Total</b>	<b><u>S/ 167.1</u></b>	<b><u>S/ 90.8</u></b>	<b>84.1%</b>

\* Not meaningful.

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For the foregoing reasons, our operating profit was S/167.1 million in 2019, representing an increase of S/76.4 million, or 84.1%, from S/90.8 million in 2018.

*Finance income and finance cost*

Finance income was S/1.5 million in 2019, representing an increase of S/0.9 million from S/0.6 million in 2018. This increase was primarily due to S/0.9 million of finance income from our investment in short-term deposits of excess cash we received from shareholders to partially fund our acquisition of Grupo Las Américas.

Finance cost was S/56.1 million in 2019, representing an increase of S/17.9 million, or 46.8%, from S/38.2 million in 2018. This increase was primarily attributable to an increase in indebtedness of (i) S/368.6 million to finance the acquisition of Grupo Las Américas and (ii) S/100.1 million in the form of additional working capital credit lines, partially offset by a decrease in the average interest rate payable on such indebtedness due to the refinancing of our loan with Scotiabank Perú S.A.A. (“Scotiabank”) in December 2018.

*Income tax expense*

Income tax expense was S/41.2 million in 2019, representing an increase of S/23.6 million, or 135.4%, from S/17.5 million in 2018. The increase was primarily attributable to the increase in profit before tax as a result of the acquisition of Grupo Las Américas and an increase in profit before tax due to growth of operating profit in our Oncosalud Peru and Healthcare Services in Peru segments. In addition, our effective tax rate increased from 32.4% in 2018 to 35.8% in 2019, mainly due to an increase of non-deductible expenses from S/1.7 million in 2018 to S/7.1 million in 2019, which resulted in an increase of our effective tax rate of 3.4%.

*Profit for the year*

For the foregoing reasons, profit for the year was S/73.9 million in 2019, representing an increase of S/37.2 million, or 101.9%, from S/36.6 million in 2018.

**Liquidity and Capital Resources**

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

**Overview**

Our primary source of liquidity is our operating cash flow from premiums earned on oncology plans and the sale of healthcare services and medicines. Our oncology plans are prepaid plans pursuant to which plan members typically pay us a fixed amount per month over the course of a year. During 2020, in our healthcare services business in Peru and Colombia, 79% of payments came from a limited number of third party insurance providers and 21% came out-of-pocket from our patients on an aggregate basis. In Peru, our account receivables are typically collected in an average of 105 days whereas in Colombia, these are typically collected in 157 days. Our principal liquidity needs include paying the cost of medicines, personnel expenses, cost of services provided by third parties, medical consultation fees and other selling and administrative expenses.

As of December 31, 2020, our cash and cash equivalents were S/343.5 million, and we had working capital (defined as current assets less current liabilities) of S/269.5 million. See “Risk Factors—Risks Related to Our Business—We may not have sufficient funds to settle current liabilities and as a result we may continue to have negative working capital in the near future.”

On November 20, 2020, we issued US\$300 million aggregate principal amount of 6.500% Senior Notes due 2025 (the “2025 Notes”). We used the net proceeds from the issuance of the 2025 Notes to repay US\$255.9 million of indebtedness outstanding under the Credit Agreements and other facilities, including COVID-19 loans received from the Peruvian government and for general corporate purposes, including payment of dividends.

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

Our ability to expand and grow our business in accordance with management's current plans and to meet our long-term capital requirements will depend on many factors, including those mentioned above. To the extent we pursue one or more significant strategic acquisitions, we may be required to use our borrowings under the 2018 Credit Agreements (as defined below), incur additional debt or sell additional equity to finance those acquisitions.

### Comparative Cash Flows

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

	Year Ended December 31,		
	2020	2019	2018
	(in millions of soles)		
Net cash from operating activities	S/ 156.3	S/ 152.4	S/ 109.3
Net cash used in investing activities	(125.9)	(125.9)	(580.0)
Net cash (used in) from financing activities	272.7	(99.5)	552.6
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>303.1</b>	<b>(73.0)</b>	<b>81.9</b>
Cash and cash equivalents at beginning of period	36.1	110.9	32.5
Effect of movements in exchange rates on cash held	4.3	(1.8)	(3.5)
<b>Cash and cash equivalents at end of period</b>	<b>S/ 343.5</b>	<b>S/ 36.1</b>	<b>S/ 110.9</b>

#### Year ended December 31, 2020 Compared to Year ended December 31, 2019

Net cash provided by operating activities for the year ended December 31, 2020 was S/156.3 million compared to S/152.4 million for the year ended December 31, 2019, an increase of S/3.9 million. This increase was primarily the result of an increase of S/6.8 million in cash collected driven by the increase in revenue in all of our segments, partially offset by a deterioration in our cash management, which led to a decrease in our cash conversion rate (i.e., the rate at which we convert our revenue to cash, which is calculated by dividing our net cash from operating activities by our total revenue from the same period) from 11.0% to 10.8%, which resulted in a reduction of S/2.9 million in cash as compared to the year ended December 31, 2019.

Net cash used in investing activities for the year ended December 31, 2020 was S/(125.9) million, compared to S/(125.9) million for the year ended December 31, 2019. The primary use of funds in the year ended December 31, 2020 was S/90.7 million for infrastructure improvements at our facilities and medical equipment, including special treatment tents and medical equipment for COVID-19 patients, and S/38.2 million for software and other intangibles.

Net cash from financing activities for the year ended December 31, 2020 was S/272.7 million, compared to net cash used in financing activities of S/(99.5) million for the year ended December 31, 2019. Net cash from financing activities for the year ended December 31, 2020 primarily reflected S/1,481.6 million of proceeds from loans and borrowings, which includes US\$300 million principal amount of the 2025 Notes. The proceeds of the 2025 Notes were used to repay certain existing indebtedness and financial obligations, make certain interest payments and make dividend payments of S/10.0 million.

*Year Ended December 31, 2019 Compared to Year Ended December 31, 2018*

Net cash provided by operating activities for the year ended December 31, 2019 was S/152.4 million compared to S/109.3 million for the year ended December 31, 2018, an increase of S/43.1 million. This increase was primarily the result of (i) an increase in cash from operations of S/7.2 million from our Colombian operations, which we acquired at the end of 2018, (ii) an increase of S/14.2 million in cash collected from our Peruvian operations driven by the increase in revenue in our Oncosalud Peru and Healthcare Services in Peru segments, and (iii) an improvement in our cash management in our Oncosalud Peru and Healthcare Services in Peru segments, which led to an increase in our cash conversion rate (i.e., the rate at which we convert our revenue to cash, which is calculated by dividing our net cash from operating activities by total revenue from the same period) from 12.7% to 14.9%, and provided an additional S/21.7 million of cash as compared to 2018.

Net cash used in investing activities for the year ended December 31, 2019 was S/(125.9) million, compared to S/(580.0) million for the year ended December 31, 2018. The primary use of funds in 2019 was S/104.6 million for infrastructure improvements at our facilities and medical equipment and S/21.2 million for software and other intangibles. The primary use of funds in 2018 was S/533.7 million for the acquisition of Grupo Las Américas and S/39.0 million for infrastructure improvements at our facilities.

Net cash used in financing activities for the year ended December 31, 2019 was S/(99.5) million, compared to net cash from financing activities of S/552.6 million for the year ended December 31, 2018. Net cash used in financing activities for the year ended December 31, 2019 primarily reflected the payment of financial obligations and interest of S/278.1 million, payments to counterparties of S/9.9 million in connection with our hedging arrangements and dividend payments of S/10.0 million and S/12.8 million of advance payments used to finance the acquisition of additional shares amounting to 2.5% of the outstanding share capital of Grupo Las Américas from minority shareholders, partially offset by borrowings of S/215.9 million from additional debt instruments we entered into during the year. Net cash used in financing activities in 2018 primarily reflected the payment of financial obligations and interest of S/330.6 million and dividend payments of S/10.0 million, partially offset by borrowings of S/649.3 million provided by our credit lines.

***Capital Expenditures***

We define capital expenditures as the acquisition of intangible assets and property, furniture and equipment. Our capital expenditures for the year ended December 31, 2020 were S/128.9 million, 50% of which was for infrastructure improvements at our facilities related to treatment of patients with COVID-19 and for Clínica Chiclayo, and for the expansions of Clínica Vallesur and Clínica del Sur in Colombia, 29% of which was for medical equipment and 21% of which was for software development.

Our capital expenditures for the year ended December 31, 2019 were S/125.8 million, 73.7% of which was for infrastructure improvements at our facilities and the acquisition of landbanks for the expansions of Clínica Chiclayo, Clínica Delgado and Clínica Vallesur as well as for new construction projects and 16.2% of which was for medical equipment, furniture and fixtures. In 2018, our capital expenditures were S/46.3 million, 63.3% of which was for the acquisition of land for the expansions of Clínica Delgado and Clínica Vallesur and for infrastructure improvements for our facilities, and 20.1% of which was for medical equipment, furniture and fixture.

For 2021, we have a capital expenditures budget of S/271.6 million, which we expect to use primarily for the expansion plan for our healthcare networks in Peru and Colombia, including the construction of a facility in Chiclayo and the expansion of Clínica Vallesur. We intend to finance these capital expenditures with a combination of cash from operations and additional indebtedness. We may also use the proceeds of this offering for our expansion plans. See “Use of Proceeds” for more information.

**Contractual Obligations and Commitments**

The following table presents information relating to our contractual obligations as of December 31, 2020:

	<u>Total</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
	(in millions of soles)				
Loans and borrowings(1)	S/ 1,599.0	S/ 87.3	S/ 86.6	S/ 1,353.7	S/ 71.4
Lease liabilities	201.0	26.1	22.8	69.8	82.3
Derivative financial instruments	33.6	—	—	33.6	—
<b>Total</b>	<b><u>S/ 1,833.6</u></b>	<b><u>S/ 113.4</u></b>	<b><u>S/ 109.4</u></b>	<b><u>S/ 1,457.1</u></b>	<b><u>S/ 153.7</u></b>

(1) Includes interest.

**Senior Notes**

On November 20, 2020, we issued US\$300 million aggregate principal amount of 6.500% Senior Notes due 2025 (the “2025 Notes”). We used the net proceeds from the issuance of the 2025 Notes to repay US\$255.9 million of indebtedness outstanding under the Credit Agreements and for general corporate purposes, including payment of dividends.

The 2025 Notes were issued pursuant to the indenture, dated as of November 20, 2020, among Auna S.A.A., the guarantors party thereto and Citibank, N.A. as trustee, paying agent, registrar and transfer agent (the “Indenture”). The 2025 Notes bear interest at a rate of 6.500% per year and interest on the 2025 Notes is payable semi-annually in arrears on May 20 and November 20 of each year. The 2025 Notes will mature on November 20, 2025. We are entitled to redeem some or all of the 2025 Notes at any time at the redemption prices set forth in the applicable indenture.

The Indenture limits our ability to incur incremental indebtedness, as we may only incur indebtedness to the extent that, upon the issuance of such indebtedness, our consolidated net leverage ratio would not exceed (i) 5.00x before November 20, 2021, (ii) 4.50x between November 20, 2021 and November 19, 2022, (iii) 4.25x between November 20, 2022 and November 19, 2023 and (iv) 3.75x on or after November 20, 2023, in each case, at the time debt is incurred. In addition, pursuant to the terms of the Indenture, we are also required to have a consolidated interest coverage ratio of at least 2.25x in order to incur more debt.

The 2025 Notes contain customary representations and warranties, affirmative and negative covenants and events of default, including customary restrictions on our ability to pay dividends.

**Credit Agreement<sup>1,2</sup>**

*Scotiabank Perú*

On February 3, 2020, Oncosalud S.A.C. entered into a financing agreement (the “Chiclayo Hospital Financing Agreement”) with Scotiabank for S/70 million. The proceeds of the financing are being used to build a new hospital in Chiclayo (the “Chiclayo Hospital”). In addition, on July 21, 2020, Oncosalud S.A.C. entered into a financing agreement (the “Chiclayo Equipment Financing Agreement”) and together with the Chiclayo Hospital Financing Agreement, the “Chiclayo Financing Agreements”) with Scotiabank for an amount up to S/21 million to acquire equipment that will be used in the Chiclayo Hospital. The Chiclayo Financing Agreements mature in 2027. Interest on the Chiclayo Financing Agreements is calculated using an annual effective rate of 6.30%. The Chiclayo Hospital Financing Agreement is secured by a surface right over the real estate property where the Chiclayo Hospital will be located and a mortgage over the Chiclayo Hospital. The Chiclayo Financing

<sup>1</sup> To date, Oncosalud S.A.C. has not requested any disbursement under the Chiclayo Equipment Financing Agreement.

<sup>2</sup> The financial covenants related to the consolidated leverage ratio were modified by an Amendment to the Chiclayo Hospital Financing Agreement executed on March 31, 2021.

Agreements are further secured by an assignment agreement (the “Chiclayo Assignment Agreement”) over the cash flows that Oncosalud S.A.C. will be entitled to receive from the operation of the Chiclayo Hospital.

The Chiclayo Financing Agreement contain financial covenants requiring us to maintain a consolidated debt service ratio equal to or higher than 1.2x and a consolidated leverage ratio lower than or equal to 5.0x until December 1, 2021, 4.5x until December 1 2022, 4.25x until December 1 2023 and 3.75x from December 1, 2023 onwards.

As of June 30, 2021, we were in compliance with the consolidated debt service and consolidated leverage ratios under the Chiclayo Financing Agreement. EBITDA as calculated for purposes of the Chiclayo Financing Agreements excludes certain expenses relating to Torre Trecca that are not excluded from EBITDA as defined under “—Non-GAAP Financial Measures.” In addition, the Chiclayo Assignment Agreement requires Oncosalud S.A.C. to maintain a minimum debt service ratio, defined as the ratio of assigned rights to long term debt plus financial expenses, of 1.0x during 2021 and 2022 and 1.2x during 2023 to 2027.

The Chiclayo Financing Agreement contain consent requirements for certain transactions, such as a merger, consolidation or internal reorganization, as well as certain restrictions, such as restrictions from transferring or encumbering assets related to the Chiclayo Hospital.

#### *Credit Lines*

We have access to available revolving credit lines of up to an aggregate of S/269.5 million with other recognized financial institutions that we use for short-term capital needs. Our revolving credit lines bear interest at varying fixed rates, ranging from 2.30% to 5.5%. As of December 31, 2020, we had drawn S/58.4 million, and had S/329.7 million of available borrowings, under our revolving credit lines, maturing between 2021 and 2022. We are subject to various covenants under our revolving credit lines, including reporting requirements, restrictions on incurring future debt and consent requirements for certain transactions, such as a merger, consolidation or internal reorganization, and were in compliance with these covenants as of December 31, 2020. Lenders may terminate our revolving credit lines under certain events, including nonpayment of our monetary obligations, acquiring debt that is senior to our obligations under our revolving credit lines, failing to maintain our corporate existence, certain changes to our corporate purpose and a change of control, whether directly or indirectly, among others.

#### *Trends*

Our Oncosalud membership base decreased 10.0% in 2020 primarily as a result of younger members choosing not to renew their plans, which we believe was due to the economic hardship generated by the COVID-19 pandemic. However, due to the automatic increases in premiums upon renewal, the average revenue per plan member increased by 12.6%, which led to a 11.4% increase in revenue in the Oncosalud Peru segment compared to 2019. In addition, the number of plan members treated during 2020 increased by 10.0%, mainly due to an increase of non-oncological plan members from 454 in 2019 to 2,748 in 2020. Oncological plan members treated decreased by 6.3% due to government restrictions on non-critical services in response to COVID-19, which led to a decrease in MLR to 43.0% in 2020 from 51.9% in the 2019. In our Healthcare Services in Peru segment, the number of patients treated during 2020 decreased 7.3%, also due to government restrictions on non-critical services in response to COVID-19, compared to 2019. In our Healthcare Services in Colombia segment, the number of patients treated during 2020 increased 6.8%, due to the acquisition of Clínica Portoazul in Barranquilla, which represented 9% of all patients treated in the segment.

In our Auna Peru network, we will continue to grow organically by expanding our network’s installed capacity. For example, we are currently expanding Clínica Vallesur, which we expect to add approximately 40 beds to our capacity by 2022, and at the end of August 2021, we expect to start operations at our new hospital in Chiclayo with approximately 68 beds. We are also evaluating other opportunities to expand our Auna Peru network beyond these current projects. In Colombia, we plan to focus on expanding the range of services offered in our existing and new facilities and entering into potential strategic acquisitions. Throughout the remainder

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2021, we expect to invest in the expansion of our existing facilities and the development of new facilities in Medellín. In the fourth quarter of 2019, we launched operations at Arkadia, a clinic in Medellín that is next to Clínica Las Américas and in the third quarter of 2020, we acquired Clínica Portoazul in Barranquilla.

In all of our networks, we expect to benefit from these expanded and new facilities as our greater capacity will allow us to treat additional patients and generate additional revenue. However, we also expect these expansion projects to temporarily increase our costs and we may need to temporarily close down some of our capacity while under construction.

In addition, we are awaiting approval of certain project milestones as well as negotiating certain amendments to the concession agreement relating to the Torre Trecca PPP, which we expect will require approximately 18 to 24 months to redevelop following approval before we can begin operations. This PPP will increase the patient population that we can address, provide us with additional synergies through increased scale and increase our revenues. However, given the nature of PPPs, we expect this business, as well as any other PPPs that we may enter into, to generate lower margins than our current business segments have historically.

Our pharmaceutical costs represented 38% and 46% of our cost of services in our Healthcare Services in Peru and Healthcare Services in Colombia segments and 37% and 38% of our cost of services in our Oncosalud Peru segment in the years ended December 31, 2020 and December 31, 2019, respectively. During 2018, we completed an efficiency evaluation of our pharmacy management protocols, which we refer to as Project Galeno, with the help of an outside advisory firm. The outcome of this evaluation was several recommendations for improving the efficiency of our pharmacy management, such as streamlining the processes for approving new molecules, strengthening communication between the medical and administrative teams handling prescriptions, forming dedicated committees to analyze the cost effectiveness of new pharmaceuticals and related technologies and creating an enhanced directory of approved pharmaceuticals with quality ratings, among other recommendations. Following the implementation of all of these recommendations, which we completed in 2020, we have been able to more efficiently manage our pharmaceutical costs in our Healthcare Services in Peru and Oncosalud Peru segments while still maintaining our standard for high quality healthcare services.

We have also been impacted by the COVID-19 pandemic. See “—Impact of COVID-19” and “Risk Factors—Risks Related to Our Business—Our business has been and continues to be negatively impacted by the COVID-19 pandemic.”

***Off-Balance Sheet Arrangements***

As of December 31, 2020, we did not have any off-balance sheet arrangements.

**Supplemental Financial Information for the Three Months Ended March 31, 2021 and the Three Months Ended March 31, 2020**

This data has been prepared by, and is the responsibility of, our management. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this financial data or the accounting treatment thereof.

We are required to report certain financial information under the indenture governing the 2025 Notes. In accordance with Item 4 of Form F-1 and Item 8.A.5 of Form 20-F, set forth below is supplemental financial information for the three months ended March 31, 2021 and March 31, 2020, as we have published such interim financial information, which covers a more current period than is otherwise required to be included in this prospectus, pursuant to the requirements under the indenture governing the 2025 Notes.

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The following table summarizes our results of operations for the three months ended March 31, 2021 and 2020:

	<u>Three Months Ended March 31,</u>		<u>% Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021 vs. 2020</u>
	(in millions of soles)		
Revenue			
Premiums earned	S/ 150.8	S/ 137.5	9.6%
Health care services revenue	269.4	156.9	71.7%
Sales of medicines	50.7	43.0	17.9%
<b>Total Revenue from contracts with customers</b>	<b>470.8</b>	<b>337.4</b>	<b>39.6%</b>
Cost of sales and services	(294.8)	(211.7)	39.3%
<b>Gross profit</b>	<b>175.9</b>	<b>125.6</b>	<b>40.0%</b>
Selling expenses	(33.7)	(35.1)	(4.1)%
Administrative expenses	(92.5)	(63.1)	46.7%
Loss for impairment of trade receivables	(3.4)	(3.0)	12.6%
Other expenses	—	—	N/A
Other income	1.9	1.5	25.1%
<b>Operating profit</b>	<b>48.3</b>	<b>26.0</b>	<b>85.6%</b>
Finance income	6.2	1.6	87.8%
Finance costs	(26.3)	(86.4)	(69.5)%
<b>Net finance cost</b>	<b>(20.1)</b>	<b>(84.8)</b>	<b>(76.2)%</b>
<b>Share of profit of equity-accounted investees</b>	<b>0.6</b>	<b>0.3</b>	<b>76.2%</b>
<b>(Loss) profit before tax</b>	<b>28.8</b>	<b>(58.4)</b>	<b>149.2%</b>
Income tax expense	(8.2)	19.3	142.5%
<b>(Loss) profit for the year</b>	<b>S/ 20.6</b>	<b>S/ (39.1)</b>	<b>152.6%</b>

The following table sets forth our cash flows for the three months ended March 31, 2021 and 2020:

	<u>As of March 31,</u>	
	<u>2021</u>	<u>2020</u>
	(in millions of soles)	
Net cash from operating activities	S/43.0	S/19.2
Net cash used in investing activities	(52.4)	(37.6)
Net cash (used in) from financing activities	(9.8)	62.6
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(19.3)</b>	<b>33.2</b>
Cash and cash equivalents at beginning of period	343.5	36.1
Effect of movements in exchange rates on cash held	1.7	(1.4)
<b>Cash and cash equivalents at end of period</b>	<b>S/325.9</b>	<b>S/78.9</b>

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The following tables set forth our summary financial data as of March 31, 2021:

	<u>As of March 31, 2021</u> (in millions of soles)
<b>Statement of Financial Position Data:</b>	
Cash and cash equivalents	S/ 325.9
Total assets	2,720.5
Total liabilities	2,092.4
Total equity	628.1

	<u>As of March 31,</u> (in millions of soles)
<b>Segment Financial Data:</b>	
Revenue	
Oncosalud Peru:	S/ 191.1
Healthcare Services in Peru:	S/ 165.2
Healthcare Services in Colombia:	S/ 158.9
Operating profit	
Oncosalud Peru:	S/ 29.7
Healthcare Services in Peru:	S/ 3.3
Healthcare Services in Colombia:	S/ 14.4
(Loss) profit before tax	
Oncosalud Peru:	S/ 23.9
Healthcare Services in Peru:	S/ (0.6)
Healthcare Services in Colombia:	S/ (2.1)

**EBITDA**

The following table sets forth our EBITDA and shows a reconciliation of EBITDA to (loss) profit for the period for each of the periods presented:

	<u>Three months ended March</u> <u>31,</u>	
	<u>2021</u>	<u>2020</u>
	(in millions of soles)	
(Loss) profit for the period	S/ 20.6	S/ (39.1)
Income tax expense	8.2	(19.3)
Net finance cost	20.1	84.8
Depreciation and amortization	17.7	16.1
<b>EBITDA</b>	<b>S/ 66.6</b>	<b>S/ 42.5</b>

**Quantitative and Qualitative Disclosures About Market Risks**

In the ordinary course of our business activities, we are exposed to market risks that are beyond our control and which may have an adverse effect on the value of our financial assets and liabilities, future cash flows and profit. The market risks that we are exposed to include foreign currency risks and interest rate risks.

Our functional currency is Peruvian *soles* and we present our financial statements in Peruvian *soles*. However, the majority of our liabilities (primarily US\$300 million of the 2025 Notes) are denominated in U.S. dollars, which exposes us to exchange rate risk. As of December 31, 2020, 97.4% of our liabilities were denominated in U.S. dollars. To mitigate our U.S. dollar exposure, we use derivative financial instruments, such as call spreads and forwards, to hedge our exposure to these risks.

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments may fluctuate as a result of changes in market interest rates. Our general policy is to hold financing at fixed rates, although certain of our borrowings accrue interest at floating rates. Any variations of the *sol*-to-U.S. dollar exchange rate outside of this range is reflected as a gain or loss in Exchange difference, net. Because the majority of our financing is at fixed rates and we have hedging arrangements in place for all of our borrowings held at floating rates, we do not consider interest rate risk material to our business.

### **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with IFRS. The preparation of our financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and significant assumptions. We base these estimates on our historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results experienced may vary materially and adversely from our estimates. Revisions to estimates are recognized prospectively. To the extent there are material differences between our estimates and the actual results, our future results of operations may be affected. We consider the accounting policies that govern revenue recognition, regulatory or technical reserves and income taxes to be the most critical in relation to our consolidated financial statements. These policies require the most complex and subjective estimates of management.

### ***Business Combinations***

We account for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase for the acquisition resulting from purchase price adjustments pursuant to the acquisition agreement is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

Subsidiaries are entities that we control. We control an entity when we are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. We eliminate all transactions between subsidiaries upon consolidation in the consolidated financial statements.

For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets as of the date of acquisition. Changes in our interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### ***Goodwill***

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of our interest in the net identifiable assets at the date of the acquisition. Goodwill arising from a business combination is allocated to each cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level of cash-flow generating assets within the entity at which goodwill is monitored by management. Goodwill is tested for impairment at least annually and recorded at cost less

accumulated impairment losses. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of value in use and fair value less costs to sell. Any impairment is recognized immediately as an expense and cannot be reversed.

### ***Revenue Recognition***

We generate revenue primarily from premiums earned on oncology plans and the sale of healthcare services and medicines. On January 1, 2018, we adopted IFRS 15 as our revenue recognition standard for revenue related to the sale of healthcare services and medicines. Under IFRS 15, revenue we generate from the sale of healthcare services is recognized as such healthcare services are provided to our patients. Similarly, the revenue we generate from the sale of medicines is recognized when medicines are provided to our customers and, in cases when our patients are hospitalized, when medicines are administered to them. Prior to January 1, 2018, we used IAS 18 as our revenue recognition standard and our results of operations for periods prior to January 1, 2018 have not been restated to reflect our adoption of IFRS 15. There was no material impact on our consolidated financial statements as a result of the adoption of IFRS 15.

We rely on IFRS 4 as an exception to IFRS 15 as our revenue recognition standard for revenue related to the premiums earned on oncology plans. Under such method, the premiums earned on oncology plans are recognized as revenue proportionally during the period in which a patient is entitled to healthcare services under his or her plan. Premiums related to the unexpired contractual coverage period under an oncology plan are recognized in the accompanying balance sheet as unearned premiums reserve.

### ***Technical Reserves for Healthcare Insurance Contracts***

Our technical reserves for oncology plans are provisions set aside for obligations that may arise from healthcare services provided to plan members that have not been reported (“IBNR”) and unearned premium reserves. IBNR is an estimate of the amount of claims that may have occurred but not be reported in a period. We calculate IBNR based on historical claim rates from the last ten years and our management’s judgment.

### ***Income Taxes***

Current income taxes are provided on the basis of our financial reporting and the financial reporting of each of our subsidiaries, including adjustments in accordance with the regulations of the relevant tax jurisdiction. As such, we must make critical judgments in interpreting tax legislation in the jurisdictions in which we operate in order to determine our income tax expenses.

Deferred income taxes are accounted for using an asset and liability method. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purpose.

### ***Recent Accounting Pronouncements***

The International Accounting Standards Board, or other regulatory bodies, periodically introduce modifications to the financial accounting and reporting standards under which we prepare our consolidated financial statements. Recently, a number of new accounting standards and amendments and interpretations to existing standards have been issued and were effective as of January 1, 2019, including IFRS 16—Leases, or IFRS 16, and IFRIC 23—Uncertainty over Income Tax Treatments, or IFRIC 23. In addition, the amendments to IAS 37—Onerous Contracts—Contract Performance Cost and IAS 16—Property, Plant and Equipment—Proceeds Before Intended Use are scheduled to become effective on January 1, 2022 and IFRS 17—Insurance contracts, or IFRS 17, and the amendment to IAS 1—Classification of Liabilities as Current or non-Current are

scheduled to become effective on January 1, 2023. We have adopted COVID-19 Related Rent Concessions—Amendment to IFRS 16, under which we are not required to assess whether certain eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. For more information on the potential impact of these new accounting requirements on our consolidated financial statements, see notes 3 and 4 to our consolidated financial statements included elsewhere in this prospectus.

#### ***IFRIC 23—Uncertainty over Income Tax Treatments***

This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. We adopted the new standard as of January 1, 2019. The adoption of IFRIC 23 did not have a significant impact on our consolidated financial statements.

#### ***IFRS 16—Leases***

IFRS 16 was issued in January 2016. It introduces a lease accounting model within the consolidated statement of financial position. A lessee recognizes right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

We have adopted the new standard as of January 1, 2019 and applied IFRS 16 using the cumulative effect approach, under which the cumulative effect of initial application is recognized as retained earnings as of January 1, 2019. Consequently, there is no obligation under this method to restate the financial information for the years ended on or before December 31, 2018.

With respect to all qualifying leases, as of January 1, 2019, we recognized right-of-use assets and corresponding lease liabilities. The impact of the initial application of IFRS 16 is summarized in the table below:

	<b>As of January 1, 2019</b> <b>(in millions of soles)</b>
Right-of-use assets—recognition on initial application of IFRS 16	S/ 33.5
Right-of-use assets reclassified from property, furniture and equipment	183.1
Right-of-use assets reclassified from intangible assets	3.1
<b>Total right-of-use assets as of January 1, 2019</b>	<b>219.7</b>
Lease liabilities—recognition on initial application of IFRS 16	33.5
Lease liabilities reclassified from loans and borrowings	92.8
<b>Total lease liabilities as of January 1, 2019</b>	<b>126.3</b>
Other accounts payable	(4.3)
Deferred tax assets	1.3
Retained earnings	3.1

Right-of-use assets and lease liabilities from qualifying leases for the year ended December 31, 2020 were S/141.3 million and S/146.2 million, respectively.

We have adopted COVID-19 Related Rent Concessions—Amendment to IFRS 16, under which we are not required to assess whether certain eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications.

#### ***IFRS 17—Insurance Contracts***

In May 2017, the International Accounting Standards Board issued IFRS 17, which provides a more uniform approach for measurement and presentation of all insurance contracts, including by requiring insurance liabilities

to be measured at a current fulfilment value. The standard is effective for annual periods beginning on or after January 1, 2023, with early adoption permitted for entities applying IFRS 9 and IFRS 15 on or before the initial application date of IFRS 17.

We have not early adopted this standard. Our analysis of the expected effects of the application of IFRS 17 is still ongoing and, as of the date of this prospectus, such analysis has not yet been completed. Accordingly, we have not yet been able to reliably and reasonably quantify the full implications of its adoption.

#### ***Amendments to IAS 37—Onerous Contracts—Contract Performance Costs***

In May 2020, the International Accounting Standards Board issued an amendment to IAS 37, which clarifies the types of costs that a company can include as contract performance costs when evaluating whether a contract is onerous. As a consequence of this modification, entities that currently apply the “incremental costs” approach will need to recognize larger provisions and a greater number of onerous contracts.

Our analysis of the expected effects of the application of this amendment is still ongoing and, as of the date of this prospectus, such analysis has not yet been completed. Accordingly, we have not yet been able to reliably and reasonably quantify the full implications of this standard.

#### ***Amendments to IAS 16—Property, Plant and Equipment—Proceeds Before Intended Use***

In May 2020, the International Accounting Standards Board issued an amendment to IAS 16, which provides guidance in accounting for sales and costs that entities can generate in the process of making an item under property, plant and equipment available for use. Such costs must be recognized in the income statement together with the costs of producing such goods.

Our analysis of the expected effects of the application of this amendment is still ongoing and, as of the date of this prospectus, such analysis has not yet been completed. Accordingly, we have not yet been able to reliably and reasonably quantify the full implications of this standard.

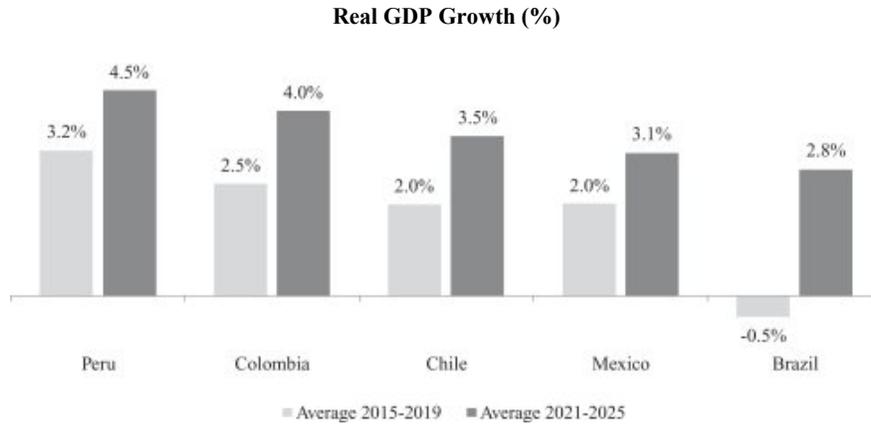
#### **Emerging Growth Company Status**

We are an “emerging growth company,” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Given that we currently report and expect to continue to report under IFRS, we have irrevocably elected not to avail ourselves of any extended transition period provided for by IFRS and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the International Accounting Standards Board.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we may rely on certain of these exemptions, including without limitation, providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. We would cease to be an emerging growth company upon the earliest of: (1) the last day of the fiscal year ending after the fifth anniversary of our initial public offering; (2) the last day of the fiscal year in which we have more than US\$1.07 billion in annual revenue; (3) the date we qualify as a “large accelerated filer,” with at least US\$700.0 million of equity securities held by non-affiliates; or (4) the issuance, in any three-year period, by our company of more than US\$1.0 billion in non-convertible debt securities held by non-affiliates.

## INDUSTRY

We currently operate in the Peruvian and Colombian healthcare sectors. Peru and Colombia have some of the strongest macroeconomic fundamentals in the Latin American region, after having consistently implemented market and investor-friendly policies over the past two decades. According to industry sources, in 2020 Peru had a nominal GDP of US\$205 billion and a population of 32.8 million, which was equivalent to a nominal GDP per capita of US\$6,241. Similarly, in 2020, Colombia had a nominal GDP of US\$272 billion and a population of 50.9 million, which was equivalent to a nominal GDP per capita of US\$5,337.



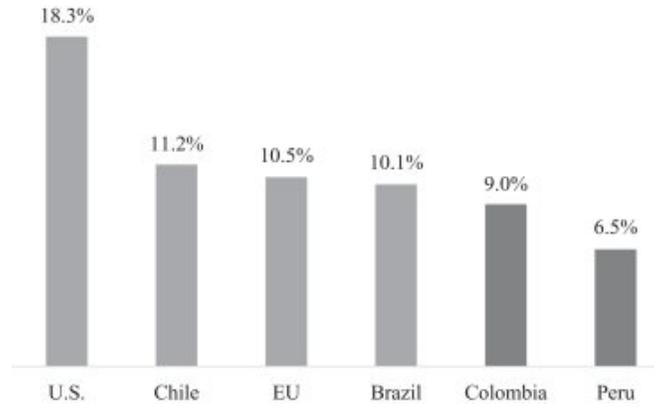
Source: EIU database.

### The Peruvian and Colombian Healthcare Sectors from a Global Perspective

According to Fitch Solutions, total spending in local currency in the Peruvian public and private healthcare sector grew at a CAGR of 4% between 2015 and 2020 and is expected to reach US\$14.1 billion in 2021 while in Colombia, total healthcare spending in local currency grew at a CAGR of 13% between 2015 and 2020 and is expected to reach US\$27.3 billion in 2021. Growth in both markets has been driven mainly by favorable demographic factors, including an expanding middle class demanding more and higher quality healthcare services and an aging population requiring additional healthcare services.

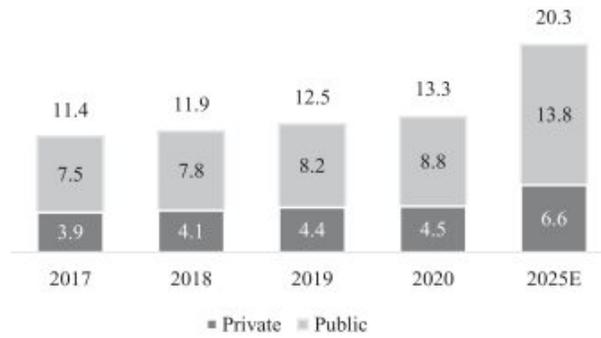
The Peruvian and Colombian healthcare sectors remain significantly underpenetrated, as evidenced by the total healthcare expenditure as a percentage of GDP and healthcare expenditure per capita, shown in the charts below. Spending levels are not only significantly below developed markets, but are also below key regional reference markets, such as Brazil and Chile.

### 2020 Healthcare Spending as a % of GDP



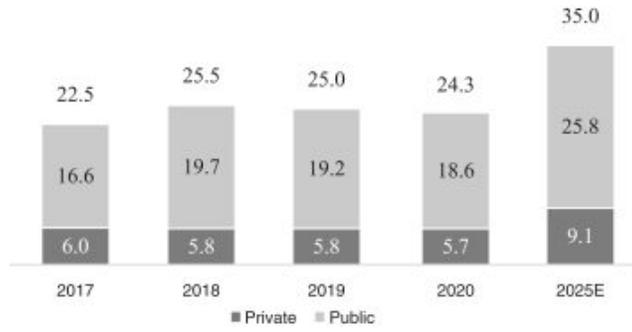
Source: Fitch Solutions Colombia Pharmaceuticals and Healthcare Report Q3 2021, Fitch Solutions Peru Pharmaceuticals and Healthcare Report Q3 2021, Fitch Solutions U.S. Pharmaceuticals and Healthcare Report Q3 2021, Fitch Solutions Chile Pharmaceuticals and Healthcare Report Q3 2021, Fitch Solutions Mexico Pharmaceuticals and Healthcare Report Q3 2021, Fitch Solutions Europe Pharmaceuticals and Healthcare Report Q3 2021.

### Peru Healthcare Expenditure (US\$ Bn)



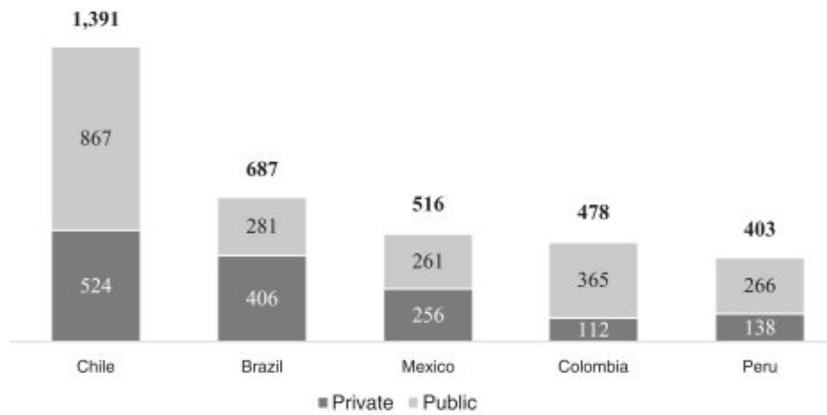
Source: Fitch Solutions Peru Pharmaceuticals and Healthcare Report.

**Colombia Healthcare Expenditure (US\$ Bn)**



Source: Fitch Solutions Colombia Pharmaceuticals and Healthcare Report.

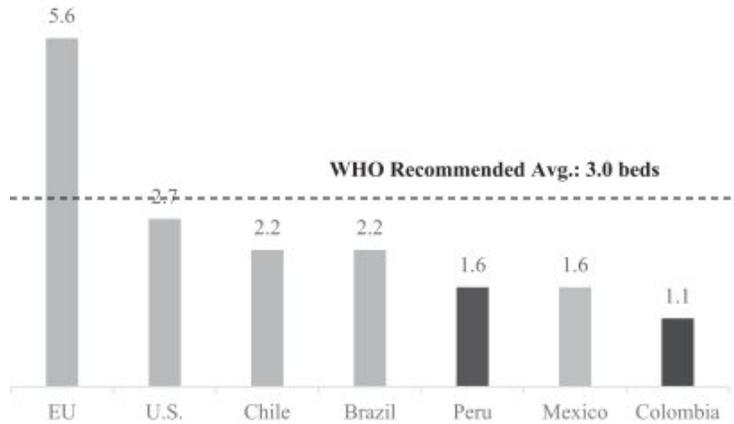
**2020 Healthcare Spending per Capita (US\$)**



Source: Fitch Solutions Chile Pharmaceuticals and Healthcare Report Q3 2021, Brazil Pharmaceuticals and Healthcare Report Q3 2021, Mexico Pharmaceuticals and Healthcare Report Q3 2021, Colombia Pharmaceuticals and Healthcare Report Q3 2021 and Peru Pharmaceuticals and Healthcare Report Q3 2021.

Consistent with the relatively low levels of healthcare spending in Peru and Colombia, both countries possess clear gaps in hospital infrastructure, as beds per 1,000 people are significantly below the WHO recommended average of 3 beds.

**2020E Hospital Beds per 1,000 People**

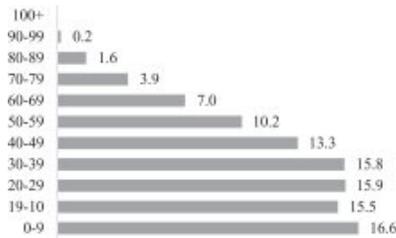


Source: EIU U.S. Healthcare Industry Report 2Q 2021, EIU Chile Healthcare Industry Report 2Q 2021, EIU Brazil Healthcare Industry Report 2Q 2021, EIU Peru Healthcare Industry Report 2Q 2021, EIU Colombia Healthcare Industry Report 2Q 2021, EIU Mexico Healthcare Industry Report 2Q 2021, EIU database.

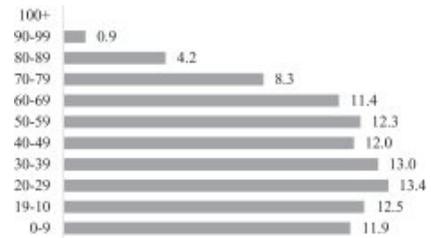
Moreover, as both countries' economies continue to grow, fertility and mortality rates are expected to fall, which will increase life expectancy and invert the age pyramid. We expect this to lead to an increased demand for healthcare services and growth in healthcare spending in both countries. We expect penetration to increase and infrastructure gaps to decrease as a result of these positive demographic trends.

**Population Pyramid Evolution (%)**

**Peru 2021E**



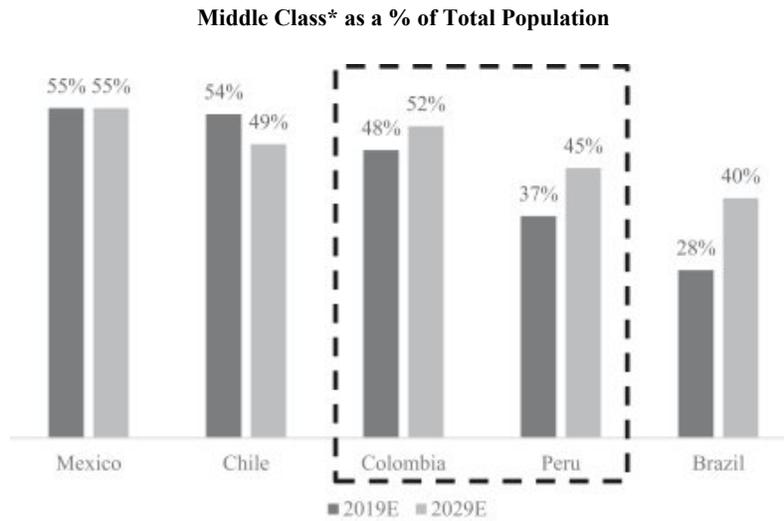
**Peru 2050E**





Source: United Nations—World Population Prospects.

As these countries continue to grow and to expand GDP per capita, the middle classes in Peru and Colombia are also expected to continue to grow, which we believe will increase demand for more and higher quality healthcare services and will increase the percentage of the population that chooses to purchase healthcare services through the private healthcare systems in each country.



Source: EIU database (latest information available).

\* Middle class defined as the percentage of households with nominal disposable income between US\$15,000 and US\$50,000 per year.

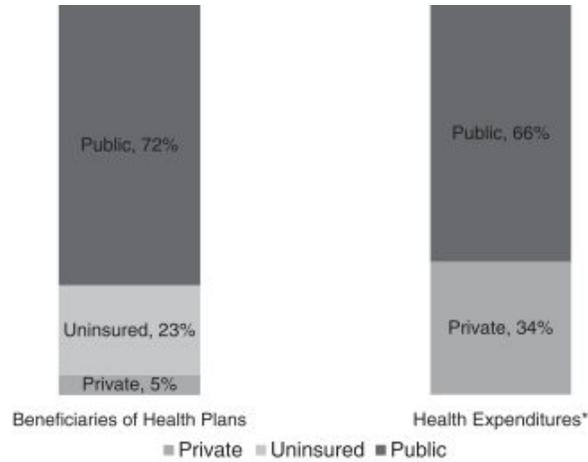
**The Peruvian Healthcare Sector**

***Structure of the Peruvian Healthcare Sector***

Healthcare coverage in Peru is provided through either public programs or private healthcare coverage providers, with the type of coverage that a person has dictating the facilities at which he or she can obtain healthcare services. According to SUSALUD, approximately 76.9% of Peru’s population was covered by some form of healthcare coverage as of December 2020. Moreover, 4.6% of the population was covered by more than one form of healthcare coverage as of December 2020.

According to Fitch Solutions, the total spending in the Peruvian healthcare sector in December 2020, excluding pharmaceuticals, amounted to US\$13.29 billion, with public sector spending amounting to US\$8.76 billion (66% of the overall spending). Despite only covering 4.6% of the population, private sector spending amounted to US\$4.54 billion, or 34% of the overall spending, in December 2020. It should be noted that Peru has no limitation on vertical integration.

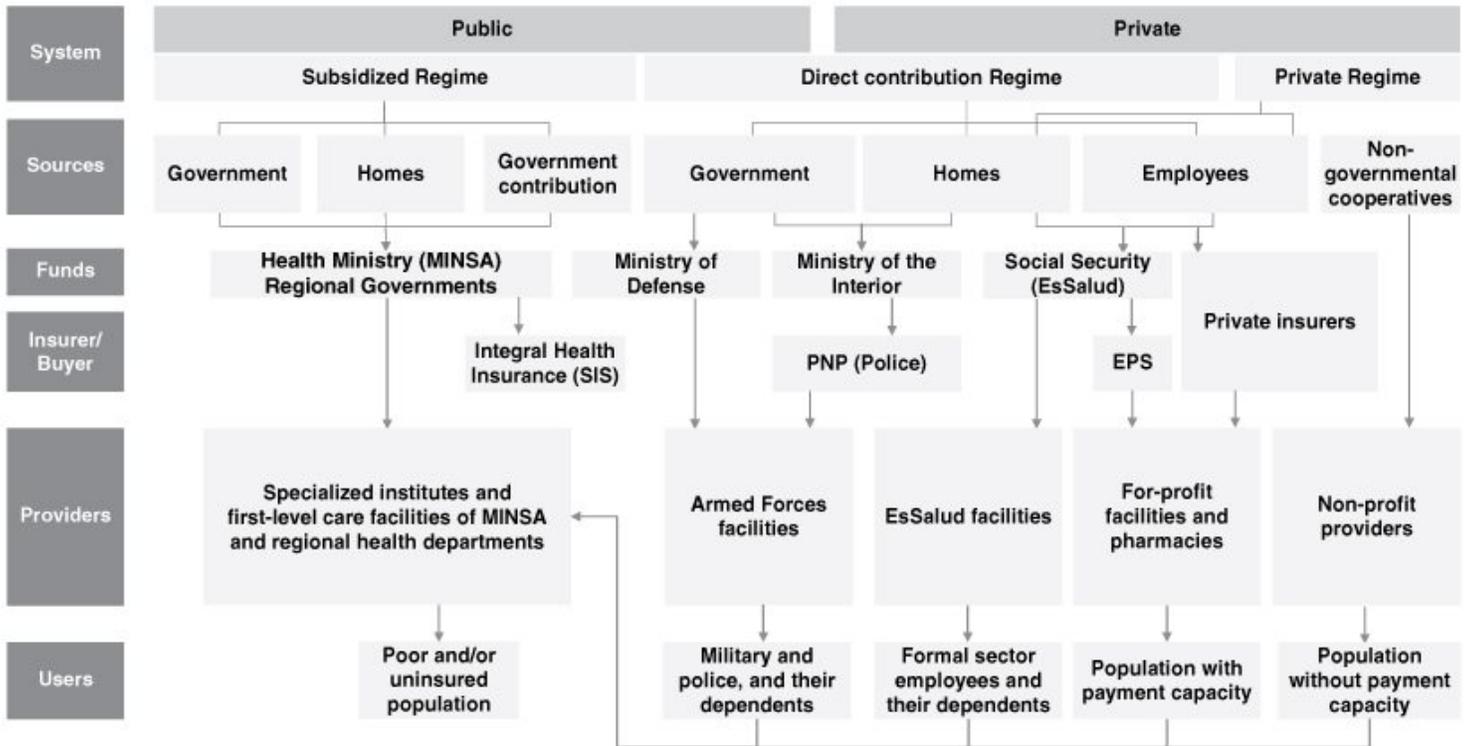
**Distribution between the Private and Public Sectors in Peru as of December 2020**



Source: Boletín Estadístico 2020, SUSALUD and Fitch Solutions Peru Pharmaceuticals and Healthcare Report Q3 2021.

\* Excludes pharmaceuticals. Health expenditures data is as of the end of 2020.

The Peruvian healthcare sector is structured as follows:



Source: EsSalud.

The Peruvian government plays a major role in providing healthcare coverage. As of December 2020, approximately 72.4% of the population in Peru was estimated to be served by one of the main government-managed programs and the government's objective is to reach universal healthcare coverage by 2021. The main government-managed programs available to the public are:

- **EsSalud:** A social security regime, also known as the direct contribution regime, which offers coverage for employees, the self-employed, agricultural workers and their families. Employers' participation in EsSalud is mandatory and EsSalud is financed via monthly contributions from employers amounting to 9% of workers' aggregate monthly salaries. As of December 2020, 9.57 million people were covered by EsSalud. EsSalud operates hospitals, clinics and primary care facilities through 29 healthcare assistance units throughout Peru, and members of EsSalud can only obtain healthcare services at facilities that EsSalud operates. EsSalud has identified a number of problems in its provision of services, including delays in obtaining appointments, difficulties accessing surgeries and hospitalization due to shortages in available facilities, shortages of medicines and medical supplies, inadequate infrastructure and deficient hospital equipment.
- **SIS:** A subsidized social security regime, also known as the indirect contribution regime, for the unemployed, informally-employed or persons that are otherwise below the poverty line. Coverage under this program has also been extended to expectant mothers, children under the age of five and newborns whose parents are uninsured. SIS is mostly financed via government resources and occasional donations from intergovernmental cooperation programs. It functions as the insurer of last resort for Peruvians who are not covered by EsSalud or private healthcare coverage and lack the means to pay for healthcare services out of pocket. As of December 2020, 23.28 million people were covered by SIS. Participants in SIS must obtain healthcare services at facilities operated by MINSA or by the health departments of provincial governments. Pursuant to Urgent Decree N° 017-2019 enacted by the Peruvian government in November 2019, SIS was authorized to cover all Peruvian residents who have no healthcare coverage, in order to ensure universal access to healthcare. The government has 120 days to finalize the implementation and funding for this expansion of public healthcare coverage. When implemented, Urgent Decree N° 017-2019 is expected to significantly reduce the percentage of Peru's population that is currently uninsured. Because those newly insured through Urgent Decree N° 017-2019 will receive coverage through SIS, we do not expect this new law to have a significant impact on our business.
- **Armed Forces and National Police healthcare agencies:** The Armed Forces and National Police have their own healthcare agencies that are funded by the Peruvian Ministry of Defense and the Ministry of the Interior. According to SUSALUD, 704,846 people were covered by these agencies as of December 2020, representing a combined 2% of Peru's population. Members of these agencies must obtain healthcare services from facilities operated by the Armed Forces or the National Police, as applicable.

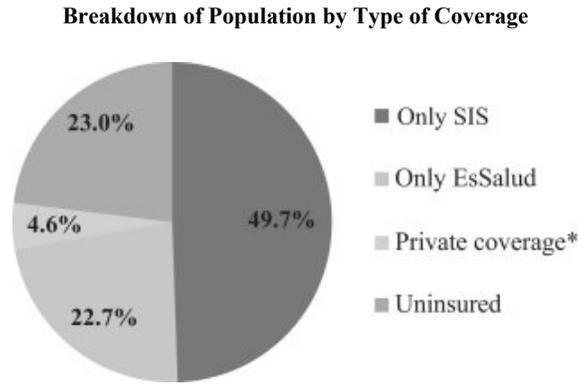
As of December 2020, approximately 4.6% of Peru's population was served by private healthcare coverage providers. Private healthcare coverage providers in Peru can be divided into two main categories:

- **EPS Providers:** Private health insurance companies acting as providers of EPS plans. EPS plans are healthcare plans funded by a portion of contributions to EsSalud, as described in more detail below. As of December 2020, there were five companies providing EPS plans with 829,416 active members.
- **Other Private Providers:** Private health insurance companies that provide (i) various coverage plans that are mostly sold through large and medium-sized private sector employers and (ii) prepaid plans, which provide certain levels of either general coverage or coverage of specific diseases for a fixed periodic fee and may also be offered by employers or purchased directly by individuals. As of December 2020, there were more than 30 companies providing private healthcare coverage other than EPS plans with 2.1 million active members.

People that receive coverage through EPSs or through other private providers may obtain healthcare services at for-profit private facilities, including facilities operated by such providers and facilities approved by such provider, such as our Auna facilities, which serve beneficiaries of most of the EPSs in Peru, as well as most other private healthcare plans.

In addition to for-profit facilities operated by private healthcare services providers such as Auna, there is also a non-profit sector, mostly comprised of non-governmental organizations, the Peruvian Red Cross, the Volunteer Firefighter Companies and healthcare providers affiliated with religious institutions. These providers typically serve underserved populations and are almost wholly financed via donations.

The following chart presents a breakdown of the population by type of coverage as of December 2020.



Source: Boletín Estadístico 2020, SUSALUD.

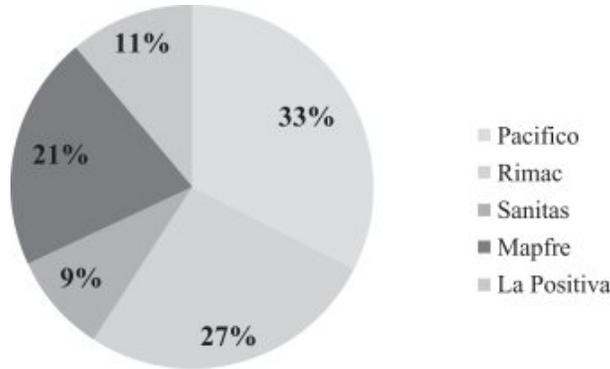
\* Private coverage includes EPS and persons with more than one type of coverage.

#### ***Private Healthcare Plan Market***

Healthcare coverage providers, whether traditional insurance companies or prepaid plan providers, are considered IAFASs that are regulated by SUSALUD. There are four types of private healthcare plans provided by private IAFASs in Peru:

- **EPS Plans:** Plans that provide additional or complementary services to those provided by EsSalud. EPS plans generally cover low-complexity services through a network of private institutions. Employers may choose to provide EPS plans to their employees in addition to EsSalud coverage, in which case 2.25% out of the 9% of workers’ aggregate monthly salaries contributed to EsSalud is contributed to the chosen EPS, with the remaining 6.75% contributed to EsSalud. These plans are regulated by the SBS, Peru’s banking and insurance regulator. There are five providers of EPS plans: MAPFRE Perú S.A. (“Mapfre”) EPS, Rímac EPS, Pacífico EPS, La Positiva S.A. (“La Positiva”) EPS and Sanitas Perú S.A. (“Sanitas”) EPS, each of which also provides private healthcare plans.

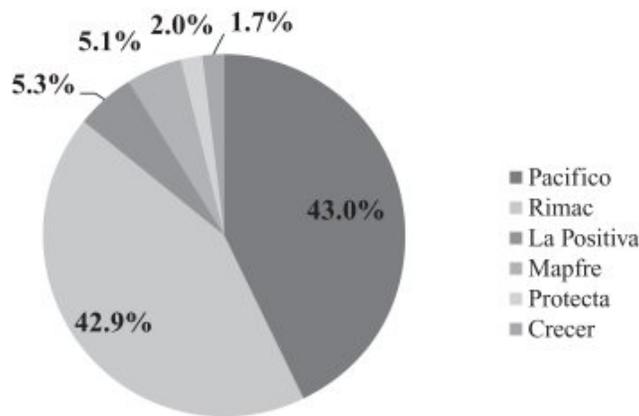
**Breakdown of Members by EPS**



Source: Boletín Estadístico 2020, SUSALUD.

- **Private Insurance Plans:** Private health insurance plans provided by traditional insurance providers. The main insurance providers in Peru are Rimac and Pacifico, which accounted for approximately 86% of the traditional private insurance market in Peru in December 2020. Other providers include La Positiva, Cardif and Mapfre. Traditional insurance plans may be purchased as additional protection on top of EPS and EsSalud coverage. These plans are regulated by the SBS and SUSALUD.

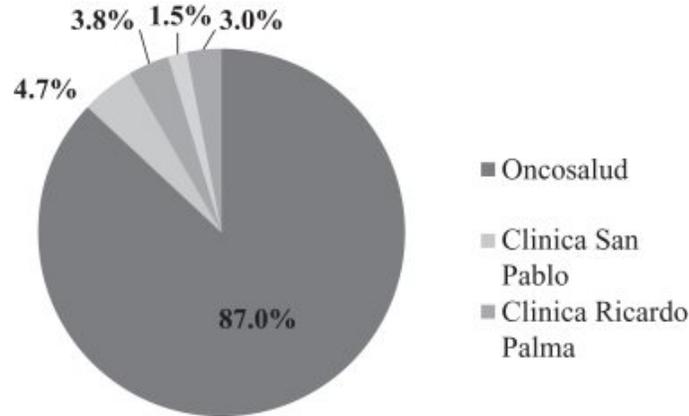
**Breakdown of Members by Private Insurers**



Source: Boletín Estadístico 2020, SUSALUD.

- **Prepaid Plans:** Plans offered by hospitals and other medical service providers that are meant to be integrated with a hospital's healthcare services offering. As these plans are not considered insurance programs, they are only regulated by SUSALUD and not the SBS. The prepaid plans that we offer through Oncosalud are examples of prepaid plans. Other prepaid plan providers include Ricardo Palma, San Pablo and CSalud (operating through its Maison de Sante brand), which offer general coverage limited to their own networks of hospitals and clinics. Within the prepaid plans market, Oncosalud accounted for 87% of all prepaid plan members in Peru in December 2020.

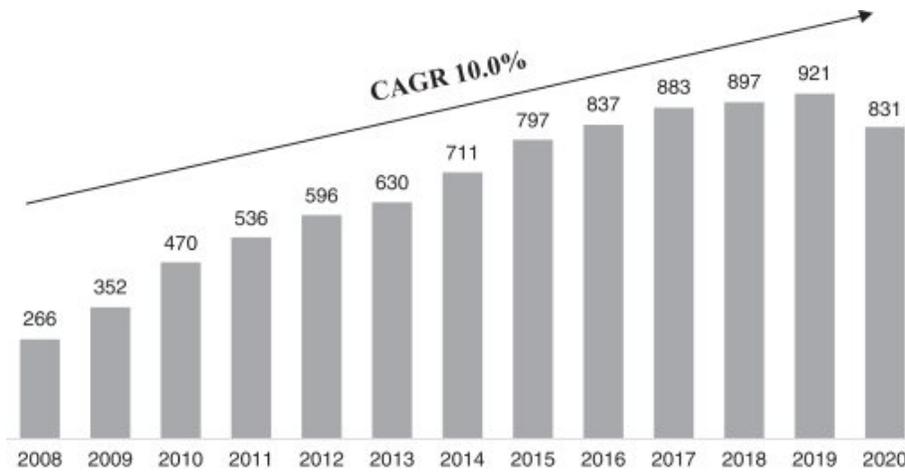
### Prepaid Plans



Source: Boletín Estadístico 2020, SUSALUD.

The number of Oncosalud plan members has grown at a double-digit rate over the past decade, growing at more than twice the rate of the EPS system, which is the next largest private healthcare plan type by number of plan members.

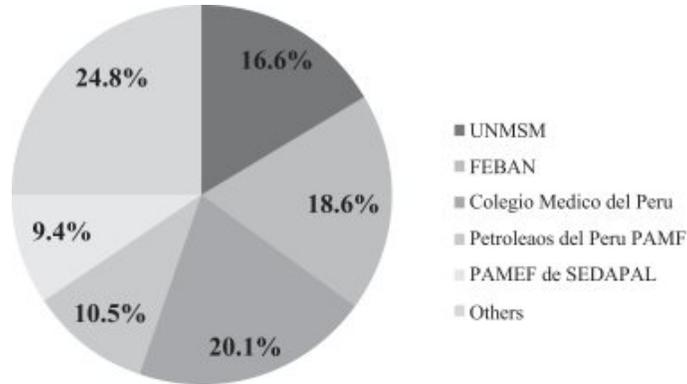
### Oncosalud Plan Members (000s)



Source: Company information.

- **Self-Insurance Plans:** Plans offered primarily by institutions such as universities, large public institutions and labor unions, guilds and industry associations. These plans pool member resources and function very similarly to prepaid plans. These plans are also regulated by SUSALUD.

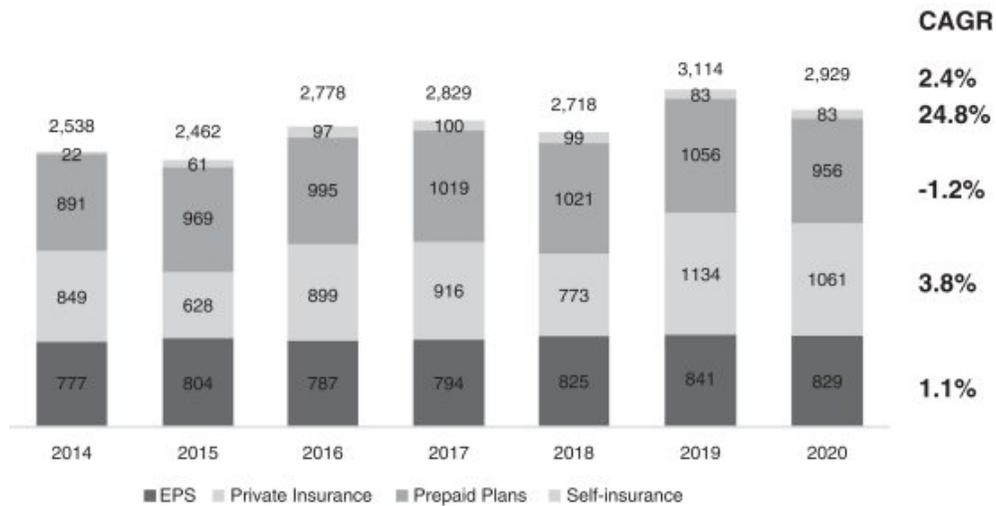
**Self-Insurance Plans**



Source: Boletín Estadístico 2020, SUSALUD.

Overall, the private healthcare coverage plan market breaks down as follows:

**Private Healthcare Plan Market by Plan Type (000s Members)**



Source: Boletín Estadístico 2020, SUSALUD and Anuario Estadístico 2020, SUSALUD.

There is significant concentration in the private healthcare plan market, with the top 10 providers accounting for more than 94% of the market since 2014. Oncosalud has consistently maintained a strong position in the market, and as of December 2020, it held the highest share in the industry based on number of total plan members.

**Largest Private Healthcare Plan Operators in Peru by Plan Members (000s)**

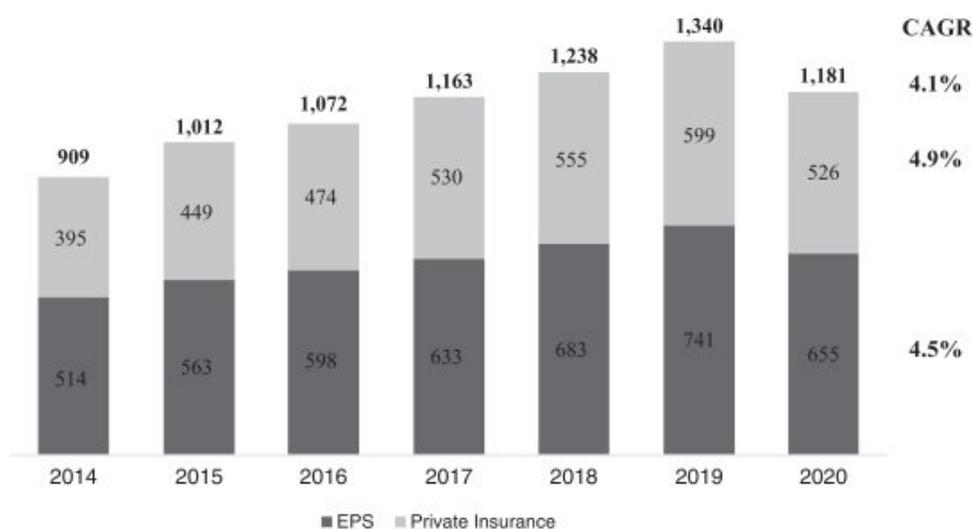
2014			2020			CAGR %		
Ranking	Plan Members (in thousands)	Market Share %	Ranking	Plan Members (in thousands)	Market Share %			
1	Rímac <sup>(1)</sup>	746	29.4	1	Pacífico <sup>(1)</sup>	844	28.8	4.6
2	<b>Oncosalud</b>	<b>711</b>	<b>28.0</b>	2	<b>Oncosalud</b>	<b>823</b>	<b>28.0</b>	<b>2.5</b>
3	Pacífico <sup>(1)</sup>	635	25.0	3	Rímac <sup>(1)</sup>	813	27.8	1.4
4	Cardif	87	3.4	4	Sanitas <sup>(1)</sup>	86	2.9	31.0
5	La Positiva	83	3.3	5	Mapfre <sup>(1)</sup>	75	2.6	4.4
6	CSalud	72	2.8	6	San Pablo	47	1.6	0.7
7	Mapfre <sup>(1)</sup>	58	2.3	7	Ricardo Palma	39	1.3	-4.1
8	Ricardo Palma	50	2.0	8	Protecta	21	0.7	N/A
9	San Pablo	45	1.8	9	La Positiva	18	0.6	-22.5
10	Sánitas <sup>(1)</sup>	17	0.7	10	CSalud	16	0.5	-22.2
	<b>Top 10</b>	<b>2,502</b>	<b>98.6</b>		<b>Top 10</b>	<b>1955</b>	<b>94.5</b>	
	<b>Total</b>	<b>2,538</b>	<b>100.0</b>		<b>Total</b>	<b>2,929</b>	<b>100.0</b>	

Source: Anuario Estadístico 2020 and Anuario Estadístico 2015, SUSALUD.

(1) Includes EPS plans and private insurance plans provided by these providers.

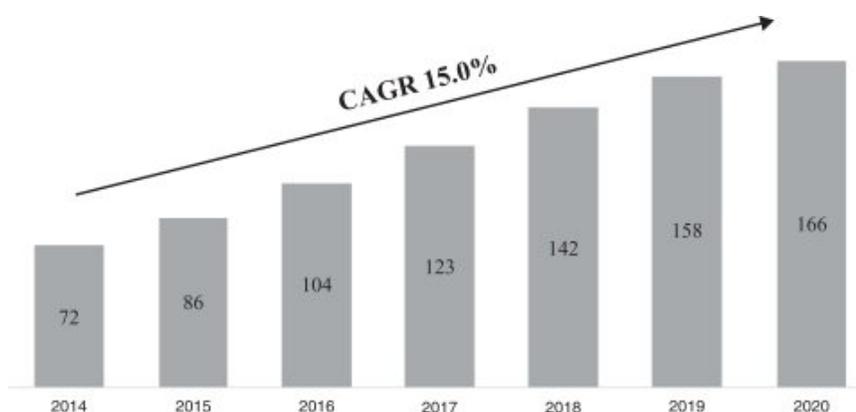
During the 2014-2020 period, aggregate private health insurance premiums and prepaid plan payments grew at an estimated CAGR of 4.1%, while Oncosalud's total prepaid plan payments grew at a CAGR of 15% and represented 14% of the market in 2020.

**EPS and Private Insurance Plan Fees (US\$ million)**



Source: SUSALUD; SBS.

**Oncosalud Plan Fees (US\$ million)**



Source: Company information.

**Healthcare Services Market**

According to SUSALUD, as of December 2020, there were 22,535 healthcare facilities in Peru, which include hospitals, private clinics, medical centers, private consultation facilities and dental hospitals. All facilities, whether public or private, that provide healthcare services to individuals in Peru are considered *Instituciones Prestadoras de Servicios de Salud* (“IPRESSs”) that are regulated by, and must be registered with, SUSALUD.

Upon registration with SUSALUD, each IPRESS is assigned an “attention level” classification by MINSA and an attention level category, with additional subcategories, which are valid for three years, depending on the degree of complexity associated with the services provided. After receiving their classification and upon registering with SUSALUD, IPRESSs are responsible for providing healthcare services within the parameters and principles determined by the applicable regulations for their respective classification. Level 1 facilities offer preventive low-complexity care and promote public health education. Level 2 facilities offer medium- to high-complexity care and services in basic specialties, including internal medicine, gynecology, general surgery and pediatrics. Finally, Level 3 facilities offer the highest complexity care in Peru, addressing highly specialized medical and surgical needs. IPRESSs are classified as follows:

Attention Level	Category	Institution Type
Level 1	I – 1	Health clinic
	I – 2	Health clinic with a doctor
	I – 3	Outpatient health center
	I – 4	Inpatient health center
Level 2	II – 1	General hospital with medical specialties and a general ICU
	II – 2	Specialized institution
	II – E	Specialized institution
Level 3	III – 1	General hospital with medical subspecialties and a specialized ICU
	III – 2	Specialized institution
	III – E	Specialized institution

Source: MINSA.

All of Auna’s hospitals in Peru are classified as Level 2, II – 2 with the exception of Clínica Delgado, which is classified as Level 3, III – 1.

As of December 2020, there were 562 Level 2 and Level 3 healthcare facilities in Peru. As of December 2020 (latest SuSalud information available), Level 2 and Level 3 hospitals had a total of 31,777 beds and 9,116 outpatient rooms, distributed as follows:

**Beds & Outpatient Rooms per Sector**

Sector	Beds	Beds Share (%)	Outpatient Rooms	Outpatient Rooms Share (%)
MINSA & Regional Governments	16,771	49.9%	11,933	60.0%
EsSalud	8,960	26.6%	2,462	12.3%
Private	6,079	18.1%	4,588	23.1%
Armed Forces, Police and Other	1,827	5.4%	903	4.5%
<b>TOTAL</b>	<b>31,777</b>	<b>100.0%</b>	<b>19,886</b>	<b>100.0%</b>

Source: SUSALUD.

As Peru’s capital and most-populated city, Lima and its metropolitan area have the highest concentration of individuals with some type of healthcare coverage and are home to most of the country’s largest and most sophisticated hospitals.

**Beds & Outpatient Rooms of Lima’s Premium Hospital Segment**

Hospital	Beds	Beds Share (%)	Outpatient Rooms	Outpatient Rooms Share (%)	Ownership
Ricardo Palma	186	18.0%	216	31.6%	Private
San Felipe	167	16.2%	53	7.8%	Private
San Pablo	130	12.6%	99	14.5%	Private
<b>Delgado</b>	<b>120</b>	<b>11.6%</b>	<b>80</b>	<b>11.7%</b>	<b>Private</b>
Sanna San Borja	109	10.6%	60	8.8%	Private
Internacional	103	10.0%	0	0.0%	Private
Angloamericana	90	8.7%	69	10.1%	Private
Javier Prado	66	6.4%	58	8.5%	Private
Sanna El Golf	62	6.0%	48	7.0%	Private
<b>TOTAL</b>	<b>1,033</b>	<b>100.0%</b>	<b>863</b>	<b>100.0%</b>	

Source: SUSALUD.

**The Colombian Healthcare Sector**

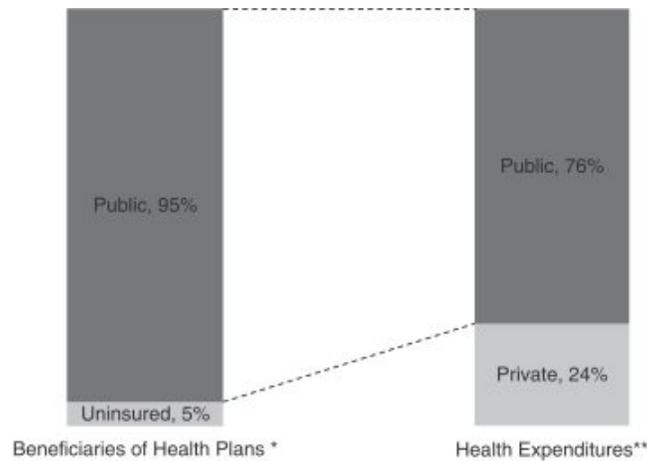
*Structure of the Colombian Healthcare Sector*

Healthcare coverage in Colombia is primarily provided through the SGSSS, the social security system in Colombia, which has three different regimes. There is also a small but rapidly expanding private healthcare coverage market, primarily consisting of traditional insurance. Healthcare coverage is mandatory in Colombia, with approximately 95% of the population covered by the SGSSS as of December 2020. As of December 2020, up to 3% of the population covered by the SGSSS also enhanced their coverage through the private market. Only 5% of the population is estimated to have no insurance coverage as of December 2020, making Colombia one of the most advanced countries in the region in terms of healthcare coverage.

According to Fitch Solutions, total spending in the Colombian healthcare sector in 2020 amounted to US\$24.3 billion, with public sector spending (excluding pharmaceuticals) amounting to US\$18.6 billion (76% of the overall spending). Despite only covering approximately 3% of the population, private sector spending

(excluding pharmaceuticals) amounted to US\$5.7 billion, or 24% of the overall spending, in 2020. It should be noted that Colombia has a 30% limit on vertical integration.

**Distribution between the Private and Public Sectors in Colombia as of December 2020**

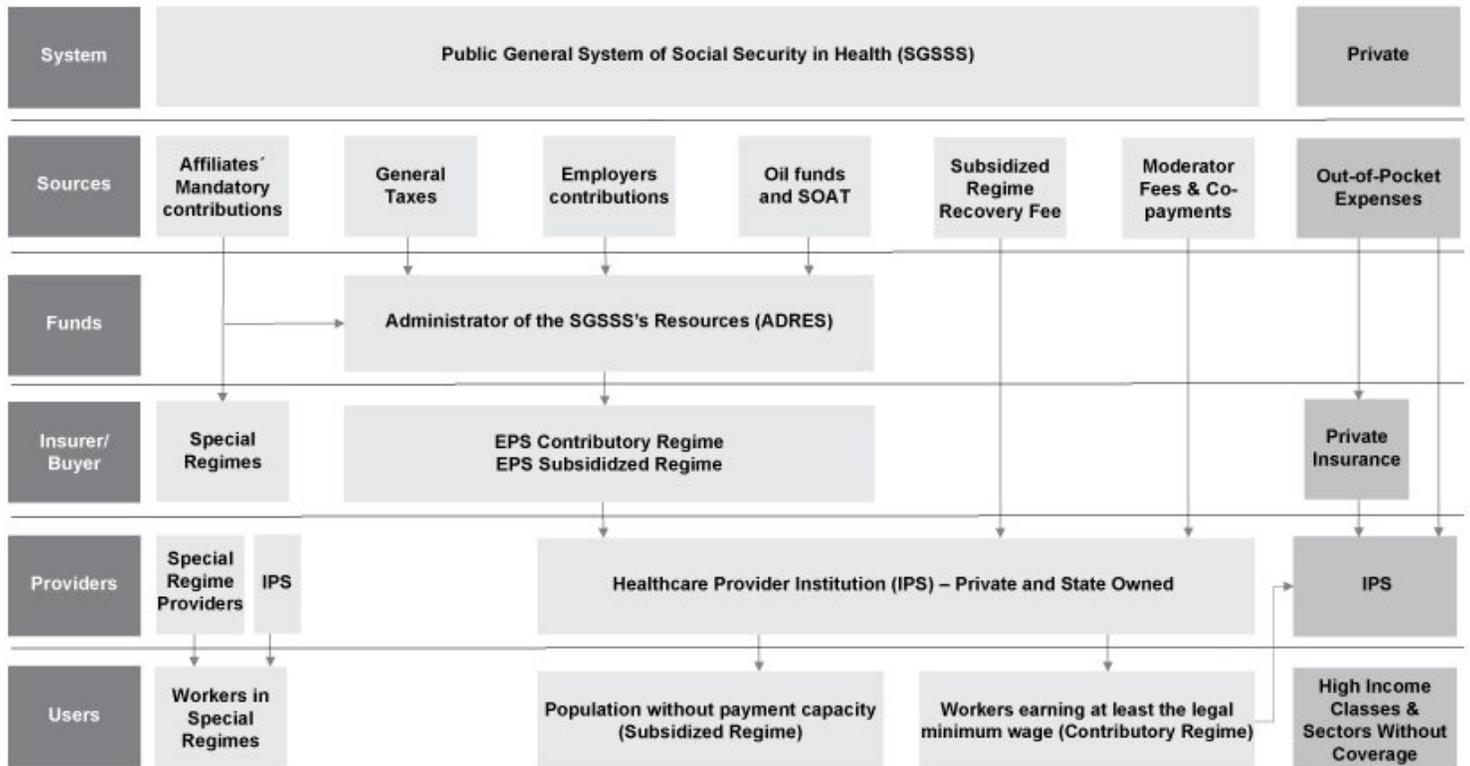


Source: SGSSS.

\* Note: 95% of the Colombian population is covered by public health insurance, 3% has also enhanced their coverage through private health insurance.

\*\* Excludes pharmaceuticals.

The Colombian healthcare sector is structured as follows:



Source: MinSalud.

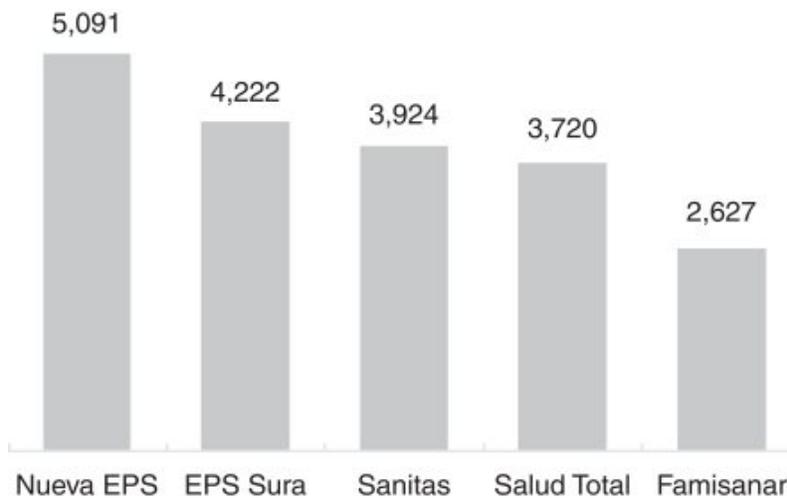
Healthcare coverage plans in Colombia are designated as one of only two types of plans: *Planes Obligatorio de Salud* (“POSs”) and *Planes Adicionales de Salud* (“PASs”), each of which can be provided by a variety of entities. POSs are obligatory plans offered under the SGSSS and include coverage for a series of medical services and medicines mandated by law. Unlike in the Peruvian market, where the government provides public healthcare coverage directly through EsSalud or MINSa, all public healthcare coverage in Colombia is provided by private entities other than coverage provided under the special and exempt regime, as described in more detail below. Contributions to the SGSSS are put into a fund owned by the government and administered by the *Administradora de los Recursos del Sistema* (“ADRES”). The ADRES contributes funds to EPSSs, which are private institutions responsible for (i) collecting and managing funds contributed to the system and (ii) paying healthcare providers for the services provided to their plan members.

Since May 2019, and particularly during the COVID-19 pandemic, the Colombian government has adopted and implemented certain legal measures in an effort to increase the financial liquidity of the various actors of the SGSSS by addressing, at least in part, the limitations on reimbursement for healthcare services.

The SGSSS consists of three main regimes:

- **Contributory regime:** For employees or independent workers with payment capacity, defined as those with an income equal to or greater than the legal minimum wage. Plan members contribute 12.5% of their monthly salary to the system, 8.5% of which is contributed by the employer and 4% of which is contributed by the employee. As of December 2020, there were 14 companies providing POSs under the contributory regime with 25.5 million active members.

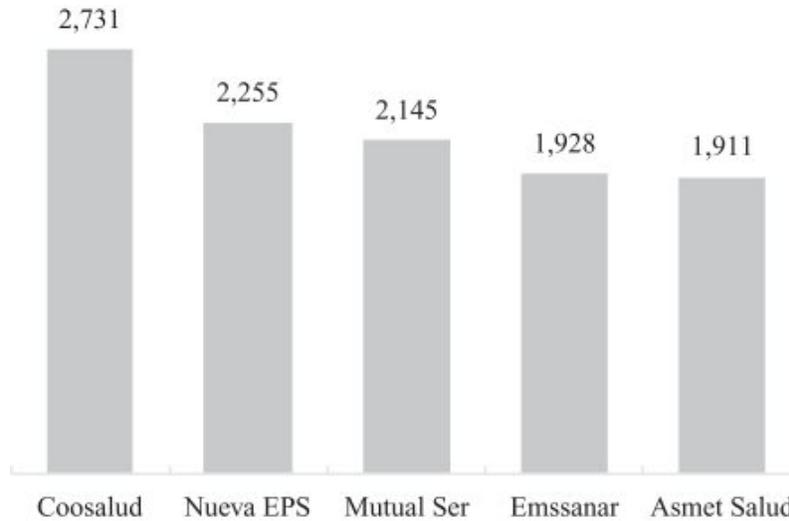
**Top 5 Largest Contributory Regime EPSSs by Number of Plan Members (000s)**



Source: SUPERSALUD as of December 2020.

- **Subsidized regime:** For those that do not have payment capacity and are subsidized by the contributory regime and the government. As of December 2020, there were 25 companies providing POSs under the subsidized regime with 21.8 million active members. This includes four types of EPSSs: (i) *Empresas Solidaria de Salud*, which are non-profit organizations with the specific purpose of providing health insurance services to low-income households living in urban areas, (ii) *Entidades Promotora de Salud*, which are for-profit entities, (iii) *Entidades Promotora de Salud Indigenas*, which are for-profit entities providing healthcare coverage to indigenous populations and (iv) *Cajas de Compensación Familiar*, which are non-profit organizations that provide healthcare coverage and other services to local communities.

**Top 5 Largest Subsidized Regime EPSs by Number of Plan Members (000s)**



Source: SUPERSALUD as of December 2020.

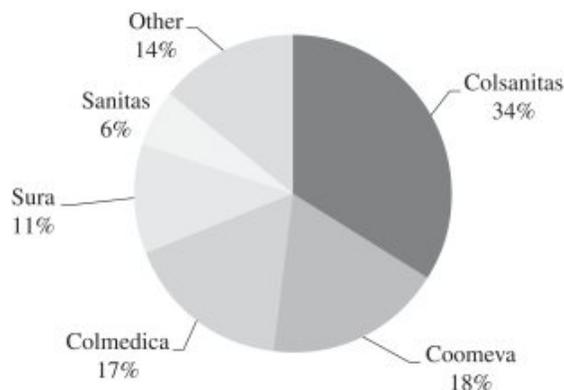
- **Special and exempt regime:** For members of the security forces and Ecopetrol, the national oil company in Colombia. As of May 2020, there were 2.2 million active members under the special and exempt regime.

In Medellín, where the majority of our Colombian operations are currently located, 76% of the population is enrolled in the contributory regime, while only 24% is enrolled in the subsidized regime as of December 2020. The larger market in the contributory regime has created a more competitive environment for private healthcare providers in such regime. EPSs in the contributory regime offer more favorable payment terms and conditions to healthcare providers than EPSs in the subsidized regime.

The second type of healthcare coverage plan in Colombia, PASs, are offered by private healthcare coverage companies and financed directly by plan members. PASs are not mandatory, but in order to purchase a PAS, an individual must have a POS plan through an EPS. As a result, PASs usually include a wider range of benefits than those provided by POSs and are typically purchased to enhance the coverage an individual has under his or her POS plan.

According to EMIS Emerging Market, as of June 2019, 1.4 million people were covered by plans in the private healthcare coverage market in Colombia with a majority covered by the top three private healthcare coverage plan providers—Colsanitas, Coomeva and Colmedica.

**Market Share of Private Healthcare Plan Operators by Number of Plan Members as of June 2019 (latest information available)**



Source: Colombia Healthcare Reports EMIS

**Healthcare Services Market**

Unlike in the Peruvian market where people covered by the public system are required to obtain treatment in facilities operated by public healthcare plan operators, members participating in the public system in Colombia are able to obtain healthcare services at both state-owned and privately-owned IPSs, which include hospitals, private clinics, medical centers, private consultation facilities and dental hospitals, among others. According to EMIS Emerging Market, as of December 2020, Colombia had a total of 10,925 IPSs, of which 9,904 (90.7%) were privately operated, 1,003 (9.2%) were operated by the government and 18 (0.2%) were under mixed ownership meaning they are private facilities in which the government holds a stake, mostly structured as joint ventures with private players. Of the 9.3% of IPSs that are government-owned, the majority are managed by local governments. As of August 2020, just 10 facilities were under the direct control of the national government and five of those facilities were associated with the national police and the armed forces.

Private IPSs in Colombia include a significant number of medium-sized healthcare networks of around 5-10 facilities each. In addition, some private IPSs are directly controlled by EPSs.

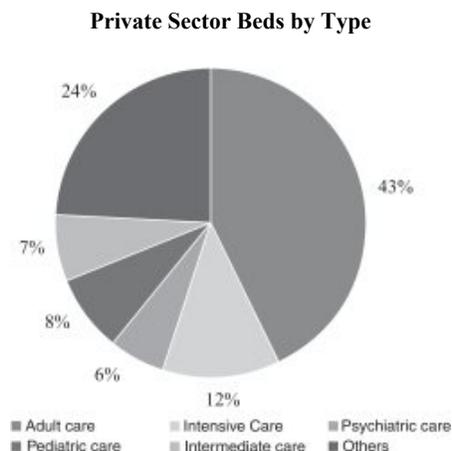
According to MinSalud, out of all IPSs, 1,499 are hospitals, of which 996 (66.4%) provide low-complexity services while the remaining 503 (33.6%) provide medium- and high-complexity services. As of December 2020, hospitals in Colombia had a total of 85,918 beds and 9,186 procedure rooms, distributed as follows:

**Beds & Procedure Rooms by Sector**

Sector	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)
Public	27,525	32.0%	2,744	29.9%
Mixed	1,176	1.4%	63	0.7%
Private	57,217	66.6%	6,379	69.4%
<b>TOTAL</b>	<b>85,918</b>	<b>100.0%</b>	<b>9,186</b>	<b>100.0%</b>

Source: MinSalud.

Of the 57,217 beds in the private system, 24,664 (43.1%) of them were allocated for adult care as of December 2020. Beds in the private sector are distributed as follows:



Source: MinSalud.

Clínica Las Américas, our hospital in Medellín, is positioned within Medellín’s premium hospital segment, due to its infrastructure, medical service capabilities and offered specialties. Installed capacity as of December 2020 for the premium hospital segment in Medellín was as follows:

**Beds & Outpatient Rooms of Medellín’s Premium Hospital Segment**

Hospital	Beds	Beds Share (%)	Procedure Rooms	Procedure Rooms Share (%)	Ownership*
Pablo Tobon Uribe	478	25.0%	45	32.6%	Not For Profit
San Vicente de Paul	474	24.8%	32	23.2%	Not For Profit
Medellín	379	19.8%	14	10.1%	Private
Las Américas	260	13.6%	22	15.9%	Private
Soma	172	9.0%	11	8.0%	Not For Profit
Las Vegas	151	7.9%	14	10.1%	Private
<b>TOTAL</b>	<b>1,914</b>	<b>100.0%</b>	<b>138</b>	<b>100.0%</b>	

Source: MinSalud.

## BUSINESS

### Overview

We are one of the largest and most recognized players in the Peruvian healthcare industry and have a growing presence in Colombia. With more than 30 years of experience in the healthcare industry, we provide oncology healthcare plans in Peru and operate hospitals and clinics in Peru and Colombia that provide high-quality medical services at all levels of complexity. Our mission is to transform healthcare in the countries in which we operate by providing excellent patient outcomes and positive, streamlined patient and plan member experiences at an affordable cost. We believe we are well positioned to fulfill this mission due to our patient-centric culture, scale, innovative use of technology, unique vertically integrated oncology platform in Peru and high degree of horizontal integration in our Peruvian and Colombian healthcare networks, all of which allow us to scale nationally and regionally with cost efficiencies and further advance our strategic development. Furthermore, we believe that we are uniquely positioned to disrupt the health-tech market in Latin America. Leveraging on the breadth of our healthcare network, we intend to expand and accelerate our strategic technology platform to launch one of SSLA's largest one-stop healthcare ecosystems in terms of members, providing our current and future users with an end-to-end, personalized and immediate healthcare solution that we believe will result in us becoming the true digital healthcare leader in the region.

Our business was founded in Peru in 1989 as Oncosalud, a healthcare coverage provider selling prepaid plans covering a full range of services for the prevention, detection and treatment of cancer for a modest monthly payment that varies based on plan type and age of plan members and was on average S/54.2 (US\$14.1) per month for the year ended December 31, 2020. Our prepaid oncology plans addressed an unmet need in the healthcare coverage market in Peru at the time and quickly began to grow. Starting in 1997, we began to build our own network of Oncosalud facilities to primarily treat our plan members but also patients of private payers, including patients covered by private insurance. Clínica Oncosalud, our flagship hospital in this network, has a Diamond accreditation from ACI. Oncosalud had 830,643 members as of December 31, 2020, which was more than each of the private insurance and EPS systems in Peru as of that date. Measured by number of plan members, we had a market share of 28.0% of all private healthcare plans in Peru in 2020 and had the second largest market share of any single private healthcare plan, according to data from SUSALUD. Oncosalud currently operates two specialized oncology hospitals and three oncology clinics. Through its vertically integrated model, Oncosalud has achieved high levels of both effectiveness and efficiency: during the year ended December 31, 2020, 97% of Oncosalud members were treated in our facilities, which allows us to control medical costs, manage treatment protocols and provide high-quality cancer treatment. Notably, for the cohort of patients diagnosed between 2010 and 2015, Oncosalud's 5-year cancer survival rate was 75.5%. In addition, we had an MLR of 43.0% as of December 31, 2020, which we believe is one of the lowest in Latin America, based on the MLRs published by other publicly-traded healthcare companies in Latin America that provide prepaid healthcare plans or health insurance coverage. During 2020 and 2019, through our Oncosalud network of facilities, we treated more than 12,800 and 12,500 patients, respectively. By guiding our plan members from prevention through early detection of cancer and then through the full treatment cycle, we take the uncertainty and fear out of cancer treatment and provide top quality care in a compassionate and humane manner.

In 2011, we took our experience at Oncosalud as a provider of first-class patient outcomes at an affordable cost and began to apply it to the provision of a full range of healthcare services via a broader network of facilities in Peru. Through the development and acquisition of facilities since that time, we have built a network of hospitals and clinics located in all of the major cities in the country, with premium clinical capabilities and a wide range of medical specialties and subspecialties. Today, with our Auna Peru network, we own and operate five hospitals and two clinics as well as numerous other facilities providing complementary services, such as pharmaceutical, diagnostic imaging and clinical laboratory services. We are a provider to essentially all of the private payers in the Peruvian healthcare sector, including traditional private insurers, EPS providers and prepaid plan operators. Our Auna Peru network is horizontally integrated, meaning that patients can access all of their treatment, diagnostic imaging, laboratory and pharmaceutical needs at one of our facilities instead of having to

go to different providers for each service. Additionally, for certain high-complexity procedures that cannot be performed at our regional hospitals, patients can be treated at Clínica Delgado, our high-complexity facility in Lima and the flagship hospital of the Auna Peru network. Moreover, we were the first private institution in Peru to implement an EMR system in 2013 as part of our modern HIS, and today all of our hospitals in Peru use our HIS, which allows us to closely monitor and anticipate patient health needs, efficiently manage costs across our patient population and improve medical outcomes and the quality of our services. Through this horizontal integration, we are able to foster a seamless, positive patient experience across each of our networks in Peru. In addition, we are also able to centralize processes, such as procurement of equipment and medicines, and increase our negotiating power with payers, which allows us to more efficiently manage our costs and price our services competitively.

In our Auna Peru network, we own and operate premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve excellent patient outcomes. Our flagship hospital in this network, Clínica Delgado, which we opened in 2014, is the country's leading high-complexity hospital and has quickly established itself as a standard setter in Latin America, as evidenced by its Diamond accreditation from ACI and its ranking among the best hospitals in Peru across a wide range of categories by GHI in 2018. We also have six other primary facilities that we acquired, modernized, expanded and relaunched after a series of strategic acquisitions in 2011 and 2012 and now have a presence in all of the major urban areas in Peru. We treated more than 184,000 and 198,000 patients during 2020 and 2019, respectively, at facilities in our Auna Peru network, which had a total of 287 beds as of December 31, 2020.

In 2018, we leveraged our experience and success in providing integrated patient experiences and outstanding outcomes in Peru and expanded into Colombia with our acquisition of Grupo Las Américas, one of Colombia's leading healthcare providers located in the country's second largest city, Medellín. In 2020, we began the process of rebranding Grupo Las Américas as our Auna Colombia network and completed such process during the first quarter of 2021. In addition, in September 2020, we further expanded our Auna Colombia network with our acquisition of Clínica Portoazul, a premium high-complexity private hospital located in the country's fourth largest city, Barranquilla. Our Auna Colombia network provides healthcare services to patients covered by a range of payers in Colombia, including both public and private insurers, and currently consists of two hospitals and five clinics in Medellín and one hospital in Barranquilla, as well as a range of facilities providing complementary services. Similar to our Auna Peru network, our Auna Colombia network is also horizontally integrated, which enables us to be a one-stop shop for all of our patients' needs and provide them with a seamless patient experience. In our Auna Colombia network, we also have premium medical facilities, employ some of the leading medical professionals in the country and are able to achieve high quality patient outcomes. The flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín and was ranked the 7th best hospital in Colombia in América Economía's 2020 Best Hospitals Ranking. We also own the IDC in Medellín, one of the country's largest and leading private oncology hospitals and the only institution in Colombia that is a sister institution of MD Anderson, one of the leading cancer care providers in the United States. We currently have more than 440 beds and have treated more than 263,000 and 246,000 patients during 2020 and 2019, respectively, in the Auna Colombia network.

In all of our networks, we seek to focus proactively on our plan members' and patients' health, rather than simply providing services when prescribed to treat disease or other medical conditions. We do this by emphasizing innovation, focusing on healthy lifestyle habits, offering digitalization of services and promoting regular medical check-ups to help ensure our plan members and patients remain healthy and disease is detected early. We believe this emphasis on health allows us to build life-long relationships with our plan members and patients and save lives by detecting and treating disease early on.

**Our Hospitals' Geographic Footprint**



We operate our business through three segments: (i) Oncosalud Peru, (ii) Healthcare Services in Peru, which consists of our Auna Peru network, and (iii) Healthcare Services in Colombia, which consists of our Auna Colombia network. On a consolidated basis, in the year ended December 31, 2020, we generated revenue of S/1,443.8 million (US\$375.0 million), loss for the year of S/(5.4) million (US\$(1.4) million), EBITDA of S/184.4 million (US\$47.9 million) and Adjusted EBITDA of S/186.4 million (US\$48.4 million). Revenue, segment profit before tax and Segment EBITDA generated by the Oncosalud segment was S/659.1 million (US\$171.2 million), S/87.0 million (US\$22.6 million) and S/128.0 million (US\$33.2 million), respectively, in the year ended December 31, 2020. In the year ended December 31, 2020, revenue generated by the Oncosalud segment contributed 45.7% to our consolidated revenue. Revenue, segment loss before tax and Segment EBITDA generated by the Healthcare Services in Peru was S/476.4 million (US\$123.7 million), S/(27.0) million (US\$(7.0) million) and S/7.9 million (US\$2.1 million), respectively, in the year ended December 31, 2020. In the year ended December 31, 2020, revenue generated by the Healthcare Services in Peru segment contributed 33.0% to our consolidated revenue. Revenue, segment loss before tax and Segment EBITDA generated by the Healthcare Services in Colombia was S/419.6 million (US\$109.0 million), S/(56.9) million (US\$(14.8) million) and S/39.3 million (US\$10.2 million), respectively, in the year ended December 31, 2020. In the year ended December 31, 2020, the Healthcare Services in Colombia segment contributed 29.1% to our consolidated revenue.

We currently operate in countries that have experienced rapid economic growth and improvements in per capita income and the emergence of growing middle classes in recent years, which we expect will increase

healthcare spending in both markets over time. We also believe that the regulatory frameworks in these countries are conducive to further growth in the industry. However, the healthcare markets in these countries are characterized by deficits in medical capacity, poor quality of services and fragmented healthcare service industries with relatively low competition, and we believe that each of these markets possesses high growth potential. We believe that our integrated networks in each market provide us with a significant competitive advantage to capitalize on this growth. We plan to continue to grow in these markets by expanding the capacity in each of our networks and developing new products, such as new healthcare coverage options for our patients. We also plan to explore opportunities in other similar markets in Latin America where we believe our scale, experience and capabilities will give us an advantage.

### **Our Integrated Networks**

Through our operating model, we strive to achieve regional scale and a high degree of both horizontal and vertical integration, adapting to the specific characteristics of each of the markets in which we operate. We currently have three networks: Oncosalud, Auna Peru and Auna Colombia.

Through our Oncosalud network in Peru, we sell prepaid oncology plans covering the prevention, detection and treatment of cancer. For a modest payment that varies based on plan type and age of plan members and was on average S/54.2 (US\$14.1) per month for the year ended December 31, 2020, Oncosalud covers plan members for periodic cancer screenings. In turn, if a member is diagnosed with cancer, Oncosalud covers that member for all consultations, treatments and medication associated with their cancer care, as well as palliative care services. During 2020, approximately 67% of the services that we covered for Oncosalud plan members were provided at our Oncosalud network facilities, 30% were provided at facilities in our Auna Peru network and only 4% were provided at third-party facilities. Because the vast majority of services provided to our plan members are provided at our own facilities, we are further incentivized to optimize costs and focus on patient outcomes.

Our Auna Peru network is one of the largest private healthcare providers in the country. We have facilities in Lima, Arequipa, Chiclayo, Piura and Trujillo, which are the principal cities in the five most populated departments in Peru, with each department having a population above one million. Our flagship hospital in this network, Clínica Delgado, is one of the most modern and sophisticated hospitals in Peru, with capabilities for the highest complexity procedures available in the country. For example, Clínica Delgado is one of only two private hospitals in Peru licensed to perform organ transplants and is renowned for having one of the best neonatal intensive care units and maternity wards in Peru. Our other hospitals are equipped for a wide variety of medium-complexity procedures. Due to the horizontal integration of our network, we are able to be a one-stop shop for our patients, offering all of the treatments they require in addition to diagnostic imaging, pharmaceuticals and laboratory services. We were the first private institution in Peru to implement an EMR system as part of our modern HIS in 2013. Currently used in all of our hospitals in Peru, our HIS also registers our patients' contact information and manages administrative services, such as hospital admissions and billing, in addition to housing our EMR system. Today our sophisticated technology and advanced data management allow us to closely monitor and anticipate patient healthcare needs, coordinate with our physicians and staff in multiple locations, establish standardized protocols at our facilities and manage and control costs. We have just launched a new medium-complexity hospital, Auna Chiclayo, and expect to start operations at the end of August 2021 and as a result, we have added approximately 68 additional beds to our capacity. We are also expanding our capacity in Clínica Vallesur in Arequipa, which we expect to add approximately 40 additional beds there between 2021 and 2022.

While we currently provide services only to private payers in our Auna Peru network, we are evaluating opportunities to participate in PPP with EsSalud, Peru's social security program. Approximately 9.3 million people, or 24.4% of the Peruvian population, receive healthcare coverage through EsSalud. We are awaiting approvals from EsSalud for certain project milestones and necessary amendments to the concession agreement to rebuild Torre Trecca, an outpatient facility (which is currently not in use) providing healthcare services to

patients covered through EsSalud, as a high-rise treatment center, and begin operating it through a PPP on behalf of EsSalud. This partnership will allow us to provide outpatient services to a large segment of the population that is receiving care through the public sector, a patient population we do not currently address. Through this partnership, once we are able to begin operations we expect to handle approximately 15% of EsSalud's yearly outpatient volume, or about 1.5 million outpatient appointments per year.

Our Auna Colombia network is currently centered on our facilities in Medellín, including two hospitals, Clínica Las Américas and IDC, one medical laboratory and five clinics, and in Barranquilla, including one hospital, Clínica Portoazul. Our flagship hospital in this network, Clínica Las Américas, is one of Medellín's leading private hospital focused on high-complexity services and specializes in cardiology and bone-marrow transplants, among other specialties. We also operate one of the leading cancer care facilities in Colombia, IDC, and are able to share best practices learned at IDC with Oncosalud and vice versa. Our strategy for our Auna Colombia network is similar to what we have already executed in Peru: we aim to be a horizontally integrated provider with high quality facilities in most of Colombia's large metropolitan areas. We have already begun expanding our operations and solidifying our presence in Colombia—we are currently completing the construction of Clínica del Sur in Envigado, a city located to the south of Medellín, which we expect to begin operations and add approximately 155 additional beds in 2022. The completion of Clínica del Sur which will strengthen our presence in the Antioquia region. We are also actively analyzing acquisition opportunities in the country's other key urban areas, such as Bogotá and Cali.

We intend to leverage the foundation of our healthcare network to fully implement our digital strategy. Through our Oncosalud network, we have developed a highly successful operating model treating oncological populations in Peru, providing our plan members with an end-to-end, personalized healthcare solution that offers last-mile integration through both our proprietary and third-party networks, supported by what we believe to be some of the industry's best data and technology assets. We will build on these insights to develop a digital healthcare platform that integrates our current specialized plans and a wide range of new general healthcare plans that will serve as the entry point and cornerstone of our digital health ecosystem as it will allow us to connect and build trust with our customers. Additionally, our Auna Peru and Auna Colombia networks will provide us with valuable last-mile capabilities in those markets, enabling us to deliver end-to-end customer journeys through both online interactions, including teleconsultations and remote diagnosis, among others, and offline interactions, including hospital consultations and diagnostic centers, among others. As we continue to expand our ecosystem in the region through new digital and last-mile ventures, we believe geographical limitations will significantly diminish.

## **Our Competitive Strengths**

We believe that our key strengths include:

### ***Vertically integrated oncology services network in Peru providing first-class patient outcomes and experiences at an affordable cost***

Through our Oncosalud network in Peru, we operate Latin America's only fully vertically integrated oncology program. The prepaid Oncosalud plans we sell offer our plan members the certainty of a full range of services in cancer prevention, detection and treatment, including surgery, chemotherapy and radiotherapy, as well as palliative care. We provide these services to our plan members as well as third party payers at an affordable cost, using our networks of Oncosalud and Auna Peru facilities. Our vertical integration has allowed us to be highly efficient and effective, as evidenced by Oncosalud's 43.0% MLR as of December 31, 2020 and 75.5% 5-year cancer survival rate for the cohort of patients diagnosed between 2010 and 2015. The average age of Oncosalud plan members as of December 31, 2020 was 34.

Moreover, we believe our prepaid oncology plans meet an important need in the Peruvian market, where the vast majority of the population either lacks health insurance or is reliant on the public sector for healthcare coverage, where long waiting periods for consultations and treatments are common and the quality of services is

mixed. Cancer is a potentially life-threatening disease, and the prospect of waiting for cancer treatment after being diagnosed is a strong motivation for individuals to seek enhanced coverage. Our prepaid oncology plans take the uncertainty out of cancer care at an affordable cost and cover all aspects of what can be a catastrophic medical condition. We believe the growth in our Oncosalud membership from 266,000 in 2008 to over 830,000 as of December 31, 2020 shows the appeal of our innovative plans. Our plan members include healthcare consumers who do not have any other healthcare coverage, members who are covered by EsSalud but want supplemental coverage for cancer, and individuals who have healthcare coverage from another private payer but want access to our leading expertise in oncology and our integrated care platform.

While 67% of the services covered by our plans were provided at Oncosalud facilities in 2020, Oncosalud is also a significant purchaser of services from our Auna Peru network, with 30% of covered services in 2020 provided by Auna Peru network facilities. We believe that our distinctive platform has enabled us to provide holistic, quality care and produce improved patient outcomes while building a trusted connection with our plan members.

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

Our Auna Peru and Auna Colombia networks are horizontally integrated, which we believe allows us to produce excellent patient outcomes and foster a seamless patient experience, while leveraging significant network-level efficiencies to provide our services at an affordable cost. Our Auna Peru network consists of five hospitals, two clinics and several facilities offering complementary services, such as diagnostic imaging and clinical laboratories, while our Auna Colombia network consists of three hospitals, five clinics and several facilities offering similar complementary services. We offer a wide range of medical services, from primary care to high-complexity medical services, and have premium clinical capabilities in both networks. In addition, each of our networks is comprehensive and well-coordinated across departments and clinical areas, enabling us to work with the most complete information for each patient and maintain disciplined population health management. This in turn allows us to closely monitor and anticipate patient health requirements, offer patients a streamlined experience and achieve excellent medical outcomes. By covering all of our patients' healthcare needs in a coordinated manner, we enhance customer satisfaction and bolster our reputation for quality and our brand awareness, which results in greater customer loyalty and demand for our services.

In addition to providing high quality patient outcomes and experiences, our Auna Peru and Auna Colombia networks provide us with multiple network-level efficiencies that we believe would be difficult for competitors to replicate. For example, our scale as a healthcare provider allows us to negotiate favorable rates for the procurement of medicines and medical equipment, providing us with sizeable cost efficiencies. The scale of our network also allows us to attract the best doctors and management talent in the market. We are able to implement systems, such as IT and enterprise resource planning systems, on a centralized basis, which also provides us with substantial cost savings. Finally, we believe that our horizontal integration provides us with increased negotiating power with third party payers, particularly private insurance companies and other healthcare payers. Due to our high-quality care and scale, we have become a "must carry" provider for major private health insurers in both countries, meaning that including our Auna Peru and Auna Colombia facilities in their in-network coverage has become important for their plans to be competitive within their markets. This has allowed us to negotiate favorable prices for our healthcare services.

***Premium clinical capabilities at all levels of complexity***

We currently operate five general hospitals, two specialized oncology hospitals and five clinics in Peru with a total of 396 beds in both our Oncosalud and Auna Peru networks and two general hospitals, one specialized oncology hospital (IDC) and five clinics in Colombia with a total of 441 beds in our Auna Colombia network. Our facilities specialize in medium and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. Our flagship hospital in our Auna Peru network,

Clínica Delgado, which has a Diamond accreditation from ACI, is one of only two private hospitals in the country that are licensed to perform organ transplants and is renowned for having one of the best neonatal intensive care units and maternity wards in Peru. Clínica Delgado physicians also performed the first ever thorax abdominal aorta endoprosthesis implant in Peru, and only the third in Latin American history. Our flagship hospital in our Auna Colombia network, Clínica Las Américas, is the leading private hospital in Medellín specializing in high-complexity services, including oncology, cardiology and bone-marrow transplants, and was ranked as the 7<sup>th</sup> best hospital in Colombia in América Economía's 2020 Best Hospitals Ranking. In Peru through our Oncosalud network, we believe we are one of the best radiotherapy institutes in the country and are one of the only private healthcare providers with a PET scan and cyclotron, which led Clínica Oncosalud to receive a Diamond accreditation from ACI in November 2019. Clínica Delgado and Clínica Oncosalud are the only two facilities in Peru with a Diamond accreditation from ACI. Our premium clinical capabilities are central to the strength of our reputation and our brand, our "must carry" status with health insurers, our ability to attract the best doctors and, most importantly, our ability to provide high-quality care to our patients and plan members.

***Proven track record of inorganic and organic growth with active expansion plans in progress***

The scale of our networks has been a key component of our success to date, and we believe increasing our scale will increase our efficiency and competitiveness in the future. We have a proven track record of inorganic and organic growth that we believe provides us with the know-how and experience to continue expanding our networks. We have grown inorganically by successfully negotiating seven strategic acquisitions in Peru in 2011 and 2012 to launch our Auna Peru network, which included expanding into Callao, Arequipa, Piura, Trujillo and Chiclayo, urban areas where we did not previously have a presence through Oncosalud. After each acquisition, we invested in upgrading and standardizing each facility to conform to our standards for how a facility should be laid out, equipped and operated. In addition, we acquired Grupo Las Américas on December 27, 2018, marking our entry into the Colombian healthcare market and the launch of our Auna Colombia network.

We further advanced our regional expansion in September 2020 through our acquisition of a controlling stake of Clínica Portoazul, a premium private hospital located in Barranquilla, Colombia. The aggregate amount of our initial capital contribution was COP69.417 million, which currently represents 61.00% of the outstanding share capital of Clínica Portoazul. We believe there are several value opportunities in our acquisition of Clínica Portoazul, including its premium infrastructure with opportunities for operational improvement and expansion in oncology services. In addition, it provides us access to Barranquilla, the fourth largest city in Colombia and a market with an attractive demand that is currently covered by low-quality services. Our expansion into this new market increases the potential to create a multi-city healthcare franchise in Colombia with high negotiation power with insurance companies.

We have a dedicated integration team with more than eight years of experience and we believe we have been able to achieve these improved operating results in our Auna Colombia network primarily due to the implementation of our protocols and our consolidation and streamlining of its operations. We expect our integration team will continue to have a positive effect on our profitability and growth in the near future as we continue to expand through acquisitions in Peru, Colombia and other similar markets in Latin America.

We have also grown organically by building our own facilities and expanding the existing facilities. For example, we built our flagship hospital in Peru, Clínica Delgado, from the ground up in the Miraflores district of Lima, one of the city's prime residential areas. Clínica Delgado was designed by Gresham Smith & Partners, one of the leading architecture firms for healthcare facilities in the United States. We commenced planning and construction in 2011 and started operations in 2014. By 2017, Clínica Delgado had established itself as the leading high-complexity hospital in the country, offering more than 40 specialties and subspecialties.

We are also currently expanding our existing facility in Clínica Vallesur, where we expect to add approximately 40 additional beds between 2021 and 2022. We also expect to start operations at the end of August 2021 in our new hospital in Chiclayo, Peru that will have approximately 68 beds, and we are currently

building Clínica del Sur in Envigado, which we expect to add approximately 155 beds to our Auna Colombia network in 2022.

The successful execution of organic and inorganic initiatives has allowed us to increase the number of beds in our networks on an aggregate basis from 130 in 2012 to 837 as of the date of this prospectus and we expect to add over 277 beds by the end of 2023.

***Solid financial growth backed by strong operating fundamentals***

We believe that the quality of our services, the scale of our networks and our focus on cost efficiency has allowed us to achieve market-leading financial performance, even as the Peruvian and Colombian economies have experienced moderate growth levels as compared to the previous decade. In the year ended December 31, 2020, we generated revenue of S/1,443.8 million (US\$375.0 million), loss for the year of S/(5.4) million (US\$(1.4) million), EBITDA of S/184.4 million (US\$47.9 million) and Adjusted EBITDA of S/186.4 million (US\$48.4 million). Although we generated a loss for the year ended December 31, 2020 due primarily to the COVID-19 pandemic, we maintained a gross margin of 36.7%. We believe our gross margin historically and for the year ended December 31, 2020 solidly places us among the most profitable healthcare network operators in South America, including those in countries with more advanced healthcare systems such as Brazil and Chile, based on gross margins published by other publicly-traded healthcare companies in South America.

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

We believe that the combined strengths and proven experience of our management team, board of directors and shareholders has succeeded in making Auna one of the premier companies in the healthcare industry in the Andean region. In addition, we believe the track record and depth of knowledge of our management team provide us with a distinct competitive advantage. Our chief executive officer, Luis Felipe Pinillos Casabonne, has been working at Auna in various roles for nearly 20 years, and led the expansion of our business into general healthcare services and the development of the Auna networks in Peru and Colombia in conjunction with Enfoca, our controlling shareholder. Our chief financial officer, Pedro Castillo, served as CFO between 2010 and 2014 of Maestro, which had been acquired by Enfoca and expanded to become Peru's leading home improvement retailer. Mr. Castillo was a key player in Maestro's strong performance during the period, as well as in its landmark sale to Falabella Perú in 2014.

Our controlling shareholder, Enfoca, is one of Latin America's foremost investment firms and has a proven track record of more than 14 years as an active investor in private equity, contributing to our and other consumer-facing companies' growth in the region. Enfoca has introduced strategic initiatives aimed at fostering innovation, developing talent, increasing efficiencies and implementing best-in-class corporate governance practices that we believe positions us well for sustainable long-term growth. In addition, Enfoca has actively participated in many of our management-level committees, including our executive, infrastructure and human talent committees, and helped drive the execution of our growth strategy. We believe that our controlling shareholder's continuing support, engagement with management and long-term vision for growth gives us a competitive advantage.

We believe we will be able to continue to attract and retain the best talent in the healthcare industry in our markets, as our brand and our networks have become among the most prestigious in the healthcare industry in the Andean region.

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

Through our Auna mobile application (the "App"), we currently power the digital healthcare journey of our members and patients, offering them an immediate and personalized way to manage all their healthcare needs.

We believe that we possess some of the industry’s best data and technology assets in SSLA, providing us with fundamental capabilities that will propel our growth strategy going forward. The Auna App leverages on our data system (the “Auna Data Engine”), which currently manages data from more than one and a half million users, including from Auna’s oncological and general healthcare plan members and patients, as well as data developed from Auna’s last-mile services in its hospitals, clinics and laboratories. Going forward, the Auna Data Engine will centralize all the data from all of our plan members and patients, enabling us to structure personalized, preventative and timely medical guidance for each of our patients. It will also allow us to anticipate user needs and identify patterns and trends, and will support medical resolution efforts by predicting diagnoses based on collective medical cases. We intend to roll this App out in Colombia and in other markets in the near-to-medium term.

To drive our data and technology architecture, we have strengthened our management team with some of the finest digital talent in the region and the industry, which we believe will shape the future of healthcare in SSLA. We have been able to attract senior data and technology management professionals bringing innovation, data analytics and business intelligence experience that we believe provides us with a unique competitive edge. Our Auna innovation lab is a clear reflection of our lean and agile business model, with tightly integrated teams supported by specialized centers of excellence.

We have made several investments in technology infrastructure in the recent past, such as our retail digital pharmacy with last-mile delivery, *Farmauna*, and our telehealth platform, *Clinica 360*, which provides for clinical intervention with patients through remote access to physicians and other clinicians and telemedicine solutions. These prospects are all integrated with the Auna App and deliver a unique and immediate patient experience. Since we launched these initiatives in January 2021, 16,614 prescriptions have been filled and delivered using *Farmauna*, and 21% of our patient consultations are held remotely.

Given the size of the market and our unique value proposition, in its next phase we envision that the Auna App will become a true healthcare one-stop shop that provides automated healthcare management tools individualized to each of our users, AI-supported telemedicine and AI-powered diagnostics, as well as other automated services based on population segmentation.

## **Our Strategy**

Our mission is to transform healthcare in the countries in which we operate by providing excellent patient outcomes and a positive and streamlined patient experience, all at an affordable cost. We believe our patient-centric culture, our use of technology and agile teams to enact change, and our capacity to scale with cost efficiencies nationally and regionally drive our strategic development. To achieve our mission and strategic direction, we rely on the following:

### ***Leverage our culture to continue enhancing the experience of our plan members and patients and our ability to provide first-class medical outcomes at an affordable cost***

We believe that demand for our services is driven by our ability to offer high quality healthcare services that produce first-class medical outcomes at integrated facilities that meet all of our patient needs and that provide a seamless experience at an affordable cost. As a result, our ability to continue enhancing the experience of plan members and patients within our networks is central to our growth strategy. We believe we have a unique patient-centric culture that focuses on proactive interactions with our plan members and patients to promote

health objectives, including through innovative uses of technology, with the goal of fostering life-long relationships with them. We believe we can leverage our culture to continue enhancing the plan member and patient experience in the future.

In our Oncosalud network, we put significant emphasis on healthy lifestyle habits and regular medical check-ups to help ensure our plan members remain healthy and that cancer and any other illnesses are detected early. With our focus on healthy living, we are well positioned to detect and treat disease early. This allows us to have a greater impact on plan member health as treating disease early typically provides better patient outcomes. Early detection also strengthens our connection with each patient and enhances the likelihood that we will be the provider of choice for patients for other services over time. In addition, detecting diseases and conditions early also allows us to control costs, as many diseases, including cancer, are both less expensive to treat and more likely to be cured if detected earlier. Incorporating best practices learned over 30 years of experience in Oncosalud, we are increasing our prevention and early detection services in our Auna Peru and Auna Colombia networks as well. As we continue to roll out prevention and early detection programs, we expect to significantly increase the utilization of population management techniques and data analysis that further enhance our preventive medicine approach.

In recent years, we have increasingly differentiated our networks by harnessing technology that enhances the patient experience throughout the treatment cycle. For example, we were the first medical group in Peru to launch an EMR system that is accessible to doctors and staff, and we currently have our HIS in place at all of our hospitals in Peru. We intend to expand our HIS to the Auna Colombia network as well. We also have introduced kiosks and a mobile app, which allow our patients to make and pay for appointments in a convenient manner. These investments in technology allow us to provide standardized information in a timely and accessible manner to our healthcare providers, which not only eases the burden on our healthcare staff, but also enables us to provide efficient service to patients and their families. We plan to continue investing in technology to enhance the patient experience at our networks and that will allow us to stay in closer touch with our patients after they have left our direct care.

***Expand our patient and member universe and leverage compelling socioeconomic dynamics in the markets where we operate***

As the Peruvian and Colombian middle classes continue to expand over the next decade, we expect their constituents will increasingly demand high-quality healthcare services and products at an affordable cost, particularly if public sector capabilities and infrastructure continue to lag behind. Our more than 30-year track record provides us with extensive knowledge about our patient and plan member populations. With our growing Auna platforms, we believe we are well positioned to capture a significant portion of this currently underserved market in Peru and Colombia. In order to do so, we intend to expand our offerings, focusing particularly on the underserved segments of the population, and enter new market segments. For example, in Oncosalud, we have recently launched three new plans, a new lower-cost plan covering the most common and treatable cancers, which is expected to be within the economic reach of a larger segment of Peru's population, a prepaid plan covering general healthcare services and a plan covering a range of other potentially catastrophic diseases and conditions that require hospitalization and/or complex treatments. We are also considering introducing other prepaid plans in Peru covering other healthcare services. In addition, we are entering new market segments. For example, through the Torre Trecca PPP, once we are able to begin operations, we will provide services to a patient population previously attended only by public sector service providers, and we may seek to enter into additional PPP agreements in the future. We believe expanding our patient and member universe will not only increase our brand awareness and demand for our services, but also provide us with increased economies of scale, allowing us to continue increasing our efficiency levels over time.

***Continue to expand our networks through organic and inorganic growth***

The scale of our integrated healthcare networks in Peru and Colombia is central to our success – it increases our brand awareness, allows us to achieve cost efficiencies at the network level and improves our bargaining

power with third parties, including third party payers and suppliers of medicines and medical equipment. As a result, our scale provides us with the resources to continually improve the quality and breadth of our healthcare services. Due to the relatively low penetration of healthcare services in both Peru and Colombia, deficits in medical capacity and, particularly in Peru, the generally poor quality of most public and many private healthcare alternatives, we believe there is significant room for growth and we intend to continue investing in our business and adding facilities to each of our networks. Our goal is to have a presence in all of the major urban centers in the countries in which we operate, and in doing so increase our patient and member universe. Although we have a well-established presence in Lima and other large cities in Peru, there are several cities in Peru where we do not currently have a presence that have sufficient potential demand to be attractive markets to enter. Additionally, in Colombia, we currently only operate in the Medellín metropolitan area and Barranquilla and we are seeking to establish a presence in several of Colombia's other major cities. We seek to add facilities to our networks that meet our standards of quality in terms of expertise of available medical staff, modern infrastructure that enables efficient operation and ease of access for patients and plan members in terms of location.

In Peru, we are currently focused primarily on organic growth, as we have developed a proprietary model that we believe is the best vehicle for our expansion throughout the country. Since 2011, we have worked on developing a blueprint for the development of new medium to high-complexity medical facilities based on our experience to date in building, modernizing and expanding facilities. This blueprint, which we refer to as the Auna Model, sets forth what we believe are ideal parameters in terms of number of beds and number of outpatient, emergency and operating rooms at a facility in order launch the new facility, or add capacity at an existing facility, and reach profitability effectively and efficiently. We are currently using the Auna Model for the expansion of Clínica Vallesur in Arequipa and for the opening of our new 68-bed facility that we believe will be the leading hospital in Chiclayo.

In Colombia, given the market fragmentation and the relatively larger number of high-quality facilities operated by third parties than in Peru, we are currently focused primarily on inorganic growth. In September 2020, for example, we acquired Clínica Portoazul, a private hospital located in Barranquilla, Colombia. We have identified a robust pipeline of other opportunities that can help us continue to expand our presence in the country, and we believe our proven integration capabilities position us as a natural market consolidator. Our acquisition strategy in Colombia is focused on the key urban areas in the country, such as Bogotá and Cali. We are also pursuing organic growth in Medellín where we already have a strong presence through the construction of Clínica del Sur, a state-of-the-art hospital providing medium and high-complexity services in Envigado, a city bordering Medellín that has low hospital penetration. We are using the Auna Model to build Clínica del Sur and expect to launch operations at the facility in 2022, which will further strengthen our position in the Antioquia region of which Medellín is the capital.

In addition, we are continually evaluating expansion opportunities in other markets in Latin America that are structurally and demographically similar to Peru and Colombia and may seek to enter new markets in the future. As we expand our healthcare networks, we will increase our horizontal integration, which we believe will allow us to continue capturing increased demand for our services and generating substantial cost savings and synergies across facilities.

***Continue enhancing and increasing the value proposition of our networks***

Our ability to offer high quality healthcare services across our Auna Peru and Auna Colombia networks has been a significant contributor to demand for our healthcare services and has made us a “must carry” for healthcare coverage providers in Peru and Colombia. Through the breadth of our networks, we are able to be a one-stop shop for our patients, offering treatments in addition to diagnostic imaging, pharmaceuticals and laboratory services within our network of facilities. In addition, with the benefit of our technology and the standardized information it provides across facilities, we are able to provide patients care at any of our facilities, even if it is not the usual location at which they obtain healthcare services. For example, if a patient typically receives healthcare at one of our lower complexity facilities, but needs a high-complexity service, we can access

their medical records at another facility that is able to provide the high-complexity service, which allows us to provide efficient service across our network. We intend to place a greater focus going forward on differentiating the role that each of our facilities has within the networks so that we can increase the value proposition of our networks overall. While high-complexity services will be centered at Clínica Delgado in Peru and Clínica Las Américas in Colombia, we intend to increase the complexity of services that all of our facilities can handle in each of our markets where the need for higher-complexity services justifies it, particularly in the hospitals in provinces outside of Lima and Medellín. To complement our existing network, we intend to open new lower-complexity facilities in residential areas closer to our patients, providing easy access to care. We believe this will increase our touchpoints with patients, boost our brand awareness and foster further loyalty to our networks, while also deepening our horizontal integration and our ability to achieve network-level efficiencies.

***Continue expanding our ecosystem to position the company as one of the largest healthcare platforms offering immediate experiences throughout SSLA, via tailor-made healthcare plans supported by AI and end-to-end online and offline solutions, significantly raising entry barriers***

We believe that we are uniquely positioned to fill the healthcare gap in SSLA by providing our members and users with a personalized and immediate online and offline healthcare solution. The healthcare markets in Chile, Colombia, Mexico and Peru are highly fragmented and underserved, forcing users to navigate among different providers to solve their needs, which is costly, inefficient and leads to high out-of-pocket expenditures. Traditional players continue to expand with a very limited digital footprint, and SSLA is not a priority for many global players as they struggle to navigate the complexities of the region's key markets. In parallel, venture capital flows into the health-tech space remain unprioritized and most of the region's health-tech startups are in early-stage phases. Against this backdrop, Auna plans to disrupt the industry by building an integrated healthcare ecosystem that we believe will provide our current and future users with an unparalleled, end-to-end healthcare experience, allowing us to accompany patients at every step of their healthcare digital journey. As the healthcare industry in SSLA evolves, we believe that our technology investments and underlying technology infrastructure will facilitate improved productivity and patient outcomes. Some of the key projects that form our integrated healthcare ecosystem, all of which will be fully integrated with the Auna App, include:

- *Farmauna*, a retail digital pharmacy with last-mile delivery. We believe that Farmauna will provide us with scalability, proximity to customers and valuable data collection about consumption patterns of consumers in the healthcare space. We utilize a dark store delivery model to reduce transaction times and utilize customer micro-segmentation analysis to uncover pathology concentration and predict demand per nano-location. We believe that Farmauna will help us to generate critical mass in one of the most competitive segments of Latin America's healthcare market.
- *Romina*, our digital healthcare membership initiative that integrates our healthcare plans into the Auna App, offering segmented and tailor-made digital memberships to each user. Healthcare memberships are the cornerstone of our healthcare ecosystem, as they will allow us to build trust with customers, improve customer engagement and increase overall healthcare access. Romina will help strengthen Auna's competitive advantage and will raise entry barriers through scale and end-to-end resolution.
- *Clinica 360*, a telehealth platform offering complementary online and offline health services. We envision Clinica 360 as a main entry point for telehealth delivery, yet differentiated from standalone telemedicine by seamlessly delivering last-mile services, such as diagnostics, pharmacy and/or treatment. In its next phase, Clinica 360 will incorporate AI support to maximize scalability and will leverage on Auna's regional network to tackle constraints that limit international teleconsultations.

We intend to continue to expand our healthcare ecosystem throughout SSLA, including where we do not have last-mile capabilities. We aim to consolidate the region's fragmented healthcare markets at both the digital and last-mile levels with strategic alliances allowing us to strengthen our key growth levers and facilitating our entry into new markets throughout SSLA. As we arrive in new markets, the Auna App, utilizing the Auna Data Engine, will be deployed in those markets providing users with instant access to our expanding ecosystem,

which, in turn, will contribute to drive our regional scalability. In addition, we believe that our “digital hooks,” such as *Farmauna* and *Clinica 360*, will allow us to generate critical mass and enhance our last-mile delivery while also serving as key entry points into our ecosystem. Furthermore, we believe that our healthcare plans and the expansion of our healthcare plans into new regions will serve to improve our members’ engagement and allow us to build their trust in our services. We believe that the knowledge and information that our Auna Data Engine will accumulate over time will enable us to anticipate our plan members’ and patients’ needs and further enhance healthcare access. Finally, we plan to provide last-mile services through Auna’s premium infrastructure and, in markets where we do not have infrastructure to provide last-mile services, strategic partnerships with previously vetted and certified third parties. This approach will ensure that we deliver a distinctive end-to-end experience in every market where we operate. To help us manage our strategic alliances, we intend to develop a healthcare marketplace that will deliver services through third-party healthcare provider networks. We expect that our marketplace will expand our capabilities to deliver healthcare in hard-to-reach areas where it is inefficient to implement proprietary last-mile services and strengthen our understanding of customer behavior and their decision-making process through marketplace data collection. As we continue to achieve scale in the region, our multi-country last-mile footprint will help to tackle SSLA’s regulatory and cultural constraints, further raising entry barriers.

## **Our History**

Our company was originally founded to address an unmet need in the quality and accessibility of treatment for cancer in Peru. At the end of the 1980s, even though science continued to make advancements with respect to cancer treatment, Peru faced a deep economic crisis and most of the population could not access advanced care for cancer. Patients were usually treated by generalist physicians or specialists in other areas and therefore did not receive adequate treatments. To make matters worse, insurance companies did not provide coverage for cancer.

In 1989, Dr. Luis Pinillos and Dr. Carlos Vallejos, both former directors of INEN and Ministers of Health of Peru, founded Oncosalud to address this unmet need. Oncosalud began as a healthcare coverage program covering oncology services, which at the time cost US\$1 per month per patient with no deductibles or copayments. The program provided unlimited coverage for cancer treatment through the end of the disease’s cycle, including medicines, surgeries and other treatments, in all cases provided by specialists. With the help of Victor Hugo Gonzáles and Juan Serván, renowned experts in healthcare coverage, and the medical leadership of Dr. Pinillos and Dr. Vallejos, Oncosalud quickly began to gain members at a rapid pace while we developed a dedicated network of facilities for preventing and treating cancer. Starting in 1997, we began opening clinics for cancer treatments. In 2014, we opened Clínica Oncosalud, a specialized oncology hospital and one of the most renowned oncology centers in Peru, offering a fully integrated platform for the prevention, detection and treatment of cancer.

In 2008, Enfoca, one of Peru’s foremost investment firms, formed a partnership with Oncosalud’s original partners, and together they launched Grupo Salud del Perú (today, Auna), which became the holding company of Oncosalud. In 2011, Grupo Salud del Perú launched the Auna brand and began its transformation into a full-fledged healthcare company. This transformation began with a series of acquisitions to expand our national footprint in Peru, including:

- In October 2011, we acquired Servimédicos, a clinic, in Chiclayo, one of Northern Peru’s key economic hubs with a population of more than 550,000 people;
- In November 2011, we acquired Clínica Camino Real, a hospital, in Trujillo, Peru’s third largest city with a population of more than 900,000 people;
- In December 2011, we acquired Clínica Bellavista, a hospital, in Callao, a province located next to Lima with a population of more than one million people;
- In March 2012, we acquired (i) a stake in Clínica Miraflores, a hospital, in Piura, another key hub in Northern Peru with a population of more than 470,000 people; and (ii) a stake in Clínica Vallesur, a

hospital, in Arequipa, Peru's second-largest city with a population of more than one million people; and

- In May 2012, we acquired R&R Patólogos, a medical laboratory, as well as Cantella, a clinic in Lima.

Following these acquisitions, in 2014, we launched Clínica Delgado, our network's hallmark facility, and one of the leading high-complexity hospitals in Latin America, with over 40 specialties and state-of-the-art technology.

By 2017, we had built a unique, integrated healthcare platform in Peru with national reach. At the end of 2018, we launched our regional expansion plan with the acquisition of Grupo Las Américas, one of the leading private healthcare groups in Medellín, Colombia with key similarities to our Peruvian operations:

- Clínica Las Américas, one of the top 10 hospitals in Colombia, which is focused on high-complexity services, similar to Clínica Delgado; and
- IDC, one of Colombia's largest and leading private cancer treatment institution, and the only healthcare provider in the country that is a sister institution with MD Anderson.

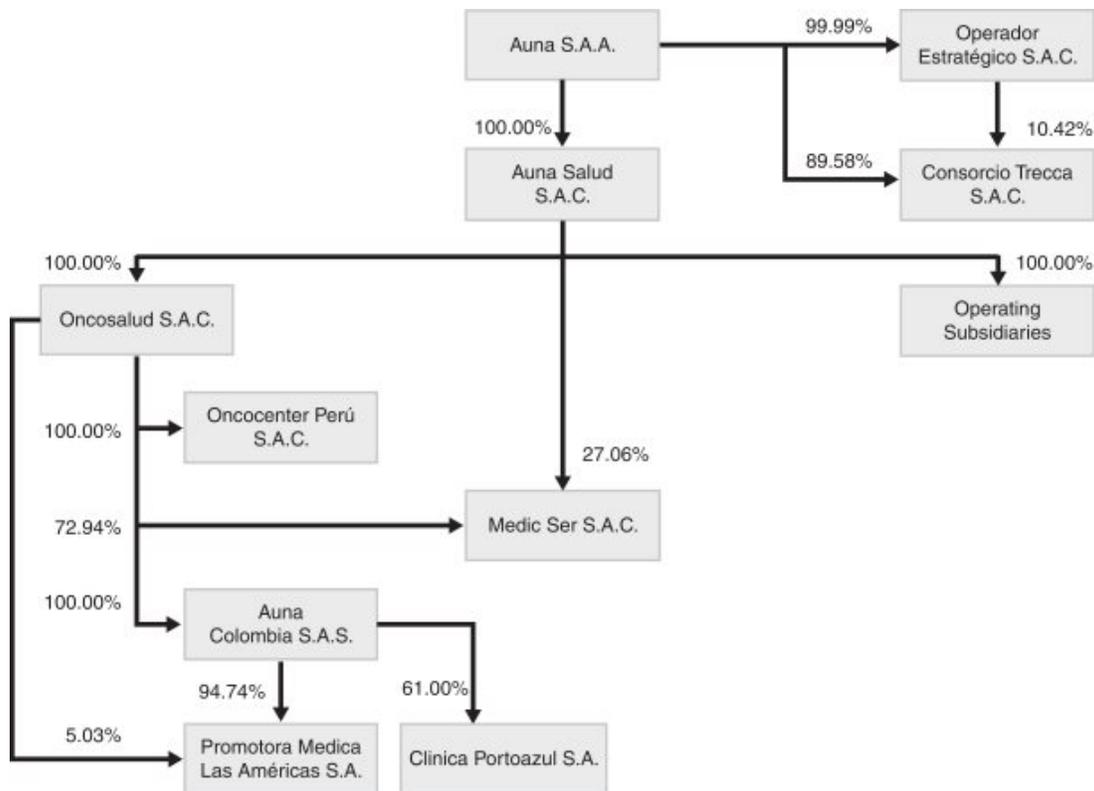
In September 2020, we expanded our regional presence in Colombia through the acquisition of Clínica Portoazul, a private hospital located in Barranquilla.

In 2020, in anticipation of this offering, we changed our corporate form from a *sociedad anónima* to a *sociedad anónima abierta*.

### **Our Corporate Structure**

The ownership structure of our subsidiaries is shown in the following chart. Auna Salud S.A.C. owns 100% of Oncosalud as well as our other operating subsidiaries. Our wholly-owned Oncosalud subsidiary is both the seller of prepaid oncology plans as well as the owner and operator of the dedicated oncology facilities in our Oncosalud network, a 72.9% owner of Medic Ser, which holds Clínica Delgado, the flagship hospital of our Auna Peru network, and indirect owner of 99.8% of Grupo Las Américas and 61.00% of Clínica Portoazul, which together comprise our Auna Colombia network.

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



\* We own 100% of all of our operating subsidiaries, other than Clínica Miraflores, Clínica Vallesur and Clínica Portoazul, of which we own 94.17%, 88.23% and 61.00%, respectively.

**Our Products and Services**

We operate our business through three segments: (i) Oncosalud Peru, (ii) Healthcare Services in Peru and (iii) Healthcare Services in Colombia, which correspond to our three networks Oncosalud, Auna Peru and Auna Colombia, respectively.

***Oncosalud Peru***

Oncosalud Peru is a vertically integrated oncology platform through which we are both a healthcare payer and a provider. We sell oncology plans that provide healthcare coverage for the prevention, detection and treatment of cancer and provide oncology healthcare services to those covered by our plans as well as patients with other forms of private healthcare coverage, including traditional insurance and other prepaid plans, through our network of Oncosalud-dedicated facilities. Through this vertically integrated model, we offer our plan members a full range of services in cancer prevention, detection, treatment and palliative care at our network of facilities at an affordable cost. As of December 31, 2020, we provided oncology plans to over 830,000 Oncosalud plan members. During 2020 and 2019, we operated a total of 109 beds and treated more than 12,800 and 12,500 patients, respectively, through our network of three oncology clinics and two specialized oncology hospitals.

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Our Oncosalud Peru segment generated S/659.1 million (US\$171.2 million) in revenue in the year ended December 31, 2020, 86% of which was related to premiums earned from oncology plans and 14% of which was related to the provision of oncology services at our facilities to patients that are not covered by our oncology plans.

We believe that our vertically integrated structure has been very effective at preventing, detecting and treating cancer while also managing the more serious and high-cost medical cases. Although only a small portion of our plan members are diagnosed with cancer each year, we provide regular screenings under each plan, which allows us to detect cancer at earlier stages and lowers the cost of treatment than if the cancer had been caught later. As a result, we have been able to achieve a 75.5% 5-year cancer survival rate for the cohort of patients diagnosed between 2010 and 2015, while at the same time maintaining MLR levels in our oncology plans at around 43% as of December 31, 2020. Comparatively, the 5-year survival rate in the U.S. during 2007 – 2013 (latest data available) was estimated to be 69% in 2018 by the American Cancer Society; the 5-year survival rate for Medicare PPS-exempt cancer hospitals in the U.S. was estimated to be 53% in 2015 (latest data available) by the Memorial Sloan Kettering Cancer Center; and the U.K.'s National Health Service estimated England's 5-year survival rate at 50% in 2010. Oncosalud's network of oncological facilities is much smaller than the hospital networks evaluated in such studies and only treats a small, relatively wealthy portion of the Peruvian population as compared to the U.S. and U.K. hospital networks evaluated in such studies. Moreover, certain cancers are harder to successfully treat than others and a higher incidence of such cancers in any one of these studies could have impacted the 5-year survival rate disproportionately as compared to the populations evaluated in the other studies. As a result of such factors, Oncosalud's 5-year survival rate is not directly comparable to the 5-year survival rates presented in such studies. However, we believe that such studies provide some context for Oncosalud's 5-year survival rate.

*Oncology plans*

Our oncology plans are prepaid healthcare plans, meaning that plan members pay a fixed amount per year which covers any service covered by the type of plan a member has.

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We currently offer eight different oncology plans. Approximately 740,912 plan members, or 89% of our plan members, purchase three of our plans, which had the following membership as of December 31, 2020: (i) OncoPlus, our premium plan that had approximately 384,918 plan members, (ii) Oncoclásico Pro, our mid-level plan that had approximately 253,366 plan members, and (iii) Oncoclásico, our basic plan, which had approximately 102,628 plan members. The main coverage details for our principal plans are as follows:

Type of Service	Level of Coverage (%)		
	OncoPlus	Oncoclásico Pro	Oncoclásico
Outpatient appointments, surgery procedures, home visits and anesthesia	100%	100%	100%
Chemotherapy	100%	100%	100%
Specialized biological therapy, including:	100%	70%	—
– Monoclonal antibodies			
– White cell stimulants			
– Enzyme inhibitors			
– Immunotherapy			
Non-biopsiable invasive cancer treatment	100%	100%	100%
Bone marrow transplants	100%	100%	—
Osteosynthesis	100%	70%	—
Breast reconstruction	100%	70%	—
Breast prosthesis	100%	70%	—
Annual screenings	1 every year	1 every 2 years	1 every 2 years

Monthly fees for each of our plans differ based on a plan member’s age, and as of December 31, 2020 the average age of our plan members was 34. The monthly fees for our three principal plans in 2020 were as follows:

Age range	OncoPlus	Oncoclásico Pro	Oncoclásico
0-25	S/ 31	S/ 25	S/ 19
26-40	S/ 90	S/ 48	S/ 38
41-45	S/ 102	S/ 55	S/ 42
46-50	S/ 120	S/ 63	S/ 50
51-55	S/ 142	S/ 98	S/ 79
56-60	S/ 174	S/ 122	S/ 99
61-65	S/ 227	S/ 162	S/ 127
66-70	S/ 293	S/ 226	S/ 182
71-75	S/ 335	S/ 291	S/ 246
76-80	S/ 365	S/ 335	S/ 264
81-85	S/ 394	S/ 370	S/ 287
86-100	S/ 412	S/ 388	S/ 297
100+	S/ 417	S/ 393	S/ 301

\* For plan members between the ages of 36 and 85, monthly fees increase incrementally with each year. Monthly fees presented for age groups between 36 and 85 are average fees paid by members of that group.

Oncosalud introduced a pilot for and recently launched three new plans, a lower-cost plan covering the most common and treatable cancers, which is expected to be within the economic reach of a larger segment of Peru’s population, a prepaid plan covering general healthcare services and a prepaid plan covering a range of other potentially catastrophic diseases and conditions that require hospitalization and/or complex treatments, all of which are currently provided through Oncosalud.

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During 2020, while 67% of Oncosalud's covered services were provided at Oncosalud facilities, 30% of services were provided at other facilities in our Auna Peru network and only 4% were provided at third-party facilities.

### *Oncology healthcare services*

We provide healthcare services for the prevention, detection and treatment of cancer through a network of dedicated Oncosalud facilities to those covered by our plans as well as patients with third-party healthcare coverage. We operate two specialized oncology hospitals and three oncology clinics to provide our oncology services to our plan members and patients with third-party healthcare coverage. Our facilities have premier clinical capabilities. We believe Clínica Oncosalud is one of the best radiotherapy centers in Peru, as we are one of the only providers with a private PET scan and cyclotron and one of the only private providers in the country providing intraoperative radiotherapy, all of which has allowed us to obtain a Diamond accreditation from ACI. Supported by some of Peru's best cancer specialists, we treated more than 12,800 and 12,500 patients at our Oncosalud facilities during 2020 and 2019, respectively.

The following table sets forth additional information with respect to our Oncosalud facilities:

<u>Facility</u>	<u>Location</u>	<u>Owned / Leased</u>	<u>Type</u>	<u>Complexity Level</u>	<u>No. of Beds</u>
Clínica Oncosalud	Lima	Owned	Hospital	High	75
Oncosalud San Borja	Lima	Leased	Hospital	Medium	34
Oncosalud Miraflores	Lima	Owned	Clinic	—	—
Oncosalud San Isidro	Lima	Owned	Clinic	—	—
Oncosalud Surco	Lima	Leased	Clinic	—	—

We are also one of the few providers in Peru with a dedicated palliative homecare unit, which allows us to remain in close contact with our patients until the very end of the disease's cycle even when that outcome is not remission. This is an integral part of the Oncosalud value proposition, and something that we believe distinguishes us from competing services in the market.

### ***Healthcare Services in Peru***

We provide healthcare services in Peru through our Auna Peru network, a horizontally integrated network of hospitals, clinics, diagnostic imaging centers and clinical laboratories, making us one of the country's largest, horizontally integrated private healthcare networks.

Our Auna Peru network is primarily centered around five hospitals and two clinics in Lima, Arequipa, Chiclayo, Piura and Trujillo, which are the principal cities in the five most populated departments in Peru, with each department having a population above one million. As of December 31, 2020, our Auna Peru network included 287 beds. We treated more than 184,000 and 198,000 patients at our facilities during 2020 and 2019, respectively.

Our Healthcare Services in Peru segment generated S/476.4 million (US\$123.7 million) in revenue in the year ended December 31, 2020, 50% of which was paid by third-party private insurers and 31% of which was paid out-of-pocket by our patients, with the remainder of payments generated by intersegment transactions involving medical services performed at facilities within our network.

Through our Auna Peru network of facilities, we are focused on providing a seamless, integrated healthcare experience for our patients at varying levels of complexity. Our high-complexity services are centered at our flagship hospital in this network, Clínica Delgado, which we built from the ground up between 2011 and 2014 and which was designed by Gresham Smith & Partners, one of the leading architecture firms for healthcare facilities in the United States. We treated 77,617 and 91,264 patients, or 42% and 46% of our total patient

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volume, at Clínica Delgado during 2020 and 2019, respectively. Clínica Delgado has a Diamond accreditation from ACI and is ranked among the best hospitals in Peru in a wide range of categories by GHI's Hospirank Peru 2018 report. Notably, it is one of only two private hospitals in Peru licensed to perform organ transplants and is renowned for having one of the best neonatal intensive care units and maternity wards in Peru. Clínica Delgado physicians also performed the first ever thorax abdominal aorta endoprosthesis implant in Peru, and only the third in Latin American history. In addition, we provide a wide variety of medium-complexity services at our regional hospitals and clinics outside of Lima.

Our Auna Peru network is horizontally integrated, meaning that our patients are provided with a seamless experience regardless of which of our facilities they access. We cover all of our patients' healthcare needs in a coordinated manner by offering all of the treatments they require in addition to diagnostic imaging, pharmaceuticals and laboratory services. In addition, our sophisticated technology and advanced data management allow us to closely monitor and anticipate patient healthcare needs, efficiently manage costs across our patient population and improve medical outcomes and the quality of our services. Our HIS includes our EMR system, which was the first of its kind in Peru when we implemented it in 2013, and is implemented in all of our hospitals in Peru other than Clínica Bellavista, allows doctors and medical staff at any of our facilities to work with the most complete information on each patient and makes it easy for patients to transfer between facilities if needed. We also have kiosks and a mobile app, which allow our patients to make and pay for appointments in a convenient manner. By covering all of our patients' healthcare needs in a coordinated manner, we enhance customer satisfaction, incentivize patients to remain within our networks and bolster our reputation for quality and our brand awareness.

The following table sets forth additional information with respect to the hospitals and clinics in our Auna Peru network:

<u>Facility</u>	<u>Location</u>	<u>Owned / Leased</u>	<u>Type</u>	<u>Complexity Level</u>	<u>No. of Beds</u>
Clínica Delgado	Lima	Owned(1)	Hospital	High	164
Clínica Vallesur	Arequipa	Owned	Hospital	Medium	45
Clínica Miraflores	Piura	Owned	Hospital	Medium	44
Clínica Bellavista	Callao	Owned	Hospital	Medium	26
Clínica Camino Real	Trujillo	Owned	Hospital	Medium	8
Servimédicos	Chiclayo	Owned	Clinic	Medium	—
Cantella	Lima	Owned	Clinic	Medium	—

- (1) We own the facility and have the right to use, enjoy and encumber the surface of the land on which Clínica Delgado sits via a surface rights agreement. See “—Material Agreements—Surface Rights Agreement.”

Throughout our network we provide more than 40 medical specialties and subspecialties, and we specialize in medium- and high-complexity medical services, such as oncology, cardiology, neonatal care, neurology, trauma and organ and bone-marrow transplants. Notably, Clínica Delgado is the only hospital in Peru providing all cardiology-related subspecialties, such as clinical cardiology, cardiovascular surgery, electrophysiology and pacemakers, hemodynamics and cardiological intervention, intensive cardiology, cardiology imaging, and pediatric cardiology (including congenital anomalies).

We are also beginning the process of entering into new markets in our Auna Peru network. While we currently only provide services to private payers, we are awaiting approval of certain project milestones and certain amendments to the Torre Trecca concession agreement, in order to rebuild Torre Trecca as a high-rise outpatient facility and begin operating Torre Trecca through a PPP on behalf of EsSalud. Once we receive approval of the pending documentation, we expect it to take 18 to 24 months to rebuild and redevelop the Torre Trecca facility, which is currently not in use, and begin operations. Through this partnership, once we are able to begin operations we expect to handle approximately 15% of EsSalud's yearly outpatient volume, or approximately 1.5 million outpatient consultations per year. This partnership will allow us to expand the patient

population we serve by providing services to patients that currently receive care through the public sector, which we believe will further raise brand awareness and increase demand for our services.

***Healthcare Services in Colombia***

We provide healthcare services in Colombia through our Auna Colombia network, which we launched through the acquisition of Grupo Las Américas, one of Colombia’s leading healthcare groups located in the country’s second-largest market and key economic hub, Medellín. We further expanded our network in Colombia through the acquisition of Clínica Portoazul, a healthcare services provider with state-of-the-art facilities and a premium customer portfolio located in Barranquilla, the fourth largest city in Colombia. We are in the process of integrating Clínica Portoazul into our Auna Colombia network. Our Auna Colombia network consists of two hospitals, Clínica Las Américas and IDC and five clinics in Medellín and one hospital, Clínica Portoazul, in Barranquilla, as well as a range of facilities providing complementary services. As of December 31, 2020, our network included 441 beds. We treated 246,000 and 263,000 patients at our facilities in 2019 and 2020, respectively.

Like in our Auna Peru network, our Auna Colombia network is focused on providing a seamless experience for our patients at varying levels of complexity through a horizontally integrated network of facilities with premium clinical capabilities. Our high-complexity services are centered at our flagship hospital in this network, Clínica Las Américas, and IDC. Clínica Las Américas is the leading private hospital in the city, specializing in cardiology and bone-marrow transplants and was ranked the 7<sup>th</sup> best hospital in Colombia by América Economía’s 2020 Best Hospital Rankings. IDC is also renowned as one of the top oncology hospitals in the country and is the only healthcare institution in Colombia that is a sister institution of MD Anderson. To attain this relationship with MD Anderson, a cancer-fighting institution must be deemed by MD Anderson to have research- and education-based capabilities meeting certain of MD Anderson’s quality standards after undergoing an application process. Through an annual fee, we have access to educational tools, participate in collaborative research with MD Anderson and its global network of sister institutions and are able to send our IDC patients to MD Anderson’s facilities. IDC is also affiliated with the Union for International Cancer Control. These affiliations allow IDC to share best practices and new treatments with a wide range of institutions around the world.

The following table sets forth additional information with respect to the main facilities in our Colombian network:

<u>Facility</u>	<u>Location</u>	<u>Owned / Leased</u>	<u>Type</u>	<u>Complexity Level</u>	<u>No. of Beds</u>
Clínica Las Américas	Medellín	Owned	Hospital	High	293
Instituto de Cancerología(1)	Medellín	Owned	Hospital	High	—
Clínica Portoazul	Barranquilla	Owned	Hospital	High	148
CLA—San Fernando	Medellín	Owned	Clinic	—	—
CLA—City Plaza	Medellín	Owned	Clinic	—	—
IDC—Aguacatala	Medellín	Owned	Clinic	—	—
IDC—Rionegro	Medellín	Leased	Clinic	—	—
Arkadia	Medellín	Owned	Clinic	—	—

(1) Overnight stays for Instituto de Cancerología patients are provided at Clínica Las Américas.

**Our Future**

We believe that our integrated healthcare networks in Peru and Colombia increase our brand awareness, provide cost efficiencies at the network level and improve our negotiating position with third parties, and as a result, provide us with the resources to invest in our business and continually improve the quality and breadth of our healthcare services. Due to the relatively low penetration of healthcare services in both Peru and Colombia, deficits in medical capacity and, particularly in Peru, the generally poor quality of most public and private

healthcare alternatives, we believe there is significant room for growth and we intend to continue adding facilities to each of our networks. We seek to add facilities to our networks that meet our standards of quality in terms of expertise of available medical staff, modern infrastructure that enables efficient operation and ease of access for patients and plan members in terms of location. Because we are focused on the quality of the facilities we add to any of our networks, we will add to our networks both organically and inorganically, depending on what makes most sense in the particular market.

In Peru, we are currently focused primarily on organic growth because we have developed a proprietary model that we believe is the best vehicle for our expansion throughout the country. However, we do pursue acquisitions from time to time of facilities that will complement our growth plan. In Colombia, where there are more high quality facilities operated by third parties but the market remains fragmented, we are primarily focused on inorganic growth. We have identified a robust pipeline of opportunities in Colombia that can help us continue to expand our presence in the country, and we believe our proven integration capabilities position us as a natural market consolidator. Our acquisition strategy in Colombia is focused on key urban areas, including Bogotá, Cali and Barranquilla. For example, we recently expanded our network to Barranquilla through our acquisition of Clínica Portoazul. We believe expanding our network to other cities in Colombia will allow us to increase our horizontal integration and achieve the same level of efficiency and economies of scale that our Peruvian network has attained.

Our current pipeline of opportunities in Peru and Colombia includes the following:

<b>Project</b>	<b>Country</b>	<b>Stage</b>
Project A	Colombia	Ongoing due diligence <sup>(1)</sup>
Project B	Peru	Ongoing due diligence <sup>(1)</sup>
Project C	Peru	Ongoing due diligence <sup>(1)</sup>
Project D	México	Ongoing due diligence <sup>(1)</sup>
Project E	México	Ongoing due diligence <sup>(1)</sup>
Project F	Colombia	Ongoing process <sup>(2)</sup>
Project G	Colombia	Ongoing process <sup>(2)</sup>
Project H	Colombia	Ongoing process <sup>(2)</sup>
Project I	Colombia	Ongoing process <sup>(2)</sup>
Project J	Peru	Ongoing process <sup>(2)</sup>
Project K	Colombia	Screening <sup>(3)</sup>
Project L	Colombia	Screening <sup>(3)</sup>
Project M	Colombia	Screening <sup>(3)</sup>
Project N	Colombia	Screening <sup>(3)</sup>
Project O	Latin America	Screening <sup>(3)</sup>
Project P	Latin America	Screening <sup>(3)</sup>
Project Q	Latin America	Screening <sup>(3)</sup>
Project R	Chile	Screening <sup>(3)</sup>

- (1) A data room has been opened and we have begun diligencing the asset.
- (2) We have engaged with the target and received preliminary operational and financial information.
- (3) We have engaged in preliminary discussions of an asset that may come to market in the future.

In Peru, we have just launched a new medium-complexity hospital, Auna Chiclayo, at the end of August 2021, which has added approximately 68 additional beds to our capacity. We are also expanding our facility in Clínica Vallesur in Arequipa, which we expect to add approximately 40 beds there. We expect to add around 108 additional beds to our aggregate capacity within the next three years, primarily in the markets in which we already operate.

We continue to pursue organic growth in Colombia through the construction of Clínica del Sur in Envigado, a city bordering Medellín that has low hospital penetration. We expect to launch Clínica del Sur in 2022 with approximately 155 beds. We expect this to further strengthen our dominant position in the Antioquia region where Medellín is the capital.

Over the past 8 years, we have worked on developing the Auna Model, a blueprint for the development of new medium- to high-complexity medical facilities based on our experience to date in building and expanding facilities.

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This blueprint sets forth what we believe are ideal parameters in terms of number of beds and number of outpatient, emergency and operating rooms at a facility in order to efficiently and expeditiously launch a new facility or add capacity at an existing facility. We have started using the Auna Model to standardize and optimize the facilities that we add to our network, either by acquisition or by new development and expansion, including for the expansion of Clínica Vallesur in Arequipa and the construction of the hospital in Chiclayo and Clínica del Sur.

In addition to building on our network of facilities, we are also seeking to increase demand for our services in other ways. For example, in order to continue to enhance the experience of our plan members and patients, we are working on developing new digital applications to allow us to increase touchpoints with our patients. We are also developing new healthcare coverage products, such as the three products for which we launched pilots through our Oncosalud subsidiary in 2019.

### **Employees and Medical Staff**

As of December 31, 2020, we had 7,829 employees in Peru and Colombia, including 4,731 medical personnel, which includes physicians, nurses and technicians. Approximately 2% of our employees were part-time employees, the majority of which are physicians that are hired on a fee-for-service basis. We are subject to various laws that regulate wages, hours, benefits and other terms and conditions relating to employment. As of December 31, 2020, none of our employees were members of labor unions.

Our hospitals and clinics, like most institutions in the industry, have experienced rising labor costs. In both Peru and Colombia, attracting and retaining qualified medical personnel, in particular nurses, has become a significant operating issue for healthcare providers. See “Risk Factors—Risks Related to Our Business—Our performance depends on our ability to recruit and retain quality medical professionals, and we face a great deal of competition for these professionals, which may increase our labor costs and negatively impact our results of operations.” To address this challenge, we have implemented several initiatives to improve retention, recruiting, compensation programs and productivity, including:

- Flexible and highly competitive compensation mechanisms for physicians;
- A new training and support plan for nurses that includes professional development and wellness courses; and
- A corporate professional growth and development program in Peru called CRESER, which aims to develop talent within our corporate and administrative unit by providing a clear, structured career path for high potential employees.

Our hospitals and clinics are staffed by licensed physicians, including physicians employed by us, physicians working as independent contractors and physicians who are hired through contracts that we have with certain medical groups or doctors’ associations in Peru and Colombia. Any licensed physician may apply to be accepted to the medical staff of any of our hospitals or clinics, but each facility’s medical staff and the appropriate governing board of such facility, in accordance with established credentialing criteria, must approve the addition of each physician to the staff.

### **Our Operations**

#### ***Suppliers***

Our principal suppliers are contracted through purchase orders for the provision of the medicine, medical supplies and medical equipment needed to provide our services. Procurement of medicine and medical supplies for our networks is currently centralized at each country’s corporate level. We are also in the process of establishing systems and procedures that will allow us to coordinate our procurement process across countries. Our Quality Control Committee and, in the case of technology products, our Technology Evaluation Committee prepare an approved list of suppliers and products both in Peru and Colombia. From this list, our procurement

department evaluates potential suppliers and products and selects which suppliers and/or products to use. As of December 31, 2020, we had 173 medicine suppliers in Peru and 36 in Colombia. For the year ended December 31, 2020, we purchased 71% and 52% of our medicines from our 10 largest suppliers in Peru and Colombia, respectively. For more information on our suppliers, see “Risk Factors—Risks Related to Our Business—We rely on a limited number of suppliers of medical equipment and supplies needed to provide our medical services.”

Procurement of medical equipment is also centralized at the corporate level and is principally managed by our Clinical Engineering Department. This department assesses the equipment needs at all of our facilities, evaluates various suppliers and selects which suppliers to purchase from. This department also oversees the installation of all purchased equipment and the ongoing maintenance of such equipment throughout its useful life.

### ***Sales & Marketing Channels***

We sell our oncology plans through a variety of channels, including:

- Our in-house sales force, which we employ directly and accounted for 24% of plan sales in 2020;
- Telemarketing, which is done by a third-party vendor and accounted for 40% of plan sales in 2020;
- Corporate channel, as some employers provide coverage to employees, which is done by an in-house team and accounted for 9% of plan sales in 2020;
- Partnerships with third parties, such as banks, through which plans are sold directly in bank branches and via call-centers, and credit card companies, which accounted for 11% of plan sales in the 2020;
- Independent brokers, which accounted for 11% of plan sales in 2020; and
- Digital advertising, which accounted for 6% of plan sales in 2020.

Approximately 60% of the revenues in our Healthcare Services in Peru segment and 96% in our Healthcare Services in Colombia segment were generated by payments from third-party private insurers in 2020. As a result, we focus primarily on negotiating contracts with private insurers to ensure that our hospitals and clinics are on their list of approved facilities. We have a dedicated commercial team to handle negotiations with insurance providers, with the objective of building and maintaining close relationships with them and ensuring that our network of hospitals and clinics is included in all their insurance plans.

### ***Technology***

We use three main IT systems in Peru:

- HIS, a specialized system used at our network of facilities, that, among other features, registers our patients’ contact information; manages administrative services, such as hospital admissions and billing; and houses our EMR system;
- SAP, our enterprise resource planning system, that handles all of our accounting and financial processes; and
- Oncosys, a specialized system responsible for the operation of our oncology plans, that, among other features, registers plan members for new plans; tracks procedures, schedules and outcomes; and processes the contractual documentation of our doctors. We expect to replace Oncosys with SAP in the near future as our main system for Oncosalud.

We also rely on two other supporting systems: RIS/PACS, a management system for diagnostic imaging; and LIS, a management system for our clinical laboratories. In addition, we have a patient app, which offers users the possibility of scheduling appointments at any of our seven hospitals in Peru in a convenient and accessible manner and is available at both Apple and Android stores.

In Colombia, we primarily use three systems: Matrix, which supports the hospital network; LIS 4D, a management system for our clinical laboratories; and Servintec, our enterprise resource planning system for administrative and accounting processes. Following our acquisition of Grupo Las Américas in 2018, we are currently in the process of reevaluating these systems in an effort to optimize company resources, as we intend to expand the HIS we currently use in Peru to our Colombian healthcare network. In addition, we are in the process of implementing SAP in our Colombian healthcare network.

### **Trademarks**

In Peru, ownership of trademarks can be acquired only through a validly approved registration with INDECOPI. A trademark registration is granted for a term of 10 years from its grant date and can be renewed for successive 10-year periods.

As of the date of this prospectus, we own 116 valid, registered trademarks in Peru. The main trademarks we use in our operations are “Auna,” “Oncosalud” and “AUNA Clínica Delgado Pasión por Cuidarte.”

In Colombia, ownership of trademarks can be acquired only through a validly approved registration with the SIC. A trademark registration is granted for a term of 10 years from the date on which the grant becomes enforceable and can be renewed for successive 10-year periods.

As of the date of this prospectus, we own 198 valid, registered trademarks in Colombia. The main trademarks we use in our operations are “Clínica Las Américas” and “Clínica Del Sur Las Américas.”

### **Competition**

In Peru, we face competition from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. While we are currently one of the few private healthcare networks in the country with broad geographic reach and the market is generally fragmented, our flagship hospital, Clínica Delgado, faces competition from other high-complexity hospitals in Lima, including Clínica Ricardo Palma, operated by Quirónsalud, and Clínica San Pablo, both of which have more installed capacity than Clínica Delgado as well as Clínica San Felipe, operated by Banmédica/United Health, and Clínica Angloamericana, both of which have strong brand recognition in Peru. See “Industry—The Peruvian Healthcare Industry—Healthcare Services Market” for more information. Our regional hospitals outside of Lima principally face competition from the Sanna network, which is owned by Pacífico, the Clínica Internacional network, which is owned by Rímac, and the San Pablo network.

While we are the only provider of a vertically integrated oncology plan in Peru, Oncosalud also faces competition from companies that offer healthcare plans covering oncology services, including from traditional insurance providers and other companies offering prepaid plans covering oncology services. We believe that Oncosalud’s main competitors are Rímac and Pacífico, the two main insurance providers in Peru, both of which have substantial financial resources and provide both specialized oncology plans and general healthcare coverage covering oncology. See “Industry—The Peruvian Healthcare Industry—Healthcare Plan Market” for more information.

In Peru, we do not currently face significant competition from government providers, such as EsSalud and SIS, as their services are widely considered deficient and over capacity despite their substantial financial resources.

Similar to Peru, in Colombia, we face competition from other privately-operated hospitals, clinics and healthcare networks for the provision of healthcare services. Clínica Las Américas’ main competitors based on installed capacity are Fundación Hospitalaria San Vicente de Paul, Hospital Pablo Tobón Uribe and Clínica El Rosario. Although they have smaller installed capacity, Clínica IPS Universitaria and Clínica Medellín, operated

by Quirónsalud, are also competitors with strong brand awareness in Colombia. Moreover, unlike in Peru, the infrastructure gap between privately-owned and state-owned facilities is smaller in Colombia and we face competition from state-owned facilities as well.

In addition, the healthcare markets in Peru and Colombia have historically been fragmented and part of our competitive edge has been the reach of our networks. In recent years, new market entrants are seeking to consolidate their positions and increasingly compete with us. For example, in Peru, well-established global players such as UnitedHealth and Quirónsalud have strongly positioned themselves through the acquisitions of Clínica San Felipe and Clínica Ricardo Palma, respectively, while local groups such as Pacifico (through the Sanna network) and Rímac (through the Clínica Internacional network) have established horizontally integrated operations similar to ours in terms of coverage and structure. Similarly, in Colombia, the market has seen increasing consolidation in recent years as both global and local players vie to integrate horizontal platforms in a sector where many top institutions are still owned by foundations and non-profit entities.

## **Material Agreements**

### ***Surface Rights Agreement***

On July 8, 2009, Medic Ser entered into an agreement (the “Surface Rights Agreement”) for the surface rights of a tract of land with the Peruvian Red Cross Society. Under the Surface Rights Agreement, Medic Ser has ownership of the buildings on the land and the right to use, enjoy and encumber the surface of the land. The sole and exclusive purpose of the Surface Rights Agreement is the construction of Clínica Delgado and its operation. The Surface Rights Agreement will terminate 40 years after the second anniversary of the registration of the surface rights in the property register by the Peruvian Red Cross Society, which took place on September 2, 2011. The rights are amortized during the forty-year lease period. Pursuant to the Surface Rights Agreement, we are obligated to make monthly payments of US\$7,500 in favor of the Peruvian Red Cross Society until the twentieth month after the execution of the Surface Rights Agreement. From that date onwards, and for a 10-year and four month period and three 10-year periods, we are obligated to make monthly payments of (i) US\$15,000; (ii) US\$25,000; (iii) US\$35,000; and (iv) US\$45,000, respectively, and in each case, as adjusted by 1.5% annually.

On August 30, 2009, Medic Ser and the Peruvian Red Cross Society entered into an amendment to the Surface Rights Agreement primarily to amend the area of the land for construction of Clínica Delgado.

### ***Torre Trecca Concession Agreement***

On August 27, 2010, one of our subsidiaries, Consorcio Trecca S.A.C. (“Consorcio Trecca”), entered into a 20-year concession agreement (the “Torre Trecca Concession Agreement”) with EsSalud, the state agency tasked with overseeing the Peruvian public health insurance system. Under the Torre Trecca Concession Agreement, Consorcio Trecca will renovate, operate and maintain Torre Trecca, a high-rise outpatient facility in Lima, in exchange for monthly payments from EsSalud. Through this partnership, once operational Torre Trecca is expected to handle 1.5 million outpatient consultations per year, constituting about 15% of EsSalud’s outpatient volume.

On April 18, 2011, EsSalud and Consorcio Trecca entered into an amendment to the Torre Trecca Concession Agreement primarily to correct errors in the document and specify operational aspects in connection with the performance of obligations under the Torre Trecca Concession Agreement, such as aligning payment obligations with the progression of construction for the redevelopment portion of the agreement. On July 15, 2011, EsSalud and Consorcio Trecca agreed to pause investment in the project until January 2018. In November 2018, EsSalud and Consorcio Trecca agreed to updated terms, and in June 2019, agreed to begin investment in the project in the third quarter of 2021. As of the date of this prospectus, we are awaiting governmental approval of certain project milestones and certain amendments to the Torre Trecca Concession Agreement to be able to begin operations.

### ***Oncosalud San Borja Lease Agreement***

On August 28, 2019, Oncocenter entered into a lease agreement with Promotora Asistencial S.A.C. Clínica Limatambo (the “Oncosalud San Borja Lease Agreement”) for our hospital, Oncosalud San Borja, located in Lima, Peru. The Oncosalud San Borja Lease Agreement has a 10-year term and includes a right of first refusal in favor of Oncocenter for any offer to purchase the property for the duration of the agreement. Pursuant to the Oncosalud San Borja Lease Agreement, monthly lease payments are US\$120,000 (S/461,976) and increase by US\$10,000 (S/38,498) every six months for the first three years of the agreement. For the remaining seven years of the term, monthly lease payments increase annually to reflect increases in Lima’s consumer price index.

### **Legal Proceedings**

We are party to a number of legal and administrative proceedings arising in the ordinary course of our business, including medical malpractice and employment and labor lawsuits. We categorize our risk of loss in these proceedings as probable, possible and remote. We record provisions only for those proceedings that have a risk of loss deemed to be probable. As of December 31, 2020, we had provisions for outstanding claims in the amount of S/6.4 million (US\$1.7 million), which cover all losses resulting from claims filed against us that have a risk of loss deemed to be probable. For more information see Note 18 and Note 32 to our audited consolidated financial statements included elsewhere in this prospectus.

### **Regulation of the Peruvian Healthcare Sector**

The Peruvian Constitution of 1993 (the “Peruvian Constitution”) recognized a number of rights and guarantees for Peruvian citizens, including, among others, the right to healthcare. The Peruvian Constitution also guaranteed free access to healthcare services through public and private entities. Pursuant to the Peruvian Constitution, the government is also responsible for establishing the rules and regulations governing healthcare providers and for supervising the effective functioning of the healthcare system overall. MINSA is the main governmental entity responsible for such oversight.

MINSA primarily carries out such oversight through SUSALUD, a decentralized, technical entity that is a part of MINSA. SUSALUD is responsible for regulating and supervising the activities of all healthcare providers, whether public or private, including IPRESSs and IAFASs.

All IPRESSs and IAFASs must register with, and receive regulatory authorization to conduct their operations from, SUSALUD. All IPRESSs, including Auna’s facilities, must be registered with SUSALUD in the National Registry of IPRESSs. Registrations are valid for an indefinite term. Private IAFASs, such as Oncosalud, must obtain regulatory authorization from SUSALUD for purposes of their corporate organization, which is valid for two years. Once incorporated, private IAFASs must register with and obtain a second regulatory authorization from SUSALUD prior to commencing operations. Such regulatory authorizations are valid for an indefinite term, subject to the recipient’s compliance with the applicable regulations.

Each of the facilities in our Auna Peru and Oncosalud networks is registered as an IPRESS and Oncosalud, as a provider of prepaid oncology plans, is registered as an IAFAS.

SUSALUD’s principal activities in regulating and supervising IPRESSs and IAFASs include:

- Managing the National Registry of IPRESSs and the Registry of IAFASs;
- Providing authorization to IPRESSs and IAFASs to operate;
- Monitoring compliance by IPRESSs and IAFASs with applicable rules and regulations;
- Identifying unfair terms in the contracts and agreements between IAFASs and their plan members;
- Conducting administrative proceedings and issuing sanctions against any IPRESS or IAFAS that is not in compliance with applicable rules and regulations; and

- Instructs the prosecutor’s office to commence civil and/or criminal prosecution of any IPRESS in case of violations of the citizens’ health rights.

In addition to MINSA and SUSALUD, certain other Peruvian authorities have authority over healthcare providers if the activities of such providers fall within their jurisdiction, including regional and local governments in Peru, INDECOPI and the Office of the Ombudsman.

We are subject to extensive laws and regulations, including those related to: the quality and suitability of healthcare facilities and the services provided by healthcare providers; environmental protection and licensing matters; and the protection of personal data, among others, as enacted by various Peruvian authorities.

### ***Quality of Services***

*IPRESSs.* SUSALUD is charged with oversight of IPRESSs and their compliance with legally mandated standards of service and applicable service offering limitations in accordance with their corresponding classification. SUSALUD may also sanction any noncompliant IPRESS. Such sanctions may vary depending on the degree of the infraction and related fines may be up to 500 *Unidades Impositiva Tributaria* (“Tax Units”), a figure set annually by the Peruvian tax authorities that is used to measure, among other things, penalties. The applicable Tax Unit for fiscal year 2021 is S/4,400. In addition to imposing monetary penalties, SUSALUD may suspend or revoke a noncompliant facility’s registration and order its closure.

The *Dirección General de Medicamentos, Insumos y Drogas*—DIGEMID (Directorate General for Medicines, Supplies and Drugs) under MINSA is charged with oversight of IPRESSs offering pharmaceutical services and their compliance with legally mandated standards of service and obligations to carry certain generic medicines. Noncompliant IPRESSs may be sanctioned.

*IAFASs.* SUSALUD is charged with oversight of IAFASs and their compliance with legally mandated standards of service and obligations under applicable regulations. In addition, SUSALUD may impose sanctions, including fines of up to 500 Tax Units on, and suspend or revoke the regulatory authorization of, any noncompliant IAFAS. SUSALUD may also establish heightened monitoring regimes and recovery plans on noncompliant IAFASs in order to more closely monitor their liquidity levels and encourage the stable management of the funds.

### ***Economic and Financial Related Regulations Applicable to IAFASs***

Each IAFAS must comply with Regulations of Financial Solvency, Technical Obligations and Support Coverage for IAFASs, approved by Superintendence Resolution N° 020-2014-SUSALUD/S. This and other regulations establish various requirements, including minimum capital requirements, investment requirements and limitations on asset allocations and indebtedness, among others, in an effort to protect an IAFAS’s assets and financial equilibrium. Under these requirements, Oncosalud must maintain minimum capital reserves of 463 Tax Units. In addition, as of December 31, 2020 Oncosalud is limited from holding more than S/531.9 million (US\$138.2 million) of debt. To monitor compliance with these obligations, SUSALUD requires IAFASs to provide certain relevant information relating thereto, including financial indicators, solvency margins and information on indebtedness, on a monthly, quarterly or annual basis, as applicable.

As of December 31, 2020, Oncosalud is in full compliance with all solvency, capital obligations and reporting requirements as provided by the applicable regulations.

### ***Processing of Personal Data***

The Peruvian Personal Data Protection Law, enacted by Law N° 29733, applies to personal data stored or intended to be stored in a public or private personal database processed in Peru.

Under these regulations, health data is considered sensitive information and as such, there are a series of requirements that data controllers must comply with in processing, which includes any procedure that facilitates access to, or the comparison and interconnection of, personal health data. Among others, these requirements include:

- Obtaining the prior written express consent of the individual whose data is being processed;
- Registering their databases containing personal data and reporting cross-border transfers of such data to the Peruvian National Authority for Personal Data Protection. The creation of such databases must be justified by legitimate purposes;
- Adopting technical, organizational and legal measures to protect the security of the personal data they hold, which must be appropriate to the nature and purpose of the personal data involved; and
- Maintaining the confidentiality of the personal data.

Notwithstanding the foregoing, consent of the individual whose data is collected is not required when, under emergency circumstances, the data is processed within the healthcare network for the rendering of healthcare services to such individual, including prevention, diagnosis or appropriate treatment. In addition, such consent is not required when processing is needed for: compelling reasons in the public interest contemplated by law; treatment for public health reasons; or epidemiological or similar studies.

In addition, according to the General Health Law (Law N° 26842) and the Health Records Technical Norms (Ministry Resolution N° 214-2018/MINSA), data related to the provision of healthcare services, including printed or electronic health records, is protected and healthcare facilities and professionals may face administrative, civil or criminal liability for disclosing such information to third parties, subject to certain exceptions. In cases of unauthorized disclosure, the Peruvian National Authority for Personal Data Protection may impose fines against the breaching entity between 0.5 Tax Units and 100 Tax Units depending on the specific violation. In addition, the individual whose data was disclosed may file a claim for damages.

We are in full compliance with personal data protection requirements as provided by the applicable regulations.

### ***Environmental Regulations***

#### *Environmental certification*

The Law on the National System for Environmental Impact Assessment (Law N° 27446), approved by Supreme Decree N° 019-2009, provides that any public or private investment project that may generate negative environmental impacts is required to have an environmental certification from the corresponding governmental authority approving the *Instrumentos de Gestión Ambiental* (“IGAs”) used to mitigate the environmental impacts of such investment project. Healthcare facilities are one of the types of investment projects that must have an environmental certification. MINSA is the governmental authority in charge of evaluating and approving IGAs for investments in healthcare facilities. IGAs available to healthcare facilities are *Estudio Impacto Ambiental semi detallado* (“EIA-sd”) for operations with a considerable environmental impact, or *Declaración Impacto Ambiental* (“DIA”) for operations with a minimum environmental impact. Under applicable Peruvian law, IGAs must be updated every five years after the start of the project.

Currently, we have DIAs in place for our investment projects subject to Law N° 27446.

#### *Environmental administrative liability*

Under Council Resolution N° 006-2018-OEFA-CD, MINSA can impose sanctions for infractions including engaging in development activities without obtaining the approval of the corresponding IGA or that do not

comply with a development project's approved IGAs, among others. Sanctions vary from 10 to 30,000 Tax Units and will depend on the potential or real damage to the environment resulting from these infractions. In addition, MINSA can impose other administrative measures, including the suspension of the development, demolition of the project or requiring an update of the IGA.

#### *Radioactive substances*

Article 8 of the Regulations of the Law for the Use of Sources of Ionizing Radiation, approved by Supreme Decree N° 039-2008-EM, provides that IPRESSs that use X-ray equipment need to obtain prior regulatory authorization from the *Oficina Técnica de la Autoridad Nacional*. In addition, under applicable Peruvian law, each employee involved in operating X-ray equipment must have an operator license, radiological officer license and/or physicist license, as applicable, and must comply with the limits and conditions set forth in their licenses, including the applicable norms related to radiation safety, thereunder. As of the date hereof, we are in compliance with all applicable requirements for the operation of X-ray equipment.

#### *Management of solid waste*

Article 19 of the Solid Waste Management Law, approved by Legislative Decree N° 1278, establishes that *La Dirección General de Salud Ambiental* ("DIGESA") under MINSA oversees the regulation, supervision and control of solid waste management by IPRESSs.

Solid waste generated in connection with the operations of IPRESSs can be classified according to its composition and characteristics as: (a) Class A—bio contaminated waste (waste generated as a result of medical treatment and scientific investigation); (b) Class B—special waste (waste with corrosive, flammable, toxic, explosive and/or radioactive characteristics); and (c) Class C—common waste (waste which has not been in contact with patients or with contaminated materials or substances). Under current conditions, food remains from patients with COVID-19 are considered biocontaminated waste.

According to the provisions of the Law on Integral Solid Waste Management, Legislative Decree No. 1278 and its regulation Supreme Decree No. 014-2017-MINAM and NTS No. 144-MINSA/2018/DIGESA, "Integral Management and Handling of Solid Waste from Health Facilities, Medical Support Services and Research Centers," it is up to the solid waste operating company (EO-RS) contracted by the generator to provide external collection, transportation and final disposal service.

Under Peruvian law, IPRESSs are required to separate solid waste according to its characteristics and conditions. Additionally, healthcare facilities have to designate appropriate areas for the adequate storage of solid waste and ensure its treatment and final disposal adheres to applicable regulations, including the hiring of authorized waste disposal companies. Failure to comply with these obligations can lead to the imposition of fines, which can range from 1,000 to 1,500 Tax Units.

Each IPRESS also needs to establish a committee for the integrated management of solid waste and develop and document the following:

- Initial diagnostic assessment, including a study of the quantity, characteristics, composition, class and technical conditions of the IPRESS's management of solid waste;
- Solid waste management plan, which is a part of the IGA and should include actions related to the minimization and management of solid waste;
- Annual declaration certifying the management of solid waste under its responsibility; and
- Hazardous solid waste manifest tracking hazardous waste from the point of generation to ultimate disposal.

Failure to provide these documents to DIGESA can be sanctioned with a fine of up to three Tax Units.

We follow the applicable solid waste management procedures for the collection, transportation and final disposal of each type of solid waste established by DIGESA, including through the hiring of authorized waste disposal companies.

### ***Criminal Liability Under Peruvian Law—Healthcare Service Providers***

Under the provisions of Law N° 30424, legal entities can be found criminally liable for certain crimes involving public corruption, trafficking, money laundering and financing of terrorism if the crime in question is committed by an employee, administrator or agent of the legal entity acting in such capacity on behalf of the company.

In addition, under Peruvian law, if the individual responsible for the commission of certain other crimes has been sentenced by a criminal court, legal entities playing an instrumental role in such criminal activity can be subject to criminal proceedings if the relevant crime was committed as part of its business activities or if it was used in the furtherance or concealment of the relevant crime.

For example, Peruvian criminal law provides that an individual who deliberately spreads dangerous or contagious diseases may face a penalty of three to 10 years of imprisonment and if such act results in severe injury or death, the penalty is increased to 10 to 20 years of imprisonment. In addition, the deliberate violation of sanitary regulations established by law or by a public authority is punishable by six months to three years of imprisonment and a fine.

If found guilty during criminal proceedings related to crimes under the provision of Law N° 30424, legal entities may be subject to sanctions, including: temporary or permanent closure of the legal entity's business establishments; dissolution and liquidation of the legal entity; suspension of the legal entity's business activities for up to two years; a permanent ban from the business activity related to the applicable crime; and fines.

### ***Construction Licenses***

A construction license must be obtained from the applicable local municipal government to build any healthcare facilities. Regulations relating to infrastructure and equipment of healthcare facilities issued by MINSA and the provisions of Chapter A.050 of the National Regulations for Construction, approved by Supreme Decree N° 011-2012-VIVIENDA, as amended, will apply to such process. The applicable requirements vary depending on the type of healthcare facility being built. These requirements generally focus on the location of the proposed facility, including the related risk of natural disasters in the area, adequate architectural design and structure, access to utilities and adequate backup systems, protection systems against fires, floods and power outages, and other factors that may have a negative impact in the provision of healthcare services.

### ***Regulation of the Colombian Healthcare Sector***

Law 100 of 1993 established a mandatory healthcare insurance coverage system, the SGSSS, which is exclusively directed and controlled by SUPERSALUD and regulated by MinSalud. SUPERSALUD's External Circular 47 of 2007 describes the framework through which SUPERSALUD oversees the SGSSS.

SUPERSALUD is also responsible for regulating and supervising the activities of all IPSs, whether public or private, including our facilities in Colombia. It primarily regulates IPSs through the issuance of resolutions and circulars. IPSs are also regulated through ordinances, municipal agreements, decrees, resolutions and circulars, as applicable, and supervised by local departments and municipalities.

In addition, the following governmental entities have the power to enact regulations applicable to IPSs:

- Congress through the enactment of laws;

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- the President of the Republic through the issuance of regulatory decrees; and
- MinSalud through the issuance of regulatory decrees, resolutions and circulars.

All IPSs must obtain clearance (*habilitación*) by the departmental or municipal government in the jurisdiction in which they are located, in compliance with nationally defined standards, before commencing operations. MinSalud's Resolution 3100 of 2019 ("Resolution 3100") sets forth the national standards IPSs must comply with, overturning Resolutions 2003 of 2014, 5158 of 2015, 226 of 2015 and 1416 of 2016. Resolution 3100 includes new requirements for infrastructure of healthcare facilities, medical personnel, minimum solvency ratio and limits on overdue commercial debt and unpaid wages. These new national standards went into effect on May 29, 2020, providing IPSs with a 6-month transition period to be in compliance with Resolution 3100.

Once clearance is received, IPSs, including Auna's facilities, must register with the Special Register of Health Service Providers, which is managed by MinSalud. Such registration acts as the operating license for each IPS and must be renewed every 4 years.

IPSs are classified based on geographic coverage and the degree of complexity in the healthcare services they provide. Based on geographic coverage, IPSs are classified as:

- Local: applicable to IPSs providing healthcare services at the municipal, district or metropolitan level;
- Sectional: applicable to IPSs providing healthcare services at the departmental level; or
- National: applicable to IPSs providing healthcare services in more than one department.

Based on the degree of complexity in the healthcare services they provide, IPSs are classified as:

- Low: applicable to IPSs providing low-complexity care by general, technical and auxiliary professional medical staff;
- Medium: applicable to IPSs providing medium-complexity care by specialized medical professionals; or
- High: applicable to IPSs providing high-complexity care by specialized and subspecialized medical professionals.

Our facilities in Colombia, as IPSs, are subject to extensive laws and regulations, including those related to: market entry; the quality and suitability of healthcare facilities and the services provided by IPSs; accounting and financial matters; public health matters; and business crisis resolution and market exit, among others.

### ***Pricing and Quality of Services***

*Pricing.* The majority of healthcare services in Colombia are not subject to price controls and IPSs are free to negotiate the prices paid for different services with payers. However, in some cases, such as traffic accidents, natural disasters, terrorist attacks and other catastrophic events, rates are mandated by regulation. Such rates serve as a point of reference for the pricing of healthcare services generally.

In addition, the sale of medicines is subject to price controls under Circular 3 of 2013 of the *Comisión Nacional de Precios de Medicamentos y Dispositivos Médicos* (National Commission for Prices of Medicines and Medical Devices) in Colombia.

*Quality.* The Colombian regulatory framework also provides incentives for IPSs to implement voluntary mechanisms to monitor and supervise the quality of services that they provide, such as audits, an accreditation relating to compliance with scientific, financial and other technical requirements applicable to IPSs and participation in a public database used to provide disclosure about individual IPSs and the SGSSS as a whole.

Although implementation of these measures is voluntary, IPSs are incentivized to incorporate them into their operations because applicable regulations provide that they in doing so they will be considered a preferred provider by EPSs when contracting for healthcare services.

### ***Financial Matters and Competition***

*Financial matters.* Any modifications to an IPS's by-laws related to the decrease of capital or expansion of the corporate purpose to activities not related to the provision of health services must be approved by SUPERSALUD. SUPERSALUD also has the authority to force an insolvent IPS into liquidation and apply other measures through forced administrative intervention when such IPS materially fails to comply with the applicable SGSSS regulation or upon an institutional crisis amounting to severe financial or operational consequences threatening the continuity and quality of the healthcare services it provides.

*Competition.* Article 333 of the Colombian Constitution, Law 155 of 1959, Law 100 of 1993 and Law 1340 of 2009 regulates competition in the Colombian market. In addition to this framework, IPSs are also regulated by Decree 780 of 2016 ("Decree 780"), which regulates competition in the healthcare services market. Pursuant to these laws, IPSs are prohibited from entering into agreements or otherwise acting in a manner that has the purpose or effect of preventing, restricting or distorting free competition within the healthcare services market. In addition, IPSs are prohibited from abusing a dominant position in the market through predatory pricing, discrimination or bundling. An IPS which has the capacity to unilaterally determine, directly or indirectly, market conditions is deemed to have a dominant position.

### ***Data Protection***

IPSs are subject to various personal data protection laws and regulations in Colombia. Law 1581 of 2012 ("Law 1581") includes obligations relating to the collection and processing of personal data. Under Law 1581, IPSs must obtain prior and informed consent from individuals whose data is collected and qualified consent for processing sensitive personal data. In addition, under Decree 1074 of 2015, IPSs with total assets above 100,000 Tax Value Units ("TVU") must register their databases with the SIC, the national data protection authority in Colombia. The applicable TVU for fiscal year 2020 is COP35,607.0 (US\$9.5). IPSs must also implement a privacy policy setting guidelines for data processing and ensure all data subjects have access to the policy, adopt internal controls for safekeeping personal data and follow certain guidelines for personal data transfers. IPSs are also required to report security breaches when personal information is involved.

Law 1266 of 2008 regulates the processing of credit and financial data. It requires data controllers to maintain such data pursuant to strict security measures and confidentiality standards, obtain consent prior to modifications and disclosure of the data and only use data for purposes identified in a privacy policy or notice.

Additionally, in their administration of medical record, IPSs have to comply with sector-specific rules for processing health data, including Law 1438 of 2011, Decree 780 and Resolution 1995 of 1999. These include rules related to minimum information requirements for medical records, such as the patient's name and date of birth; limits on when and how such records may be accessed and by whom; and the length of time IPSs must maintain these records. In addition, in an effort to promote the authenticity, integrity, availability and preservation of the data, IPSs are obligated to use a unified electronic medical records system managed by the Colombian government for processing medical records.

### ***Environmental Regulations***

IPSs are subject to various international, national and local environmental regulations, including those related to the use of natural resources, radioactive substances, disposal of waste and medicines. Fines and other administrative measures may be imposed on noncompliant IPSs. Depending on the severity of the breach, sanctions may include daily fines of up to 5,000 times the Colombian minimum wage (approximately US\$1.2

million), temporary or permanent closure of the facility, revocation of the applicable environmental license, authorization, concession, permit or registration, seizure of property used for the environmental breach, community service and/or if applicable, demolition of construction sites.

#### *Radioactive substances*

The acquisition, storage, use and disposal of radioactive sources in medical and diagnostic procedures is subject to regulation enacted by the Ministry of Mines and Energy. This includes regulations related to the operation of X-ray equipment and the dosimetry of radioactive substances for medical treatment. As of the date hereof, we are in compliance with all applicable requirements for the operation of X-ray equipment and the dosimetry of radioactive substances for medical treatment.

#### *Sanitation standards*

As set forth in Law 9 of 1979, IPSs must comply with sanitation standards provided by the National Health Code. Additionally, Decree 780 sets forth regulations related to public health matters applicable to IPSs in their capacities as actors within the SGSSS, including regulations related to the sterilization of operating rooms and medical instruments.

Failure to comply with the National Health Code and Decree 780 may result in administrative sanctions, including fines and temporary or permanent closure of noncompliant IPSs' facilities.

#### *Management of hazardous waste*

IPSs must comply with regulations establishing procedures for the management and disposal of hazardous waste generated by its activities. Such regulations include Law 430 of 1998, which includes provisions regulating the collection, storage, transport and final disposal of hazardous waste, Law 1252 of 2008, which provides prohibitive environmental regulations concerning hazardous waste and Decree 1076 of 2015, which further regulates the collection, generation, management and disposal of hazardous waste. Under Colombian law, IPSs may be held liable for environmental damages caused by their improper management and disposal of hazardous waste. IPSs, as producers of hazardous waste, must categorize waste using special laboratories authorized for this purpose by the Colombian government and communicate the category attributable to waste to those responsible for the storage, collection, transportation, treatment or final disposal of such waste. IPSs must also ensure that the third parties they contract to dispose of their hazardous waste are duly authorized to handle and manage the relevant types of waste.

#### *Construction Licenses*

A construction license must be obtained from the applicable local municipal government to build any healthcare facility. The construction of new healthcare facilities and expansion or major modification of existing healthcare facilities are subject to prior authorization by the applicable local *Curaduría Urbana* based on local urban plans and zoning regulation. The applicable requirements vary depending on the local jurisdiction but generally focus on the location of the proposed facility, including zoning restrictions on type of facilities, mandatory areas for public spaces and adequate architectural design and structure.

## MANAGEMENT

### Board of Directors

Our business and affairs are managed by our board of directors in accordance with our articles of association, our by-laws and the Peruvian Corporations Law.

Upon consummation of this offering, our board of directors will consist of seven members. Directors are elected and removed in accordance with the provisions of our articles of association. See “Description of Our Share Capital—Voting Rights.”

The following table presents our board of directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Initial Year of Appointment</u>
Jesús Zamora León	59	Chairman of the Board	2008
Luis Felipe Pinillos Casabonne	44	Director	2009
Jorge Basadre Brazzini	52	Director	2008
Leonardo Bacherer Fastoni	45	Director	2018
Robert Oberrender	61	Director	2020
Andrew Soussloff	67	Director	2020
John Wilton	66	Director	2020

The following is a brief summary of the business experience of each of our directors. Unless otherwise indicated, the current business addresses for our directors is Avenida República de Panamá No. 3461, San Isidro, Lima, Peru.

**Jesús Zamora León** has been a member of our board of directors since 2008. Mr. Zamora is Co-Founder, Chief Executive Officer and Chairman of the board of directors of Enfoca, one of Latin America’s foremost investment firms founded in 2000, where he is responsible for the investment and management of Enfoca’s funds. He has more than 32 years of investment experience. Prior to founding Enfoca, he held various senior executive positions in banking and asset management, including Banco de Crédito del Perú from 1994 to 1999, BEA Associates from 1992 to 1993, and Salomon Brothers Inc. from 1988 to 1992. Mr. Zamora holds an MBA from Columbia Business School and a bachelor’s degree in Industrial Engineering from Universidad Nacional Autónoma de México.

**Luis Felipe Pinillos Casabonne** has been a member of our board of directors since 2009. Before being appointed by our board of directors as our CEO in 2020, he served in various senior roles at the Company since 2002, including as CEO from 2009 to 2015 and as executive director from 2015 to 2020. Mr. Pinillos Casabonne has been a member of the board of directors of Oncosalud since 2008 and Textil del Valle, a garment manufacturing company, since 2011. He holds a degree in Business Administration from Universidad de Lima and completed insurance courses at the MAPFRE Foundation in Spain.

**Jorge Basadre Brazzini** has been a member of our board of directors since 2008. Mr. Basadre is a Co-Founder and Partner of Enfoca, where he is responsible for the investment and management of Enfoca’s funds. He has more than 25 years of investment experience. Prior to founding Enfoca in 2000, he worked in management consulting at Booz & Co. from 1996 to 2000, and in banking at Banco de Crédito del Perú from 1991 to 1993. Mr. Basadre holds an MBA from Harvard Business School and a bachelor’s degree in Business Administration from Universidad del Pacífico in Lima.

**Leonardo Bacherer Fastoni** has been a member of our board of directors since 2018. Mr. Bacherer serves as Head of Investments at Enfoca, which he joined in 2015. Prior to joining Enfoca, he served as CEO of Maestro (formerly an Enfoca portfolio company) from 2010 to 2014, deputy CEO during 2009 and CFO from 2007 to 2008.

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He has more than 18 years of experience in the retail and banking industries. Prior to his role at Maestro, he held several executive positions at Ripley S.A. between 2005 and 2007 and Banco de Crédito del Perú between 2002 and 2005. Mr. Bacherer holds an MBA from the Rotterdam School of Management, a certification in advanced management from The Wharton School of the University of Pennsylvania and a bachelor's degree in Industrial Engineering from the Military School of Engineering in La Paz, Bolivia.

**Robert W. Oberrender** has been a member of our board of directors since 2020. Mr. Oberrender has been an independent investor and advisor since September 2018. From 2002 until his retirement in 2018, he served at UnitedHealth Group, Incorporated for 16 years most recently as its Chief Investment Officer and Treasurer and the Chief Executive Officer of its Optum Bank unit from 2016-2017. Prior to that, he was Chief Administrative and Financial Officer at Canadian Imperial Bank of Commerce's Amicus Financial unit, Vice President and Global Treasurer at Sara Lee Corporation and Chief Financial Officer at Metris Companies Inc. He began his career at JP Morgan in the Corporate Finance and Banking Group at the legacy Chemical Bank organization. Mr. Oberrender holds an MBA from the University of Chicago's Booth School of Business and a bachelor's degree in Economics from Hamilton College.

**Andrew Sousloff** has been a member of our board of directors since 2020. Mr. Sousloff has been a director, investment committee member and senior advisor of Enfoca Investments Ltd. since 2014. Prior to joining Enfoca, he practiced law as a partner of the international law firm Sullivan & Cromwell LLP for more than 30 years, where he focused on capital markets, mergers and acquisitions, financial regulation and corporate governance, and advised businesses and governments in the United States, Latin America, Europe, Canada and Asia. Mr. Sousloff holds a J.D. from the University of Pennsylvania Law School, and a bachelor's degree in History and a master's degree in History from the University of Pennsylvania.

**John Wilton** has been a member of our board of directors since 2020. He has been the Deputy President of Administration and Finance at the National University of Singapore since 2018. He has also been the CEO of Wilton Strategy Inc. since 2018. He was a senior advisor at McKinsey & Company from 2016 to 2018, Vice Chancellor of Administration and Finance at the University of California, Berkley from 2011 to 2016 and managing director and head of international research at Farallon Capital Management from 2006 to 2011. He was also a senior advisor to Hellman and Friedman from 2008 to 2011. Before his role at Farallon Capital Management, he served in several positions at The World Bank, in Washington DC, from 1983 to 2006, including as CFO and Vice President for Strategy, Finance and Risk from 2002 to 2006. Mr. Wilton has also been a director and investment committee member of Enfoca Investments Ltd. since 2014 and a member of the board of directors of Leblon Equities, in Brazil, since 2010. Mr. Wilton holds a bachelor's degree in Economics from the University of Cambridge and a master's degree in Economics and Statistics from the University of Sussex.

### **Executive Officers**

Our executive officers are responsible for the management and representation of our company. We have a strong centralized management team led by Luis Felipe Pinillos Casabonne, our CEO, with broad experience in the healthcare industry as well as in strategy, operations, finance, sales and communications. Many of the members of our management team have worked together as a team for many years. Our executive officers were appointed by our board of directors for an indefinite term.

The following table lists our current executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Initial year of Appointment</u>
Luis Felipe Pinillos Casabonne	42	Chief Executive Officer	2020
Pedro Castillo	40	Chief Financial Officer	2015

The following is a brief summary of the business experience of our executive officers. Unless otherwise indicated, the current business addresses for our executive officers is Avenida República de Panamá No. 3461, San Isidro, Lima, Peru.

**Pedro Castillo** has been our Chief Financial Officer since 2015. Mr. Castillo was previously the chief financial officer at Maestro from 2010 to 2014 and Grupo Zunino (Ecuador) from 2006 to 2010. He received a master's degree in Business Administration from TEC Monterrey in 2008, a degree in industrial engineering from the Universidad de Lima in 2001 and completed an advanced management program at the ESAN Graduate School of Business in 2003.

## **Committees of the Board of Directors**

### ***Audit and Risk Committee***

The audit and risk committee, which consists of Leonardo Bacherer Fastoni, Robert Oberrender and John Wilton, will assist the board of directors in overseeing our accounting and financial reporting processes and the audits of our financial statements. In addition, the audit and risk committee will be directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm. The board of directors has determined that Robert Oberrender qualifies as an "audit committee financial expert," as such term is defined in the rules of the SEC. Our board of directors has determined that Robert Oberrender and John Wilton satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE and Rule 10A-3 under the Exchange Act. SEC and NYSE rules with respect to the independence of our audit and risk committee require that all members of our audit and risk committee must meet the independence standard for audit and risk committee membership within one year of the effectiveness of the registration statement of which this prospectus forms a part. The audit and risk committee will consist entirely of independent directors within one year from the date of this offering. The audit and risk committee will be governed by a charter that complies with applicable NYSE rules, and such charter will be posted on our website prior to the listing of the ADSs on the NYSE.

### ***Compensation and Talent Committee***

The compensation and talent committee, which will consist of Jorge Basadre Brazzini, Leonardo Bacherer Fastoni and Jesús Zamora León, will assist the board of directors in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The committee will review the total compensation package for our executive officers and directors recommend to the board of directors for determination the compensation of each of our directors and executive officers, and will periodically review and approve any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and benefits plans. As permitted by the listing requirements of the NYSE, we will opt out of compliance with Section 303A of the Corporate Governance Rules of the NYSE which requires that a compensation committee consist entirely of independent directors. The compensation and talent committee will be governed by a charter that will be posted on our website prior to the listing of the ADSs on the NYSE.

### ***Executive Committee***

The executive committee, which will consist of Jesús Zamora León, Leonardo Bacherer Fastoni, Jorge Basadre Brazzini and Luis Felipe Pinillos Casabonne, is vested with the authority to exercise certain functions of the board of directors when the board is not in session. The Executive Committee is also in charge of all general administrative affairs of the Company, subject to any limitations prescribed by the board of directors or by law.

## **Compensation of Directors and Officers**

Director compensation must be approved by a majority of class B shareholders at our annual shareholders' meeting. For the year ended December 31, 2020, the aggregate compensation accrued or paid to the members of

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our board of directors and our executive officers for services in all capacities was S/89.3 million, including compensation paid by our subsidiaries to directors that serve on our subsidiaries' board of directors.

Although under Peruvian law there is no established maximum threshold regarding the aggregate annual compensation to be paid to the members of the board of directors (including those directors acting in an executive capacity) according to article 37(m) of the Peruvian Income Tax Law, any compensation paid to members of the board of directors with respect to a fiscal year in excess of 6% of the commercial profit for such year will not be deductible for income tax purposes.

During 2020, our performance-based compensation programs included cash bonuses based on the individual performance of our executive officers as approved by our board of directors.

Under Peruvian law, we are required to pay employees hired for an indefinite term (other than directors) that are dismissed without cause 1.5x annual salary for every year with the company up to an amount not to exceed 12 salaries (or 8 years). We are not required to make such payments in the event of voluntary termination by the employee or dismissal for justified cause. Although we have no ongoing obligation to do so, in the past we have provided, and in the future we may provide, such benefits to our executive officers upon their retirement. We have not set aside or reserved any amounts to provide for pension, retirement or other similar benefits.

Under Colombian law, we are required to pay employees hired under an employment agreement that are dismissed without cause severance calculated based on whether the employee was hired for a fixed-term or an indefinite term. For employees hired for a fixed-term, severance must be equal to the salary they would have earned from the time the employee is dismissed to the end of the fixed-term. Severance for employees hired for an indefinite term must be calculated pursuant to the following:

<u>Length of Employment</u>	<u>Employee's Salary</u>	<u>Severance Pay</u>
One year or less	Below 10 minimum monthly legal salaries ("MMW"*)	30 days
	10 or more MMW	20 days
More than one year	Below 10 MMW	30 days plus 20 days for every year worked after the first year, prorated for the portion of the year that the employee was employed
	10 or more MMW	20 days plus 15 days for every year worked after the first year, prorated for the portion of the year that the employee was employed

\* Ten MMW for fiscal year 2020 is COP9,806,570.0 (approximately US\$2,610.4).

We are not required to make severance payments in the event of voluntary termination by the employee or dismissal for justified cause.

### ***Employment Agreements***

We do not currently have any employment agreements with our executive officers. We intend to enter into employment agreements with all of our executive officers prior to the completion of this offering setting forth the terms of the compensation that our executive officers are entitled to receive, including with respect to any equity-based compensation.

### ***2020 Equity Incentive Plan***

In connection with this offering, we have adopted a new equity incentive plan (the "2020 Plan") for the purpose of motivating and rewarding our employees, directors, consultants and advisors to perform at the highest

level and to further the best interests of the Company and its shareholders. The 2020 Plan governs the issuance of equity incentive awards or share equivalents.

Equity incentive awards may be granted to our employees, directors, consultants or advisors, as well as to holders of equity compensation awards granted by a company that is acquired by us in the future. Awards under the 2020 Plan may be granted in the form of options, share appreciation rights, restricted shares, restricted share units, performance awards or other share-based awards, including awards that are settled in cash.

The vesting conditions for grants under the 2020 Plan are determined by the administrator and are set forth in the applicable award documentation. For options and share appreciation rights, the administrator determines the exercise price, the term (which may not exceed 10 years from the date of grant) and the time or times at which the option or a share appreciation right may be exercised in whole or in part. Performance awards are subject to performance conditions as specified by the administrator and are settled in cash, shares or any combination thereof, as determined by the administrator in its discretion, following the end of the relevant performance period.

The 2020 Plan is administered by the compensation and talent committee or such other committee as may be designated by the board of directors.

### **Indemnification of Directors and Officers**

Our amended and restated by-laws provide that we will indemnify our directors and executive officers. We intend to establish directors' and officers' liability insurance that insures such persons against any liability or loss incurred by them arising out of their position at the company.

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, will require us to indemnify each director and executive officer to the fullest extent permitted by law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer, except in any case where the act or failure to act giving rise to the claim to indemnification is determined by a court to have been contrary to applicable law or our by-laws or constituted willful misconduct, gross negligence or abuse of powers vested in the director or executive officer.

### **Shareholders Agreement**

In connection with this offering, on September 8, 2020, Enfoca, our controlling shareholder, and Luis Felipe Pinillos Casabonne, our chief executive officer, entered into a shareholders agreement (the "Shareholders Agreement"). See "Related Party Transactions—Shareholders Agreement."

### **Share Ownership by Directors and Officers**

As of the date of this prospectus, the aggregate number of our class A shares and class B shares beneficially owned by our directors and executive officers was                      and                      shares, respectively. As of the date of this prospectus, none of our directors or executive officers beneficially owned 1% or more of our outstanding common shares, other than as disclosed under "Principal Shareholders" below. Beneficial ownership by a person, as of a particular date, assumes the exercise of all options and warrants held by such person that are currently exercisable or are exercisable within 60 days of such date.

## PRINCIPAL SHAREHOLDERS

As of the date of this prospectus, our authorized share capital is S/ , consisting of class A shares and 1,000 class B shares. Each class B share of our common stock is entitled to one vote on any matter submitted to a vote of the shareholders. Each class A share of our common stock is entitled to one vote on only certain matters submitted to a vote of the shareholders. See “Description of Our Share Capital.” The following table presents the beneficial ownership of our shares as of the date of this prospectus and our outstanding shares after this offering, by:

- each person or entity known by us to beneficially own 5% or more of our issued and outstanding shares of common stock;
- each of our directors, director nominees and executive officers individually; and
- all of our directors, director nominees and executive officers as a group.

Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has voting or investment power.

The following table sets forth the beneficial ownership of our common stock before the offering and after the offering, assuming no exercise of the underwriters’ option to purchase additional ADSs. Except as described in the footnotes below, to our knowledge, each of the persons named in the table below has sole voting and investment power with respect to the shares of common stock beneficially owned by such person, subject to community property laws where applicable.

Unless otherwise indicated below, the address for each beneficial owners is c/o Auna S.A.A., Avenida República de Panamá 3461, San Isidro, Lima, Perú.

Shareholder	Shares Owned Before the Offering				Shares Owned After the Offering			
	Class A Shares		Class B Shares		Class A Shares		Class B Shares	
	Number of Shares	Percentage Owned	Number of Shares	Percentage Owned	Number of Shares	Percentage Owned	Number of Shares	Percentage Owned
<b>5% Shareholders</b>								
Entities affiliated with Enfoca								
(1)								
Juan Rafael Servan Rocha								
<b>Directors and Officers</b>								
Jesús Zamora León (2)								
Luis Felipe Pinillos Casabonne								
(3)								
Jorge Basadre Brazzini								
Leonardo Bacherer Fastoni								
Robert Oberrender								
Andrew Soussloff								
John Wilton								
Pedro Castillo								
All directors and officers as a group (8 persons)								

\* Less than 1% ownership.

- (1) Includes: (i) class A shares collectively held by Enfoca Discovery 1 S.A.C. (“Enfoca Discovery 1”), Enfoca Discovery Parallel S.A.C. (“Enfoca Discovery Parallel”), Enfoca Discovery 2, L.P. (“Enfoca Discovery 2”), Enfoca Descubridor 1, Fondo de Inversión (“Enfoca Descubridor 1”) and Enfoca Descubridor 2, Fondo de Inversión (“Enfoca Descubridor 2”) and (ii) class B shares held in trust for the benefit of Enfoca under the Trust Agreement. Excludes class B shares held in trust for the benefit of Mr. Pinillos Casabonne and certain of our minority shareholders and as to which Enfoca disclaims beneficial ownership. Pursuant to the Trust Agreement, the trustee will vote all class B shares held in trust, which includes all class B shares held for the benefit of Enfoca, Mr. Pinillos Casabonne and certain of our minority shareholders, as directed by Enfoca irrespective of Enfoca’s aggregate ownership of our common stock at any given time. See “Description of Our Share Capital—Trust Agreement” and “Related Party Transactions—Shareholders Agreement.” Enfoca controls Enfoca Discovery 1, Enfoca Discovery 2 and Enfoca Discovery Parallel and is the general partner of Enfoca Descubridor 1 and Enfoca Descubridor 2 (collectively, and together with Enfoca Discovery 1, Enfoca Discovery Parallel and Enfoca, the “Enfoca Funds”). Enfoca may be deemed to beneficially own the common shares held by the Enfoca Funds, but disclaims beneficial ownership of such shares. Jesús Zamora León is the chief executive officer of Enfoca and may be deemed to have voting and dispositive power over the common shares held of record by the entities affiliated with Enfoca. The address of the Enfoca entities is Avenida Jorge Basadre 310 Piso 7, Lima 27, Perú.
- (2) Mr. Zamora León, a member of our board of directors, is the chief executive officer of Enfoca and may be deemed to have voting and dispositive power over the common shares held of record by the entities affiliated with Enfoca.
- (3) Includes class B shares held in trust for the benefit of Mr. Pinillos Casabonne and excludes class B shares held in trust for the benefit of Enfoca and certain of our minority shareholders and as to which Mr. Pinillos Casabonne disclaims beneficial ownership. Pursuant to the Trust Agreement, the trustee will vote all class B shares held in trust, which includes all class B shares held for the benefit of Enfoca and Mr. Pinillos Casabonne, as directed by Enfoca irrespective of Enfoca’s aggregate ownership of our common stock at any given time. See “Description of Our Share Capital—Trust Agreement.”

## RELATED PARTY TRANSACTIONS

In the ordinary course of business, we and our subsidiaries engage in a variety of transactions among ourselves and with certain of our affiliates and related parties. All material transactions between us or our subsidiaries and our other affiliates or related parties are evaluated by our senior management and our board in accordance with specific regulations and internal rules applicable to all related-party transactions. These transactions are subject to prevailing market conditions and transfer pricing regulations, as described below. The internal regulations of our board of directors establishes a review procedure for identifying, approving and accounting for related party transactions.

### Peruvian Law Concerning Related Party Transactions

Peruvian law sets forth certain restrictions and limitations on transactions with related parties.

From a tax standpoint, the value of such related party transactions must be equal to the fair market value assessed under transfer pricing rules, i.e., the value agreed to by non-related parties under the same or similar circumstances. Similarly, companies with securities registered in the Securities Public Registry, such as us, are required to comply with the following rules:

- the directors and executive offices of the company may not, without the prior authorization of the board of directors, (i) receive loans (in money or goods) from the company; or (ii) use, for their own benefit or for the benefit of related parties, the company's assets, services or credits;
- the directors and executive officers of the company may not disclose or use, inappropriately, for their own benefit, privileged information, and participate in any corporate decision that presents a conflict of interest with the company;
- entering into agreements that involve at least 5% of the assets of the company with persons or entities related to directors, managers or shareholders that own, directly or indirectly, 10% of the share capital, requires the prior authorization of the board of directors (with no participation of the director involved in the transaction, if any); and
- entering into agreements with a party controlled by the company's controlling shareholder requires the prior authorization of the board of directors and an evaluation of the terms of the transaction by an external independent company (audit companies (other than the auditors of the company) or other entities to be determined by the SMV).

The external independent company that reviews the transaction should not be related to the parties involved therein, nor to directors, managers or shareholders that own at least 10% of the share capital of the company.

We do not enter into transactions with directors and executive officers on terms more favorable than what we would offer third parties. Any related party transaction we have entered into in the past has been in the ordinary course of business and on an arm's length basis.

### Management Services

We have reimbursed Enfoca, our controlling shareholder, for payroll expenses for certain management services they provide, which include an Enfoca employee serving as a full-time member of our management team, in the amount of S/1.9 million, S/2.1 million and S/1.9 million for each of 2018, 2019 and 2020, respectively. We have also reimbursed Enfoca for certain consultant fees and travel expenses they have incurred, in the amount of S/0.3 million, S/0.08 million and S/0.3 million for each of 2018, 2019 and 2020, respectively.

### Loans and Other Arrangements

In 2014, Dr. Luis Pinillos Ashton, the father of Luis Felipe Pinillos Casabonne, our CEO, and a director of Oncosalud, provided a construction loan to one of our subsidiaries, Oncosalud S.A.C., in an amount of U.S.\$1.1 million. The interest rate payable on the loan was 10.0%. We repaid this loan in full on June 22, 2018.

In 2012, one of our subsidiaries, Oncocenter S.A.C., acquired all of the issued and outstanding share capital of Radioncología S.A.C. Dr. Pinillos was a shareholder of Radioncología S.A.C. as well as a director of Oncocenter S.A.C. at the time. The aggregate purchase price of Dr. Pinillos' shares was U.S.\$2.5 million. In connection with Oncocenter's acquisition of Radioncología S.A.C, we agreed to defer the purchase price on Dr. Pinillos' shares. The interest rate payable on the deferred purchase price was 8.0%. Oncocenter repaid the deferred purchase price in full on February 5, 2018.

### **Medical Services**

Dr. Pinillos and Dr. Carlos Vallejos, the founders of Oncosalud in 1989 and current directors of Oncosalud, are both top physicians that have been providing medical services at our facilities for several years. For their services, they have received customary compensation and benefits commensurate with their expertise and clinical acumen in healthcare coverage and aligned with the compensation paid to other physicians and medical professionals of similar stature employed by us.

During the past three years, we have also reimbursed Dr. Vallejos for certain out-of-pocket expenses, including rent for office space used by Oncosalud for back-office operations and certain property taxes payable by him in connection thereto, as well as *de minimis* phone expenses, the purchase of inexpensive medical literature and minor travel expenses incurred in connection with his attendance at conferences on behalf of Oncosalud. These reimbursements amounted to S/0.4 million, S/0.4 million and S/0.3 million in 2018, 2019 and 2020, respectively.

### **Registration Rights Agreement**

Effective upon consummation of this offering, we will enter into a registration rights agreement (the "Registration Rights Agreement") with Enfoca, our controlling shareholder, and Luis Felipe Pinillos Casabonne, our chief executive officer.

At any time beginning 180 days following the closing of this offering, subject to several exceptions, including waiver of the lockup period, underwriter cutbacks and our right to postpone a demand registration under certain circumstances, Enfoca may require that we register for public resale under the Securities Act all common shares constituting registrable securities that they request be registered so long as the securities requested to be registered in each registration statement have an aggregate estimated market value of at least US\$20 million or represent all of the remaining registrable securities held by Enfoca or that would be owned upon conversion of all of the class B shares held by Enfoca. We will not be required to effect more than two demand registrations in any 12-month period. If we become eligible to register the sale of our securities on Form F-3 under the Securities Act, which will not be until at least twelve months after the date of this prospectus, Enfoca has the right to require us to register the sale of the registrable securities held by them on Form F-3, subject to offering size and other restrictions.

If we propose to register any of our class A shares represented by ADSs under the Securities Act for our own account or the account of any other holder (excluding any registration related to an employee benefit plan, a corporate reorganization, other Rule 145 transactions, in connection with a dividend reinvestment plan or for the sole purpose of offering securities to another entity or its security holders in connection with the acquisition of assets or securities of such entity), Enfoca and Mr. Pinillos Casabonne, are entitled to notice of such registration and to request that we include their registrable securities for resale on such registration statement, and we are required, subject to certain exceptions, to include such registrable securities in such registration statement.

In connection with the transfer of their registrable securities, the parties to the Registration Rights Agreement may assign certain of their respective rights under the Registration Rights Agreement under certain circumstances. In connection with the registrations described above, we will indemnify any selling shareholders and we will bear all fees, costs and registration expenses (except underwriting discounts and spreads).

## **Shareholders Agreement**

In connection with this offering, on September 8, 2020, Enfoca, our controlling shareholder, and Luis Felipe Pinillos Casabonne, our chief executive officer, entered into the Shareholders Agreement. Among other things, the Shareholders Agreement provides that (i) so long as Mr. Pinillos Casabonne owns shares representing at least 2% of all of our issued and outstanding class A shares, he shall be nominated and elected as a member of our board of directors by Enfoca and as a member of the executive committee of the board of directors; (ii) so long as Mr. Pinillos Casabonne owns shares representing at least 4% of all of our issued and outstanding class A shares, he shall have the right to nominate two independent directors if our board of directors includes at least nine members or one independent director if our board of directors includes less than nine members, in each case subject to the consent of Enfoca; and (iii) so long as Mr. Pinillos Casabonne owns shares representing at least 3% of all of our issued and outstanding class A shares, he shall have the right to nominate one independent director if our board of directors includes at least nine members subject to the consent of Enfoca. Mr. Pinillos Casabonne will not have the right to nominate any independent director if our board of directors includes less than nine members.

Under the Shareholders Agreement, Enfoca and Mr. Pinillos Casabonne have agreed to transfer all of their class B shares to the trust and have agreed that the trustee will vote all of the class B shares at the direction of Enfoca.

In addition, the Shareholders Agreement provides that, if Enfoca intends to privately sell some or all of its shares of our common stock to non-affiliates, in certain cases, they must notify us and Mr. Pinillos Casabonne of the intended sale. In such cases, Mr. Pinillos Casabonne has tag-along rights to participate, on a *pro rata* basis, in such proposed sale at the same price per share and under the same terms and conditions.

## **Related Person Transaction Policy**

Prior to the consummation of this offering, we intend to enter into a new related person transaction policy. Pursuant to such related person transaction policy, any related person transaction must be approved or ratified by our audit and risk committee or another designated committee of our board of directors. The related party transaction policy will set out a number of exemptions pursuant to which certain related person transactions will be deemed not to create or involve a material interest and thereby not subject to such approval or ratification requirements. In determining whether to approve or ratify a transaction with a related person, our audit and risk committee or another designated committee of our board of directors will consider all relevant facts and circumstances, including without limitation the commercial reasonableness of the terms of the transaction, the benefit and perceived benefit, or lack thereof, to us, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. Our audit and risk committee or any other designated committee of our board of directors will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

## **Indemnification Agreements**

We intend to enter into indemnification agreements with our directors and executive officers that will require us to indemnify our directors and executive officers to the fullest extent permitted by law. See "Management—Indemnification of Directors and Officers."

## DESCRIPTION OF OUR SHARE CAPITAL

Set forth below is certain information relating to our share capital, including brief summaries of the material provisions of our by-laws, the Peruvian Corporations Law and certain related laws and regulations of Peru, all as in effect as of the date hereof.

### General

We are an openly held corporation (*sociedad anónima abierta*) organized under the laws of Peru. Our by-laws provide that our principal corporate purpose is to invest and hold shares or other securities issued by companies in the healthcare industry or related to the healthcare industry, or that render medical services or provide or manage healthcare plans.

Our share capital is divided into class A shares of common stock and class B shares of common stock. Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, 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 (or its equivalent in *soles*) in the aggregate in cash dividends.

Each share of our common stock is entitled to one vote. Each class B share of our common stock is entitled to vote on any matter submitted to a vote of the shareholders. Each class A share of our common stock is entitled to vote (together with the class B shares) only on the following matters submitted to a vote of the shareholders: (i) approval corporate management and financial statements; (ii) approval of capital increases or reductions (other than as described below under “—Share Capital Increases and Reductions”); (iii) appointment, or delegation to the board of directors of the appointment, of our independent auditors; and (iv) application of profits payment of dividends. See “—Voting Rights.”

Prior to the offering, our share capital is S/ , and is represented by class A shares issued and outstanding with a par value of S/1.00 each and 1,000 class B shares issued and outstanding with a par value of S/1.00 each. The share capital is fully subscribed and fully paid. We intend to register our class A shares in the Securities Public Registry. Following the offering and assuming no exercise of the underwriters’ option to purchase additional ADSs, we will have class A shares issued and outstanding and 1,000 class B shares issued and outstanding.

### *Shareholders’ Liability*

Under the Peruvian Corporations Law, holders of our common shares cannot vote on matters with respect to which they have a conflict of interest.

Under Article 133 of the Peruvian Corporations Law, a shareholder must abstain from voting if such shareholder has, directly or indirectly, a conflict of interest. In such case, the shares of the shareholders having a conflict of interest will be considered for quorum purposes but not for purposes of adopting the applicable resolutions.

Moreover, under article 51(c) of Legislative Decree N° 861 (the “Peruvian Capital Markets Law”), the execution of agreements that involve at least 5% of our assets to be carried out between us and persons or entities related to our directors, managers or shareholders that own, directly or indirectly, 10% of our share capital, requires the prior authorization of the board of directors (with no participation of the director involved in the transaction, if any). If our controlling shareholder is also the controlling shareholder of the entity with whom we are entering into the aforementioned transaction, in addition to the board of directors’ prior approval, the transaction terms shall be reviewed by an external independent company (audit companies (other than the auditors of the company) or other entity to be determined by the SMV). The external independent company that reviews the transaction should not be related to the parties involved therein, nor to directors, managers or shareholders that own at least 10% of our share capital.

### ***Redemption Rights***

Under Article 200 of the Peruvian Corporations Law, holders of our common shares have redemption rights if they voted against or did not vote on any of the following decisions: (i) a change of our corporate purpose; (ii) a change of our domicile to a foreign country; (iii) the introduction of any restrictions on the transferability of our shares or the amendment of any existing restrictions; or (iv) any transformation, merger or significant spin-off occurs with respect to our company. Moreover, under Article 262 of the Peruvian Corporations Law, holders of our class A shares have the redemption rights set out in Article 200 if holders of our class A shares voted against or did not vote on the decision to delist our class A shares from the Securities Public Registry. The same redemption rights are available to holders of our common shares in the event of our conversion from an openly held corporation (*sociedad anónima abierta*) to a different form of corporation, as a consequence of the delisting of shares above mentioned. In such cases, redemption rights must be exercised within 10 days of the registration of the corporate transformation in the Public Corporations Registry and 10 days from the publication of the notice made by us in accordance with Article 200, respectively.

### ***Preemptive and Accretion Rights***

If we increase our share capital, holders of our class A shares have the right to subscribe for new class A shares while holders of our class B shares have the right to subscribe for new class B shares, in each case, on a *pro rata* basis. Shareholders who are in default of any payments relating to their share capital may not exercise their preemptive rights. Holders of common shares have preemptive rights in order to maintain their share interest in our share capital, unless the capital increase (i) results from a conversion of debt to common shares, (ii) when the company grants to certain shareholders or third parties the option to subscribe shares (in accordance with the Peruvian Corporations Law), (iii) is approved by shareholders representing at least 40% of the subscribed voting shares provided that the capital increase does not favor, directly or indirectly, certain shareholders to the detriment of others, and (iv) results from a corporate reorganization. However, in accordance with our by-laws, under section (iii) above, the agreement shall be adopted by shareholders representing at least 25% of the subscribed voting shares provided that the new shares created are subject to a public offering.

Preemptive rights are exercised in at least two rounds. During the first round, shareholders may subscribe for new shares of the relevant class on a *pro rata* basis. During the second round, shareholders who participated in the first round may subscribe for any remaining shares of the relevant class on a *pro rata* basis up to the amount of shares such shareholders subscribed for in the first round. The first round must remain open for at least 10 business days. The second round must remain open for at least three business days.

In September 2020, our shareholders delegated to our board of directors the authority to approve certain capital increases for a period of five (5) years. This approval also included an express advanced waiver of any preemptive rights that would apply in connection with any such capital increases. This delegation may only be revoked by a vote of the class B shares. See “—Voting Rights.”

### ***Voting Rights***

Each share of our common stock is entitled to one vote. Each class B share of our common stock is entitled to vote on any matter submitted to a vote of the shareholders.

Each class A share of our common stock is entitled to vote (together with the class B shares) only on the following matters submitted to a vote of the shareholders: (i) approval of corporate management and financial statements; (ii) approval of capital increases or reductions (other than as described below under “—Changes in Capital”); (iii) appointment, or delegation to the board of directors of the appointment, of our independent auditors; and (iv) application of profits. The class A shares will not have voting rights on any other matter subject to shareholders’ approval, including election and removal of directors and setting of directors’ compensation; our issuance of debt securities; amendments to our by-laws (other than in connection with capital increases or reductions); the sale, in a single transaction, of assets with a value exceeding 50% of our share capital; the merger, spin-off, division, reorganization, transformation or dissolution of the Company; and special investigations and audits.

Directors are elected by cumulative voting, and as such, shareholders entitled to vote on the election of directors may pool votes in favor of one person or distribute them among various persons at their discretion. Those candidates for the board who receive the most votes are elected directors. Holders of common shares may attend and vote at shareholders' meetings either in person or through a proxy.

### ***Trust Agreement***

Enfoca, Mr. Pinillos Casabonne and certain of our minority shareholders will enter into the Trust Agreement, pursuant to which they will transfer all of the class B shares owned by them into a trust. The class B shares transferred to the trust will constitute all or substantially all of our class B shares. Under the Trust Agreement, La Fiduciaria S.A., as trustee, will act as trust owner on behalf of the parties.

The Trust Agreement will contain certain covenants that, among other things, will prohibit the trustee from transferring or converting class B shares held in the trust, except in connection with a discretionary or compulsory withdrawal effected in accordance with the terms of the Trust Agreement or as otherwise required by applicable law. Pursuant to the Trust Agreement, the trustee will be the holder of record of the class B shares held in trust and vote all class B shares held in trust as directed by Enfoca.

The Trust Agreement will terminate upon the combined holdings of Enfoca and Mr. Pinillos Casabonne, directly or indirectly, falling in the aggregate below 10% of all class A shares issued and outstanding.

The terms of the Trust Agreement can be amended at any time and from time to time with the consent of each of Enfoca, Mr. Pinillos Casabonne, the minority shareholders holding class B shares and the trustee. We will not be a party to the Trust Agreement and as such, will not have a general consent right with respect to amendments thereto.

### ***Dividends***

Each share of our common stock represents the same economic interest, except that, as provided in our by-laws, 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 (or its equivalent in *soles*) in the aggregate in cash dividends.

### ***Changes in Capital***

Our share capital may be increased by a decision of holders holding an absolute majority of our outstanding voting power. The foregoing notwithstanding, in September 2020, our shareholders delegated to our board of directors the authority to approve one or more capital increases of up to S/236,546,679, which delegation will remain in place for five (5) years thereafter and will allow our board of directors to determine the timing, amount, and conditions of each such capital increase, without requiring further shareholders' approval. This delegation may only be revoked by a vote of the class B shares.

Capital reductions may be voluntary or mandatory and must be approved by holders holding an absolute majority of our outstanding voting power. Capital reductions are mandatory when accumulated losses exceed 50% of the capital and to the extent such accumulated losses are not offset by accumulated earnings and capital increases within the following fiscal year. Capital increases and reductions must be communicated to the SMV, the BVL and the SUNAT. Capital reductions must also be published in the official gazette *El Peruano* and in a widely circulated newspaper in the city in which we are located.

### ***Conversion***

Each class B share will convert automatically into one class A share upon any transfer, except for transfers of class B shares by Enfoca, Mr. Pinillos Casabonne and certain of our minority shareholders to a trust established pursuant to the Trust Agreement or in case of transfers of Class "B" shares, in favor of Enfoca or of Luis Felipe Pinillos Casabonne, as appropriate.

For so long as either Enfoca and Luis Felipe Pinillos Casabonne hold, directly or indirectly, in the aggregate 10% or more of the outstanding amount of class A shares, we will have a dual class structure. However, if, on any given date, the class A shares held by Enfoca and Mr. Pinillos Casabonne represent in the aggregate less than 10% of the outstanding amount of class A shares on a combined basis, then on the date of the call for the next annual shareholders meeting following such event, all the class A shares and all the class B shares will automatically convert into one class of common shares with full and equal economic and political rights as provided under Peruvian law on a one-to-one basis.

### ***Liquidation Rights***

If we are liquidated, our shareholders only have the right to receive net assets resulting from the liquidation after we comply with our obligation to pay all our creditors and after discounting any existing dividend liabilities. For this reason, we cannot assure you that we will be able to reimburse 100% of the book value of our common shares, including the class A shares underlying the ADSs, in case of bankruptcy or liquidation.

### ***Ordinary and Extraordinary Meetings***

Pursuant to the Peruvian Corporations Law and our by-laws, our annual shareholders' meeting must be held during the three-month period after the end of each fiscal year.

Additional shareholders' meetings may be held during the year. If we do not hold the annual shareholders' meeting during the three-month period after the end of each fiscal year or any other shareholders' meeting required by our by-laws, a public notary or a competent judge shall call for such a meeting at the request of at least one shareholder of the common shares.

Other shareholders' meetings may be convened by the board of directors when deemed convenient by the Company or when it is requested by the holders holding at least 5% of our outstanding voting power. If, at the request of holders holding 5% of our outstanding voting power, the shareholders' meeting is not convened by the board of directors within 15 business days of the receipt of such request, or the board expressly or implicitly refuses to convene the shareholders' meeting, a public notary or a competent judge will call pursuant to Law N° 29560 for such meeting at the request of holders holding at least 5% of our outstanding voting power. If a public notary or competent judge calls for a shareholders' meeting, the place, time and hour of the meeting, the agenda and the person who will preside shall be indicated on the meeting notice. If the meeting called is other than the annual shareholders' meeting or a shareholders' meeting required by the Peruvian Corporations Law or the by-laws, the agenda will contain those matters requested by the shareholders who requested the meeting.

### ***Notices of Meetings***

Notice of shareholders' meetings must be given by publication of a notice in the Peruvian official gazette, *El Peruano*, and in a widely circulated newspaper in the city in which we are located. For annual shareholders' meetings and other shareholders' meetings provided for in our by-laws, the publication shall occur at least 25 days prior to such shareholders' meetings. The notice requirement may be waived at the shareholders' meeting by agreement of the holders of 100% of the outstanding common shares.

### ***Quorum and Voting Requirements***

According to our by-laws and Article 126 of the Peruvian Corporations Law, shareholders' meetings called for the purpose of considering a capital increase or decrease, the issuance of obligations, a change in the by-laws, the sale in a single act of assets with an accounting value that exceeds 50% of our share capital, a merger, division, reorganization, transformation or dissolution, are subject to a first, second and third quorum call, the second and third call to occur upon the failure of the preceding one. A quorum for the first call requires the presence of shareholders holding 50% of our outstanding shares eligible to vote. For the second call, the presence of shareholders holding at least 25% of our outstanding shares eligible to vote is adequate. For the third call, the

presence of shareholders holding any number of our outstanding shares eligible to vote is adequate. These decisions require the approval of a majority of the issued shares eligible to vote. Shareholders' meetings convened to consider all other matters are subject to a first call quorum of 50% of eligible voting shares and a second call quorum of any number of eligible voting shares represented at the shareholders' meeting. In such cases, decisions require the approval of a simple majority of the eligible voting shares represented at the shareholders' meeting.

In accordance with our by-laws and Article 256 of the Peruvian Corporations Law, only those holders of common shares whose names are registered in the company's stock ledger not less than 10 days in advance of a meeting will be entitled to attend the shareholders' meeting and to exercise their rights.

#### ***Limitations on the Rights of Nonresidents or Foreign Shareholders***

There are no limitations under our by-laws or the Peruvian Corporations Law on the rights of nonresidents or foreign shareholders to own securities or exercise voting rights with respect to our securities.

#### ***Disclosure of Shareholdings and Tender Offer Regulations***

##### *Disclosure of shareholdings*

There are no provisions in our by-laws governing the ownership threshold above which share ownership must be disclosed.

However, according to Article 10 of SMV Resolution N° 019-2015-SMV-01, as amended, we must inform the SMV of the members of our economic group and a list of holders of our common shares representing more than a 5% of our economic interest, as well as any change to such information.

##### *Tender offer regulations*

Peruvian securities regulations include mandatory takeover rules applicable to the acquisition of control of a listed company.

Subject to certain conditions, such regulations generally establish the obligation to make a tender offer when a person or group of persons acquires a relevant interest in a listed company. According to Peruvian law, a person acquires a relevant interest in a listed company when such person (a) holds or has the power to exercise directly or indirectly 25%, 50% or 60% of the voting rights in a listed company, or (b) has the power to appoint or remove the majority of the board members or to amend its by-laws.

In general, the tender offer must be launched prior to the acquisition of the relevant interest. The tender offer may be launched after the "relevant interest" is acquired if it is acquired (a) by means of an indirect transaction, (b) as a consequence of a public sale offer, or (c) in no more than four transactions within a three-year period.

This mandatory procedure has the effect of alerting other shareholders and the market that an individual or financial group has acquired a significant percentage of a company's voting shares, and gives other shareholders the opportunity to sell their shares at the price offered by the purchaser. The purchaser is required to launch a tender offer unless the following circumstances, among others, exist: (a) shareholders representing 100% of the voting rights consent in writing, (b) voting shares are acquired by a depositary in order to subsequently issue ADSs, or (c) voting shares are acquired pursuant to the exercise of preemptive rights.

#### ***Anti-Takeover Provisions***

Our by-laws do not contain any provision that would have the effect of delaying, deferring or preventing a change of control. However, acquisitions of shares of our capital stock that involve certain thresholds may be subject to Peruvian securities and exchange regulations (*Ley de Mercado de Valores y Reglamento de Oferta Pública de Adquisición y de Compra de Valores por Exclusión*) applicable to tender offers.

### ***Form and Transfer***

Class A shares listed in the Securities Public Registry may be either physical share certificates in registered form or book-entry securities in the CAVALI S.A. ICLV book-entry settlement system, also in registered form.

### ***Choice of Forum/Governing Law***

The rights of holders of our common stock will be governed by the laws of Peru.

Our by-laws provide that the courts of Peru will be the exclusive forum for resolving all shareholder complaints other than shareholder complaints asserting a cause of action arising under federal or state securities laws of the United States, and that the United States District Court for the Southern District of New York will be the exclusive forum for resolving any shareholder complaint asserting a cause of action arising under federal or state securities laws of the United States, including applicable claims arising out of this offering. These choice of forum provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such provision with respect to suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Additionally, our shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. See "Risk Factors—Risks Relating to the Offering and Our ADSs—Our by-laws provide that the courts of Peru will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under federal or state securities laws of the United States, and that the United States District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under federal or state securities laws of the United States."

### ***Principal Differences between Peruvian and U.S. Corporate Law***

We are incorporated under the laws of Peru. The following discussion summarizes material differences between the rights of holders of our class A shares of common stock and the rights of holders of the ordinary shares of a typical corporation incorporated under the laws of the state of Delaware which result from differences in governing documents and the laws of Peru and Delaware.

This discussion does not purport to be a complete statement of the rights of holders of our class A shares of common stock under applicable law in Peru and our articles of association or the rights of holders of the ordinary shares of a typical corporation under applicable Delaware law and a typical certificate of incorporation and by-laws.

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**Delaware**

**Peru**

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***Board of Directors***

The board of directors shall consist of one or more members. A typical certificate of incorporation and by-laws would provide that the number of directors on the board of directors will be fixed from time to time by a vote of the majority of the authorized directors. Under Delaware law, a board of directors can be divided into classes and cumulative voting in the election of directors is only permitted if expressly authorized in a corporation's certificate of incorporation.

Under Article 155 of the Peruvian Corporations Law, the board of directors must be composed of at least three directors. The by-laws may provide for a fixed number or a variable number of directors to be approved from time to time by majority shareholder vote during the annual shareholders' meeting. Under Peruvian law, directors are elected by cumulative voting.

*Limitation on Personal Liability of Directors*

A typical certificate of incorporation provides for the elimination of personal monetary liability of directors for breach of fiduciary duties as directors to the fullest extent permissible under the laws of Delaware, except for liability (i) for any breach of a director’s loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (“DGCL”) (relating to the liability of directors for unlawful payment of a dividend or an unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit. A typical certificate of incorporation would also provide that if the DGCL is amended so as to allow further elimination of, or limitations on, director liability, then the liability of directors will be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

Under Article 171 of the Peruvian Corporations Law, each director is required to act with the diligence of a “diligent businessman” and as a “loyal representative” of the corporation. Any act or failure to act by a director in breach of these duties could subject the director to liability for damages caused by such act or failure to act. Directors’ duties and the corresponding liability for breach of such duties cannot be modified by the by-laws of a corporation.

In addition, under Article 177 of the Peruvian Corporations Law, directors are jointly and severally liable to the corporation, the shareholders and third parties for damages caused to the company as a result of any of the following actions on the part of any individual director: (i) contraventions of law or the corporation’s by-laws; (ii) willful misconduct; (iii) abuse of power by exceeding the limits set forth by the corporation on the powers of a director to act on its behalf; or (iv) gross negligence.

According to Article 184 of the Peruvian Corporations Law, directors are liable for a period of two years from when the relevant agreement was adopted or the act that caused damage was performed.

*Interested Shareholders*

Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in specified corporate transactions (such as mergers, stock and asset sales, and loans) with an “interested shareholder” for three years following the time that the shareholder becomes an interested shareholder. Subject to specified exceptions, an “interested shareholder” is a person or group that owns 15% or more of the corporation’s outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of the voting stock at any time within the previous three years.

Article 133 of the Peruvian Corporations Law provides that shareholders must abstain from voting if they have a direct or indirect conflict of interest with the matter being voted on. In such case, the shares of the shareholder with a conflict of interest are considered for quorum purposes, but not for purposes of adopting the applicable resolutions.

A Delaware corporation may elect to “opt out” of, and not be governed by, Section 203 through a provision in either its original certificate of incorporation, or an amendment to its original certificate or by-laws that was approved by majority shareholder vote. With a limited exception, this amendment would not become effective until 12 months following its adoption.

*Removal of Directors*

A typical certificate of incorporation and by-laws provide that, subject to the rights of holders of any preferred shares, directors may be removed at any time by the affirmative vote of the holders of at least a majority, or in some instances a supermajority, of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class. A certificate of incorporation could also provide that such a right is only exercisable when a director is being removed for cause (removal of a director only for cause is the default rule in the case of a classified board).

Under Article 154 of the Peruvian Corporations Law, directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the votes validly cast at the relevant shareholders' meeting.

*Filling Vacancies on the Board of Directors*

A typical certificate of incorporation and by-laws provide that, subject to the rights of the holders of any preferred shares, any vacancy, whether arising through death, resignation, retirement, disqualification, removal, an increase in the number of directors or any other reason, may be filled by a majority vote of the remaining directors, even if such directors remaining in office constitute less than a quorum, or by the sole remaining director. Any newly elected director usually holds office for the remainder of the full term expiring at the annual meeting of shareholders at which the term of the class of directors to which the newly elected director has been elected expires.

Under Article 157 of the Peruvian Corporations Law, vacancy of a seat on the board of directors results from a director's death, resignation, removal or involvement in any of the causes of impediment stipulated by law or the corporation's by-laws. Unless provided otherwise in the corporation's by-laws and provided that there is no substitute director in place, any vacancy of a seat on the board of directors previously filled by a director approved by shareholders may be filled by the majority vote of the remaining directors under Peruvian law. If the remaining directors in office constitute less than a quorum, they must call a shareholders' meeting for the appointment of a new board of directors. If no directors remain in office, the CEO may call the shareholders' meeting.

*Amendment of Governing Documents*

Under the DGCL, amendments to a corporation's certificate of incorporation require the approval of shareholders holding a majority of the outstanding shares entitled to vote on the amendment. If a class vote on the amendment is required by the DGCL, a majority of the outstanding stock of the class is required, unless a greater proportion is specified in the certificate of incorporation or by other provisions of the DGCL. Under the DGCL, the board of directors may amend by-laws if so authorized in the charter. The shareholders of a Delaware corporation also have the power to amend by-laws.

Article 198 of the Peruvian Corporations Law provides that amendments to a corporation's by-laws require the approval of shareholders holding a majority of the outstanding shares. The call for the meeting must, clearly and accurately, indicate the matter of the amendment. The quorum for the first call requires the presence of a number of shareholders holding 50% of issued common shares. The quorum for the second call requires the presence of a number of shareholders holding 25% of issued common shares. The quorum for the third call requires the presence of shareholders holding any number of issued common shares. The by-laws may specify higher quorum or other requirements. If a quorum is met, shareholders may decide to delegate amendment of the by-laws to the board of directors or management of the corporation.

*Meetings of Shareholders*

*Annual and Special Meetings*

Typical by-laws provide that annual meetings of shareholders are to be held on a date and at a time fixed by the board of directors. Under the DGCL, a special meeting of shareholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or the by-laws.

*Quorum Requirements*

Under the DGCL, a corporation's certificate of incorporation or by-laws can specify the number of shares which constitute the quorum required to conduct business at a meeting, provided that in no event shall a quorum consist of less than one-third of the shares entitled to vote at a meeting.

*Annual and Special Meetings*

Under the Peruvian Corporations Law, annual shareholders' meeting must be held during the three-month period after the end of each fiscal year. If the annual shareholders' meeting or any other shareholders' meeting required by law is not held, a public notary or competent judge may call for such meeting at the request of at least one shareholder of the corporation. A special meeting of shareholders may be called by the board of directors or by holders of at least 5% of outstanding common shares. If a special meeting of shareholders is not convened by the board of directors within 15 business days from when a request by holders of at least 5% of outstanding common shares is made or the board expressly or implicitly refuses to convene the shareholders' meeting, a public notary or competent judge may call for such meeting at the request of holders of at least 5% of outstanding common shares.

If a corporation has multiple classes of shares, any matters approved during a shareholders' meeting affecting the rights of holders of a particular class of shares must be separately approved by such holders.

*Quorum Requirements*

Under the Peruvian Corporations Law, shareholders' meetings called for the purpose of considering a capital increase or decrease, the issuance of obligations, a change in the by-laws, the sale in a single transaction of assets with a value exceeding 50% of share capital or a merger, division, reorganization, transformation or dissolution are subject to a first, second and third quorum call, the second and third to occur upon the failure of the first. Quorum for such shareholders' meeting on the first call requires the presence of a number of shareholders holding 50% of issued common shares; on the second call, the quorum consists of the number of shareholders holding 25% of issued common shares; and, on the third call, the quorum consists of the number of shareholders holding any number of issued common shares. Decisions must be approved by a majority of the issued common shares.

Shareholders' meetings called to consider all other matters are subject to a first call quorum of 50% of common shares, and a second call quorum of any number of shares represented at the shareholders' meeting. In such cases, decisions require the approval of a simple majority of the common shares represented at the shareholders' meeting.

*Indemnification of Officers, Directors and Employees*

Under the DGCL, subject to specified limitations in the case of derivative suits brought by a corporation's shareholders in its name, a corporation may indemnify any person who is made a party to any third-party action, suit or proceeding on account of being a director, officer, employee or agent of the corporation (or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding through, among other things, a majority vote of a quorum consisting of directors who were not parties to the suit or proceeding, if the person:

- acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or, in some circumstances, at least not opposed to its best interests; and
- in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Delaware corporate law permits indemnification by a corporation under similar circumstances for expenses (including attorneys' fees) actually and reasonably incurred by such persons in connection with the defense or settlement of a derivative action or suit, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which the action or suit was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper.

To the extent a director, officer, employee or agent is successful in the defense of such an action, suit or proceeding, the corporation is required by Delaware corporate law to indemnify such person for reasonable expenses incurred thereby. Expenses (including attorneys' fees) incurred by such persons in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to be so indemnified.

Under its articles of association and by-laws, or if agreed at a shareholders' meeting, a corporation may indemnify its directors and officers against all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred by the director or officer in respect of any civil, criminal, administrative or other proceeding in which the director or officer is involved because of his association with the corporation except where the director or officer is found in a final unappealable decision to have acted in contravention of the law or the by-laws of the company, or to have acted acting willful misconduct, gross negligence or abuse of powers.

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*Shareholder Approval of Business Combinations*

Generally, under the DGCL, completion of a merger, consolidation, or the sale, lease or exchange of substantially all of a corporation's assets or dissolution requires approval by the board of directors and by a majority (unless the certificate of incorporation requires a higher percentage) of outstanding stock of the corporation entitled to vote.

Under the Peruvian Corporations Law, completion of a sale in a single transaction of assets with a value exceeding 50% of a corporation's share capital or a merger, division, reorganization, transformation or dissolution requires approval by a majority of the outstanding common shares.

The DGCL also requires a special vote of shareholders in connection with a business combination with an "interested shareholder" as defined in section 203 of the DGCL. See "—Interested Shareholders" above.

*Shareholder Action Without A Meeting*

Under the DGCL, unless otherwise provided in a corporation's certificate of incorporation, any action that may be taken at a meeting of shareholders may be taken without a meeting, without prior notice and without a vote if the holders of outstanding stock, having not less than the minimum number of votes that would be necessary to authorize such action, consent in writing. It is not uncommon for a corporation's certificate of incorporation to prohibit such action.

Under the Peruvian Corporations Law, no action may be taken by shareholders other than at a meeting of shareholders. However, a shareholders' meeting is deemed convened and validly constituted to take any action, without prior notice, if the holders of all outstanding voting shares are present and unanimously agree to convene the shareholders' meeting and discuss a given agenda.

*Shareholder Suits*

Under the DGCL, a shareholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself or herself and other similarly situated shareholders where the requirements for maintaining a class action under the DGCL have been met. A person may institute and maintain such a suit only if such person was a shareholder at the time of the transaction which is the subject of the suit or his or her shares thereafter devolved upon him or her by operation of law. Additionally, under Delaware case law, the plaintiff generally must be a shareholder not only at the time of the transaction which is the subject of the suit, but also through the duration of the derivative suit. The DGCL also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff, unless such demand would be futile.

Under Article 181 of the Peruvian Corporations Law, shareholders may bring a liability claim against any director or officer on behalf of and in the name of the corporation if (i) the action is approved at a shareholders' meeting or (ii) holders of one-third of the total outstanding common shares of a corporation bring the liability claim, in the case of clause (ii) as long as such shareholders had not previously voted during a shareholders' meeting against bringing such claims. Any shareholder may also commence a liability suit against a director or officer in its own name. In addition, shareholders may challenge agreements approved during shareholders' meetings if such agreements (i) are adopted in contravention of the Peruvian Corporations Law or the corporation's articles of association and by-laws; (ii) may be considered null and void under applicable law; or (iii) damage the corporation's interest in direct or indirect benefit of one or more shareholders. Shareholders may only challenge an agreement if they demonstrated their disagreement with the adoption of such agreement during the applicable shareholders' meeting, were absent or illegitimately hindered from casting its vote.

*Distributions and Dividends; Repurchases and Redemptions*

Under the DGCL, any corporation may purchase or redeem its own shares, except that generally it may not purchase or redeem these shares if the capital of the corporation is impaired at the time or would become impaired as a result of the redemption. A corporation may, however, purchase or redeem out of capital shares that are entitled upon any distribution of its assets to a preference over another class or series of its shares if the shares are to be retired and the capital reduced.

Article 104 of the Peruvian Corporations Law provides that a corporation may purchase its own shares when the purchase is made to avoid serious harm to the corporation, in which case the shares must be subsequently sold by the corporation within two years of such purchase, or when the shares being purchased are not above 10% of the total outstanding shares of the corporation and the purchase, along with a maximum holding term of two years, is previously approved by shareholders. Furthermore, a corporation may redeem its own shares when the applicable capital reduction is previously approved by the holders of a majority of outstanding common shares or the corporation grants the applicable shareholders valid title to receive a percentage of the distributable profits of the corporation for a determined period of time.

*Transactions with Officers or Directors*

Under the DGCL, some contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable because of such interest provided that some conditions, such as obtaining the required approval and fulfilling the requirements of good faith and full disclosure, are met. Under the DGCL, either (a) the shareholders or the board of directors must approve in good faith any such contract or transaction after full disclosure of the material facts or (b) the contract or transaction must have been "fair" as to the corporation at the time it was approved. If board approval is sought, the contract or transaction must be approved in good faith by a majority of disinterested directors after full disclosure of material facts, even though less than a majority of a quorum.

Under the Peruvian Corporations Law, directors must fully disclose a direct or indirect conflict of interest with the corporation and must not participate in discussions and abstain from voting if they have a direct or indirect conflict of interest with the matter being discussed or voted on, as applicable. In addition, directors and officers of a corporation (and its related parties) may only enter into agreements with the corporation in the ordinary course of business and on an arm's length basis.

Directors and officers are prohibited from engaging, directly or indirectly, in activities that compete with the corporation, unless they receive approval of a majority of votes validly cast at the relevant shareholders' meeting.

Moreover, under article 51(c) of the Peruvian Capital Markets Law, the execution of agreements that involve at least 5% of a corporation's assets and are between the corporation and parties related to directors, managers or shareholders owning, directly or indirectly, 10% of share capital require the prior authorization of the board of directors (with no participation of the director involved in the transaction, if any). If a controlling shareholder is also the controlling shareholder of the entity involved in such transaction, in addition to the board of directors' prior approval, the terms of the transaction must be reviewed by an external independent entity (audit companies (other than the auditors of the company) or other entity to be determined by the SMV).

*Dissenters' Rights*

Under the DGCL, a shareholder of a corporation participating in some types of major corporate transactions may, under varying circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair market value of his or her shares in lieu of the consideration he or she would otherwise receive in the transaction.

Under Articles 200 and 262 of the Peruvian Corporations Law, a shareholder of a corporation may be entitled to separation rights pursuant to which the shareholder may receive cash in an amount to be agreed with the corporation if the shareholder opposed the relevant resolution or was absent when voting took place in the case of: (i) changes to the corporate purpose; (ii) change of the corporation's legal domicile to a location out of the country; (iii) any transformation, merger or significant spinoff occurs with respect to the corporation; (iv) amendments to the limitations of transferability of shares or to preferential acquisition rights; (v) delisting of shares from the Securities Public Registry; or (vi) conversion from an openly held corporation (*sociedad anónima abierta*) to a different form of corporation. In the absence of an agreement between the corporation and the dissenter shareholder on the share price to be paid, the price shall be the average weighted price of such shares on the BVL for the last six months or, if such shares are not traded on the BVL, the applicable book value for the shares for the preceding month.

*Cumulative Voting*

Under the DGCL, a corporation may adopt in its by-laws that its directors shall be elected by cumulative voting. When directors are elected by cumulative voting, a shareholder has the number of votes equal to the number of shares held by such shareholder times the number of directors nominated for election. The shareholder may cast all of such votes for one director or among the directors in any proportion.

Under the Peruvian Corporations Law, directors of a corporation are elected by cumulative voting. When directors are elected by cumulative voting, a shareholder has the number of votes equal to the number of shares held by such shareholder times the number of directors nominated for election. The shareholder may cast all of such votes for one director or among the directors in any proportion. If there are various classes of shares entitled to appoint a specific number of directors, separate votes must be taken at special shareholders' meetings. A corporation's by-laws may establish a different voting system, provided that the minority's representation is not less than that under cumulative voting.

*Anti-Takeover Measures*

Under the DGCL, the certificate of incorporation of a corporation may give the board the right to issue new classes of preferred shares with voting, conversion, dividend distribution, and other rights to be determined by the board at the time of issuance, which could prevent a takeover attempt and thereby preclude shareholders from realizing a potential premium over the market value of their shares.

Articles of association do not typically provide for and the Peruvian Corporations Law does not include provisions that have the effect of delaying, deferring or preventing a change of control.

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**Delaware**

In addition, Delaware law does not prohibit a corporation from adopting a shareholder rights plan, or “poison pill,” which could prevent a takeover attempt and also preclude shareholders from realizing a potential premium over the market value of their shares.

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**Peru**



*underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders' rights for the class A shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.*

The manner in which you own the ADSs (e.g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and extent to which, the depositary's services are made available to you. As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the "direct registration system" or "DRS"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company ("DTC") the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as an ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the class A shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable class A shares with the beneficial ownership rights and interests in such class A shares being at all times vested with the beneficial owners of the ADSs representing the class A shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

#### **Dividends and Distributions**

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction of the applicable fees, taxes and expenses.

#### **Distributions of Cash**

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of the Republic of Peru.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to

distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depository holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

### **Distributions of Class A Shares**

Whenever we make a free distribution of class A shares for the securities on deposit with the custodian, we will deposit the applicable number of class A shares with the custodian. Upon receipt of confirmation of such deposit, the depository will either distribute to holders new ADSs representing the class A shares deposited or modify the ADS-to-class A shares ratio, in which case each ADS you hold will represent rights and interests in the additional class A shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-class A shares ratio upon a distribution of class A shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depository may sell all or a portion of the new class A shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (e.g., the U.S. securities laws) or if it is not operationally practicable. If the depository does not distribute new ADSs as described above, it may sell the class A shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

### **Distributions of Rights**

Whenever we intend to distribute rights to subscribe for additional class A shares, we will give prior notice to the depository and we will assist the depository in determining whether it is lawful and reasonably practicable to distribute rights to subscribe for additional ADSs to holders.

The depository will establish procedures to distribute rights to subscribe for additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depository is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to subscribe for new class A shares other than in the form of ADSs.

The depository will *not* distribute the rights to you if:

- We do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- We fail to deliver satisfactory documents to the depository; or
- It is not reasonably practicable to distribute the rights.

The depository will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depository is unable to sell the rights, it will allow the rights to lapse.

### **Elective Distributions**

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depository and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depository in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in Peru would receive upon failing to make an election, as more fully described in the deposit agreement.

### **Other Distributions**

Whenever we intend to distribute property other than cash, class A shares or rights to subscribe for additional class A shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide to the depositary all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- We do not request that the property be distributed to you or if we request that the property not be distributed to you; or
- We do not deliver satisfactory documents to the depositary; or
- The depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

### **Redemption**

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert into U.S. dollars upon the terms of the deposit agreement the redemption funds received in a currency other than U.S. dollars and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary may determine.

### **Changes Affecting Class A Shares**

The class A shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such class A shares or a recapitalization, reorganization, merger, consolidation or sale of assets of the Company.

If any such change were to occur, your ADSs would, to the extent permitted by law and the deposit agreement, represent the right to receive the property received or exchanged in respect of the class A shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the Shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

#### **Issuance of ADSs upon Deposit of Class A Shares**

Upon completion of the offering and the registration of the resulting capital increase with the Securities Public Registry, the class A shares being offered pursuant to the prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in the prospectus.

After the closing of the offering, the depositary may create ADSs on your behalf if you or your broker deposit class A shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the class A shares to the custodian. Your ability to deposit class A shares and receive ADSs may be limited by U.S. and Peruvian legal and tax considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the class A shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of class A shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- The class A shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such class A shares have been validly waived or exercised.
- You are duly authorized to deposit the class A shares.
- The class A shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement).
- The class A shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

#### **Transfer, Combination and Split Up of ADRs**

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and

- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement and Peruvian law, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

#### **Withdrawal of Class A Shares Upon Cancellation of ADSs**

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying class A shares at the custodian's offices. Your ability to withdraw the class A shares held in respect of the ADSs may be limited by U.S. and Peruvian law and tax considerations applicable at the time of withdrawal. In order to withdraw the class A shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the class A shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the class A shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the class A shares or ADSs are closed, or (ii) class A shares are immobilized on account of a shareholders' meeting or a payment of dividends;
- Obligations to pay fees, taxes and similar charges; and
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

#### **Voting Rights**

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the class A shares represented by your ADSs. The voting rights of holders of class A shares are described in "Description of Our Share Capital."

At our request, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs. In lieu of distributing such materials, the depositary may distribute to holders of ADSs instructions on how to retrieve such materials upon request. If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs in accordance with such voting instructions.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated in the deposit agreement). Please note that the ability of the depositary to carry out voting

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instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depository in a timely manner.

**Fees and Charges**

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

<u>Service</u>	<u>Fees</u>
Issuance of ADSs ( <i>e.g.</i> , an issuance of ADS upon a deposit of class A shares, upon a change in the ADS(s)-to class A shares ratio, or for any other reason), excluding ADS issuances as a result of distributions of class A shares	Up to US\$0.05 per ADS issued
Cancellation of ADSs ( <i>e.g.</i> , a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-class A shares ratio, or for any other reason)	Up to US\$0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions ( <i>e.g.</i> , upon a sale of rights and other entitlements)	Up to US\$0.05 per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US\$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs ( <i>e.g.</i> , upon a spin-off)	Up to US\$0.05 per ADS held
ADS Services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depository
Registration of ADS transfers ( <i>e.g.</i> , upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and <i>vice versa</i> , or for any other reason)	Up to US\$0.05 per ADS (or fraction thereof) transferred
Conversion of ADSs of one series for ADSs of another series ( <i>e.g.</i> , upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the deposit agreement) into freely transferable ADSs, and <i>vice versa</i> ).	Up to US\$0.05 per ADS (or fraction thereof) converted

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of class A shares on the share register and applicable to transfers of class A shares to or from the name of the custodian, the depository or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;

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- the fees, expenses, spreads, taxes and other charges of the depository and/or service providers (which may be a division, branch or affiliate of the depository) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depository in connection with compliance with exchange control regulations and other regulatory requirements applicable to class A shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depository, the custodian, or any nominee in connection with the ADR program.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depository into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depository fees, the depository may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depository fees from any distribution to be made to the ADS holder. Certain depository fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depository. You will receive prior notice of such changes. The depository may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depository agree from time to time.

### **Amendments and Termination**

We may agree with the depository to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the class A shares represented by your ADSs (except as permitted by law).

We have the right to direct the depository to terminate the deposit agreement. Similarly, the depository may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depository must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depository will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depository will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depository will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

### **Books of Depository**

The depository will maintain ADS holder records at its depository office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depository will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

### **Limitations on Obligations and Liabilities**

The deposit agreement limits our obligations and the depository's obligations to you. Please note the following:

- We and the depository are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depository disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depository disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in class A shares, for the validity or worth of the class A shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depository will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depository disclaim any liability if we or the depository are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our by-laws, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depository disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our by-laws or in any provisions of or governing the securities on deposit.

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- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting class A shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of class A shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.
- Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary and you as ADS holder.
- Nothing in the deposit agreement precludes Citibank, N.A. (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit agreement obligates Citibank, N.A. to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions.

### **Taxes**

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

### **Foreign Currency Conversion**

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.

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- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

**Governing Law/Waiver of Jury Trial**

The deposit agreement, the ADRs and the ADSs will be interpreted in accordance with the laws of the State of New York. The rights of holders of class A shares (including class A shares represented by ADSs) are governed by the laws of the Republic of Peru.

*The deposit agreement governing our ADSs provides that, to the extent permitted by law, holders of ADSs, including purchasers in secondary transactions and holders of ADSs that withdraw their class A shares, waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our class A shares, the ADSs or the deposit agreement, including any claim under U.S. federal securities laws. If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. However, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depository's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.*

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT OR THE ADRs AGAINST US AND/OR THE DEPOSITARY BANK.

## TAXATION

### Peruvian Tax Considerations

In the opinion of our Peruvian counsel, Rodrigo, Elias & Medrano Abogados and subject to the qualifications, assumptions and limitations stated herein, the principal consequences of ownership of ADSs by non-Peruvian domiciled individuals and entities (“Non-Peruvian Holders”) as of the date hereof are mentioned in this section. Any changes in the legislation or in the interpretation thereof by judicial or tax authorities could affect the tax consequences of Non-Peruvian Holders of ADSs and could alter or modify this opinion. This summary is not intended to be a comprehensive description of all tax considerations that may be relevant to a decision to make an investment in ADSs and does not describe any tax consequences arising under the laws of any other jurisdiction other than Peru, or applicable to a taxpayer domiciled in Peru or to a non-domiciled entity having a permanent establishment in Peru for tax purposes.

Peruvian tax legislation provides that:

- individuals are considered domiciled in Peru if they are Peruvian nationals who have established their principal place of residence in Peru or if they are foreign nationals with a physical presence in Peru for more than 183 days within any 12-month period (the status of Peruvian domiciled taxpayer is effective as of January 1 of the year following when the applicable conditions have been met); and
- legal entities are considered domiciled in Peru if they are incorporated in Peru (non-Peruvian entities permanent established in Peru are also considered domiciled with respect to Peruvian source income).

Peruvian domiciled individuals or entities are subject to Peruvian income tax on all of their income, while Non-Peruvian Holders, whether individuals or entities, are subject to Peruvian income tax on their Peruvian source income only (as defined in the Peruvian income tax legislation).

### *Dividends and other Distributions*

Cash dividends paid in respect of class A shares to Non-Peruvian Holders (including those class A shares held in the name of the depository with respect to ADSs) are currently subject to income tax withholding in Peru at the rate of 5% of any dividend paid. As a general rule, the distribution of additional class A shares in lieu of cash dividends, as well as the distribution of pre-emptive subscription rights in respect of class A shares are not currently subject to Peruvian tax or tax withholding.

### *Capital Gains*

Peruvian income tax legislation provides that capital gains derived from the disposal of securities issued by Peruvian entities are considered Peruvian source income and are therefore subject to income tax in Peru. Any capital gains resulting from the disposal of ADRs (which in the opinion of Rodrigo, Elias & Medrano Abogados also applies in respect of ADSs that represent shares issued by a Peruvian entity) are considered Peruvian source income and therefore also subject to taxation in Peru. Peruvian source income resulting from the disposal of securities (e.g., ADRs or ADSs) is equivalent to the difference between the sale price of the securities at market value and the tax basis as certified by Peruvian tax authorities.

Notwithstanding the foregoing, capital gains resulting from the disposal of beneficial interests in ADSs that represent shares issued by a Peruvian entity will not be considered Peruvian source income, provided that the ADSs issued by the depository are held in the name of a nominee and such ADSs are not transferred to a third party as a result of the disposal of the corresponding beneficial interest.

The conversion of ADSs into class A shares or class A shares into ADSs would not be subject to taxation in Peru provided that the instruments issued as a result of such conversion are issued to the registered holder of the ADSs.

In the event ADSs were exchanged into class A shares and (i) such Class A shares were to be issued directly to the holder of the beneficial interest in the ADSs (i.e., rather than to the registered holder), or (ii) such class A shares were disposed of, capital gains resulting therefrom are considered Peruvian source income and are therefore subject to income tax in Peru at a rate of up to 30%.

Thus, Peruvian source income resulting from the disposal of the ADSs (or the class A shares resulting from any exchange of ADSs) would be equivalent to the difference between the sale price of the ADSs (or the class A shares), at market value and the tax basis as certified by Peruvian tax authorities in advance of any price payment. Note that the tax basis certificate is issued in Peruvian *soles*, considering the applicable exchange rate on the acquisition date.

If the class A shares are registered with the Superintendency of the Securities Market—SMV and such transfer is performed through trading sessions (Rueda de Bolsa) at the Lima Stock Exchange, capital gains resulting therefrom may be subject to a lower income tax rate in Peru. In such scenario the tax basis does not need to be certified by Peruvian tax authorities, but instead must be timely informed to CAVALI (the Peruvian clearing house). Non-Peruvian Holders who convert their ADS into class A shares may have the following tax basis: (i) if the ADS was not previously transferred, the tax basis of each class A share would equal the amount that results from dividing the ADS subscription cost (which includes the acquisition cost plus other disbursements performed by the holder in order to issue the ADS) over the number of class A shares received; whereas, (ii) if the ADS was previously transferred, the tax basis of each Class A share would equal the amount that results from dividing the ADS's acquisition cost over the number of class A shares received.

A further tax exemption may apply to capital gains resulting from the disposal of class A shares provided (i) such shares are registered with the SMV; (ii) such transfer is performed through trading sessions (Rueda de Bolsa) of the Lima Stock Exchange, (iii) such shares have a stock market presence as of the transfer date (ensuring share liquidity and continuous price quotations); and (iv) the transferor and its related parties have not transferred 10% or more of the aggregate class A shares in any 12-month period. This tax exemption is set to expire in its entirety on December 31, 2022.

### **United States Federal Income Tax Considerations**

In the opinion of Davis Polk & Wardwell LLP, the following is a description of the material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of our ADSs or class A shares, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire, own, or dispose of ADSs or class A shares.

This discussion applies only to a U.S. Holder that holds the ADSs or underlying class A shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any alternative minimum or Medicare contribution tax consequences, U.S. federal gift or estate tax consequences, or any tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- regulated investment companies;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding ADSs or class A shares as part of a straddle, conversion transaction, integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;

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- tax-exempt entities, “individual retirement accounts” or “Roth IRAs”;
- persons that own or are deemed to own 10% or more of our stock by vote or value; or
- persons holding ADSs or class A shares in connection with a trade or business outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns ADSs or class A shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning ADSs or class A shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of ADSs or class A shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

As used herein, a “U.S. Holder” is a person that is for U.S. federal income tax purposes a beneficial owner of our ADSs or class A shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder who owns ADSs will be treated as the owner of the underlying class A shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying class A shares represented by those ADSs.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or class A shares in their particular circumstances.

This discussion assumes that the Company is not, and will not become, a passive foreign investment company, as described below.

### ***Taxation of Distributions***

Except as described below under “—Passive Foreign Investment Company Rules,” the gross amount of distributions paid on our ADSs or class A shares (including any amount withheld in respect of Peruvian taxes), other than certain *pro rata* distributions of ADSs or class A shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations (including a minimum holding period requirement), dividends paid to certain non-corporate U.S. Holders that constitute “qualified dividend income” are taxable at rates applicable to long-term capital gains. Dividends paid on our ADSs will generally be eligible for taxation as “qualified dividend income,” provided the ADSs are traded on the NYSE or are readily tradable on another established securities market in the United States. It is unclear whether these reduced rates will apply to dividends paid with respect to our class A shares that are not represented by ADSs. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends in their particular circumstances.

Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's, or in the case of ADSs, the depository's, receipt. The amount of any dividend income paid in *soles* will be the U.S. dollar value of the *soles* calculated by reference to the spot rate of exchange in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt, and such gain or loss generally will be treated as ordinary income or loss from sources within the United States.

Dividends generally will be treated as "passive category" foreign-source income for foreign tax credit purposes. As described in "—Peruvian Tax Considerations—Dividends and Other Distributions," dividends paid by us are currently subject to Peruvian withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include any amounts withheld in respect of Peruvian withholding tax. Subject to applicable limitations, which vary depending upon the U.S. Holder's circumstances, Peruvian taxes withheld from dividend payments generally will be creditable against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a credit, a U.S. Holder may elect to deduct any such Peruvian taxes in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

U.S. Holders that receive distributions of additional ADSs or class A shares or rights to subscribe for ADSs or class A shares as part of a *pro rata* distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. Holder has the right to receive cash or property, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

#### ***Sale or Other Taxable Disposition of ADSs or Class A Shares***

Subject to the discussion below under "—Passive Foreign Investment Company Rules," a U.S. Holder will generally recognize capital gain or loss on a sale, exchange or other taxable disposition of ADSs or class A shares in an amount equal to the difference between the amount realized on the sale or disposition and the U.S. Holder's adjusted tax basis in the ADSs or class A shares disposed of, in each case as determined in U.S. dollars. The gain or loss will be long-term capital gain or loss if, at the time of the sale or disposition, the U.S. Holder has owned the ADSs or class A shares for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders may be subject to a tax rate that is lower than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

If Peruvian tax is imposed on gain from the sale or other disposition of ADSs or class A shares (see "—Peruvian Tax Considerations—Capital Gains" for a description of when a disposition may be subject to Peruvian tax), a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or disposition before deduction of the Peruvian tax. A U.S. Holder is entitled to use foreign tax credits to offset only the portion of its U.S. federal income tax liability that is attributable to foreign-source income. Because under the Code capital gains of U.S. persons are generally treated as U.S.-source income, this limitation may preclude a U.S. Holder from claiming a credit for all or a portion of any Peruvian taxes imposed on any such gains. U.S. Holders should consult their tax advisers regarding the creditability of any Peruvian tax on disposition gains in their particular circumstances.

#### ***Passive Foreign Investment Company Rules***

In general, a non-U.S. corporation is a passive foreign investment company (a "PFIC") for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the value of its

assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Based on the nature of our business, our financial statements, our expectations about the nature and amount of our income, assets and activities and the expected price of our ADSs in this offering, we do not believe we were a PFIC in 2020 and we do not expect to be a PFIC for our current taxable year. However, because (i) a determination of whether a company is a PFIC must be made annually after the end of each taxable year and will depend on the composition of our income and assets and the market value of our assets from time to time and (ii) we will hold a substantial amount of cash following this offering, we cannot assure you that we will not be a PFIC for the current or any future taxable year. We will not provide an annual determination of our PFIC status for any taxable year.

Under attribution rules, if we were a PFIC for any taxable year and any subsidiary or other entity in which we held a direct or indirect equity interest is also a PFIC (a “Lower-tier PFIC”), U.S. Holders would be deemed to own their proportionate share of any such Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if the U.S. Holder held such interests directly, even though the U.S. Holder did not receive the proceeds of those distributions or dispositions directly.

Generally, if we were a PFIC for any taxable year during which a U.S. Holder held our ADSs or class A shares, gain recognized by the U.S. Holder upon a sale or other disposition (including, under certain circumstances, a pledge) of our ADSs or class A shares would be allocated ratably over the U.S. Holder’s holding period for such ADSs or class A shares. The amounts allocated to the taxable year of the disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax attributable to each allocated amount. Further, to the extent that any distributions received by a U.S. Holder on the ADSs or class A shares exceeded 125% of the average of the annual distributions on such ADSs or class A shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter, such distributions would be subject to taxation in the same manner. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the ADSs or class A shares. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances. If we were a PFIC for any taxable year during which a U.S. Holder owned our ADSs or class A shares, we would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which the U.S. Holder owns the ADSs or class A shares, even if we ceased to meet the threshold requirements for PFIC status.

If a U.S. Holder owns our ADSs or class A shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the U.S. Holder’s U.S. federal income tax return for that year unless specified exceptions apply. A failure to file this form as required may toll the running of the statute of limitations in respect of each of the U.S. Holder’s taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. Holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

In addition, if we were treated as a PFIC for a taxable year in which we paid a dividend, or for the prior taxable year, the favorable tax rates described above with respect to dividends paid to certain non-corporate U.S. Holders that constitute “qualified dividend income” would not apply.

U.S. Holders should consult their tax advisers regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of ADSs or class A shares.

***Information Reporting and Backup Withholding***

In general, payments of dividends and proceeds from the sale or other disposition of ADSs or class A shares that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other “exempt recipient” or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to their ownership of ADSs or class A shares, or non-U.S. accounts through which ADSs or class A shares are held. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to ADSs and class A shares.

## UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, the number of class A shares in the form of ADSs indicated below:

<u>Name</u>	<u>Number of class A shares (in the form of ADSs)</u>
Morgan Stanley & Co. LLC	
Total:	

The underwriters and the representative are collectively referred to as the “underwriters” and the “representative,” respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriters’ option to purchase additional ADSs described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of US\$ per ADS under the public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representative. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus, to purchase up to additional ADSs at the initial public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of ADSs listed next to the names of all underwriters in the preceding table.

The following table shows the per ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional ADSs.

	<u>Per ADSs</u>	<u>Total</u>	
	US\$	<u>No Exercise</u>	<u>Full Exercise</u>
		US\$	US\$
Public offering price			
Underwriting discounts and commissions to be paid by us:			
Proceeds, before expenses, to us	US\$	US\$	US\$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately US\$ . We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to US\$ .

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

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We intend to apply to have the ADSs listed on the NYSE under the trading symbol “AUNA” and we intend to apply to have our class A shares listed on the BVL under the trading symbol “ ”.

We and all directors and officers and our existing shareholders have agreed that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of our ADSs, shares of common stock or any securities convertible into or exercisable or exchangeable for ADSs or shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any ADSs or shares of common stock, or any securities convertible into or exercisable or exchangeable for common stock or ADSs; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our ADSs or common stock;

whether any such transaction described above is to be settled by delivery of ADSs, common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ADSs, shares of common stock or any security convertible into or exercisable or exchangeable for common stock or ADSs.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of ADSs to the underwriters;
- the issuance by the Company of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares; provided that no filing under Section 16(a) of the Exchange Act, is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions; or
- facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

Morgan Stanley & Co. LLC, in its sole discretion, may release the ADSs, common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the underwriters may sell more ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the underwriters under the option to purchase additional ADSs. The underwriters can close out a covered short sale by exercising the option

to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out a covered short sale, the underwriters will consider, among other things, the open market price of ADSs compared to the price available under the option to purchase additional ADSs. The underwriters may also sell ADSs in excess of the option to purchase additional ADSs, creating a naked short position. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

### **Pricing of the Offering**

Prior to this offering, there has been no public market for our common stock or the ADSs. The initial public offering price was determined by negotiations between us and the representative. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

### **Selling Restrictions**

#### ***Notice to Prospective Investors in Peru***

This offering and the ADSs have not been and will not be registered in the Republic of Peru and therefore are not and will not be subject to Peruvian laws applicable to public offerings in Peru. The information contained

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in this prospectus has not been and will not be approved or disapproved by the SMV or the BVL. The ADSs cannot, and will not, be offered or sold in Peru except in compliance with the securities laws in Peru.

***Notice to Colombian Investors***

The ADSs have not been and will not be offered in Colombia through a public offering of securities pursuant to Colombian laws and regulations, nor will they be registered in the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) or listed on a regulated securities trading system such as the Colombian Stock Exchange (*Bolsa de Valores de Colombia S.A.*).

***Argentina***

This prospectus has not been registered with the *Comisión Nacional de Valores* and may not be offered publicly in Argentina. The prospectus may not be publicly distributed in Argentina. Neither we nor the underwriters will solicit the public in Argentina in connection with this prospectus.

***Australia***

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the ADSs may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act.

The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances.

***Brazil***

The offer of ADSs described in this prospectus will not be carried out by means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, under the CVM Rule (*Instrução*) No. 400, of December 29, 2003. The offer and sale of the ADSs have not been and will not be registered with the *Comissão de Valores Móbilearios* in Brazil. The ADSs have not been offered or sold, and will not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations.

### **Canada**

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

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

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Chile**

The ADSs are not and will not be registered under the Securities Market Law No. 18,045, as amended, of Chile. The ADSs have not been and will not be registered with the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*), together with all predecessor agencies and commissions, including, without limitation, the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros*), and, accordingly, may not be offered or sold to persons in Chile except in circumstances that do not constitute a public offering under Chilean law.

### **European Economic Area**

In relation to each Member State of the European Economic Area (each, a "Member State"), no offer of ADSs may be made to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of ADSs shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any ADSs being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of ADSs to the public” in relation to any ADSs in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase ADSs, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

### ***Hong Kong***

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### ***Japan***

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the ADSs.

Accordingly, the ADSs have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

#### For Qualified Institutional Investors (“QII”)

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ADSs constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ADSs. The ADSs may only be transferred to QIIs.

#### For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ADSs constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ADSs. The ADSs may only be transferred en bloc without subdivision to a single investor.

### ***Mexico***

The ADSs have not been registered with the National Securities’ Registry (*Registro Nacional de Valores*) maintained by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), and

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are not being, and may not be, offered, sold or traded in Mexico pursuant to a public offering in accordance with the Mexican Securities Market Law (*Ley del Mercado de Valores* or “LMV”), except pursuant to a private placement exemption under Article 8 of the LMV or other exemptions set forth in the LMV.

***Panama***

The ADSs have not been, and will not be, registered for public offering in Panama with the Panamanian Superintendence of the Securities Market (*Superintendencia del Mercado de Valores*, previously the National Securities Commission of Panama) under Decree-Law 1 of July 8, 1999, as reformed by Law 67 of 2011 (the “Panamanian Securities Act”). Accordingly, the ADSs may not be offered or sold in Panama or to persons domiciled in Panama, except in certain limited transactions exempted from the registration requirements of the Panamanian Securities Act. The ADSs do not benefit from tax incentives accorded by the Panamanian Securities Act, and are not subject to regulation or supervision by the Panamanian Superintendence of the Securities Market as long as the ADSs are privately offered to no more than 25 persons domiciled in Panama and result in the sale to no more than 10 of such persons.

***Singapore***

This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, each underwriter has not offered or sold any ADSs or caused such ADSs to be made the subject of an invitation for subscription or purchase and will not offer or sell such ADSs or cause such ADSs to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such ADSs, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA, except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 276(7) of the SFA; or (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the ADSs are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

***Switzerland***

The ADSs will not be publicly offered or distributed in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. The ADSs may be offered in Switzerland privately only to a select circle of investors without the use of any public means of information or advertisement.

This prospectus does not constitute an offer prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. It has not been filed with or approved by any Swiss regulatory authority or stock exchange.

***United Kingdom***

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

***United Arab Emirates***

The ADSs have not been, and will not be, publicly offered, sold, promoted or advertised in the United Arab Emirates (including Dubai International Financial Center) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Finance Center) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including Dubai International Financial Center) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

**EXPENSES OF THE OFFERING**

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

<u>Expenses</u>	<u>Amount</u>
U.S. Securities and Exchange Commission registration fee	US\$
listing fee	
FINRA filing fee	
Printing and engraving expenses	
Legal fees and expenses	
Accounting fees and expenses	
Miscellaneous costs	
Total	

All amounts in the table are estimates except the SEC registration fee, the NYSE listing fee and the FINRA filing fee.

The depositary has agreed to pay some of these expenses on our behalf, subject to the closing of the offering.

## LEGAL MATTERS

The validity of the ADSs will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York and for the underwriters by Cleary Gottlieb Steen & Hamilton LLP. The validity of the class A shares and other matters governed by Peruvian law will be passed upon for us by Rodrigo, Elias & Medrano Abogados and for the underwriters by J&A Garrigues Perú S. Civil de R.L. Certain matters governed by Colombian law will be passed upon for us by Posse Herrera Ruiz.

## EXPERTS

The consolidated financial statements of Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) as of December 31, 2020, 2019 and 2018, and for each of the years in the three-year period ended December 31, 2020, have been included herein in reliance upon the report of Caipo y Asociados Sociedad Civil de Responsabilidad Limitada, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information we have filed electronically with the SEC.

As a foreign private issuer, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act. For example, we are not required to prepare and issue quarterly reports. However, we intend to furnish our shareholders with annual reports containing consolidated financial statements audited by our independent auditors and to make available to our shareholders quarterly reports containing unaudited financial data for the first three quarters of each fiscal year. In addition, as a foreign issuer, we are not subject to the proxy rules under Section 14 of the Exchange Act and our officers and directors will not be subject to Section 16 of the Exchange Act relating to insider short-swing profit disclosure and recovery regime.

We will send the depositary a copy of all notices that we give relating to meetings of our shareholders or to distributions to shareholders or the offering of rights and a copy of any other report or communication that we make generally available to our shareholders. The depositary will make all these notices, reports and communications that it receives from us available for inspection by registered holders of ADSs at its office. The depositary will mail copies of those notices, reports and communications to you if we ask the depositary to do so and furnish sufficient copies of materials for that purpose.

We will file financial statements and other periodic reports with the SMV in Peru. Issuers of securities registered with the SMV are required to disclose relevant facts (*hechos de importancia*), which are material information in connection with the issuer of registered securities, its activities or securities issued or secured by such issuer which may influence the liquidity, price, offering or negotiation of such securities and all the information that may be relevant for investors to be able to make investment decision. Accordingly, issuers must file with the SMV financial information, including unaudited condensed consolidated interim financial statements on a quarterly basis (which are not required to be subject to limited review), and audited annual individual and consolidated financial statements on an annual basis.

## ENFORCEMENT OF JUDGMENTS

Auna is an openly held corporation (*sociedad anónima abierta*) organized and existing under the laws of Peru. The majority of our directors and all of our officers reside in Peru or elsewhere outside the United States, and a significant portion of the assets of such persons may be, and substantially all of our assets are, located in Peru and Colombia or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon our directors or officers, or to enforce against them, or us, in U.S. federal or state courts judgments predicated upon the provisions of civil liabilities of U.S. federal securities laws.

We have been advised by our Peruvian counsel, Rodrigo, Elias & Medrano Abogados, that there is uncertainty as to the enforceability, in original actions in Peruvian courts, of liabilities predicated upon the provisions of civil liability of the U.S. federal securities laws. In addition, we have been advised by Rodrigo, Elias & Medrano Abogados that any final and conclusive judgment for a fixed and definitive sum obtained against us in any foreign court having jurisdiction in respect of any suit, action or proceeding against us for the enforcement of any of our obligations under the class A shares that are governed by New York law will, upon request, be deemed valid and enforceable in Peru through an exequatur judiciary proceeding (which does not involve the reopening of the case), provided that: (i) there is a treaty in effect between the country where said foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or (ii) in the absence of such a treaty, the original judgment is ratified by the Peruvian Courts (*Cortes de la República del Perú*), under such exequatur proceeding, subject to the provisions of the Peruvian Civil Code and the Peruvian Civil Procedure Code provided that the following conditions and requirements are met:

- the foreign judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (and the matters contemplated in respect of this prospectus or the class A shares are not matters under the exclusive jurisdiction of Peruvian courts);
- such foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- Auna received service of process in accordance with the laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court, and was guaranteed due process rights;
- the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
- the foreign judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law, unless such foreign judgment was rendered first;
- the foreign judgment is not contrary to Peruvian public policy (*orden público*) or good morals (*buenas costumbres*);
- it is not proven that such foreign court denies enforcement of Peruvian judgments or engages in a review of the merits thereof; and
- such judgment has been (i) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are party to the Hague Apostille Convention, or certified by Peruvian consular authorities, in the case of jurisdictions that are not parties to the Hague Apostille Convention, and is accompanied by a certified and officially translated copy of such judgment into Spanish; and (ii) the applicable court taxes or fees have been paid.

Our properties and subsidiaries have no immunity from a court's jurisdiction, except, to the extent applicable, immunities set forth in Article 616 of the Peruvian Code of Civil Procedure (*Código Procesal Civil*) for attachments on assets dedicated to the rendering of public services.

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## Report of Independent Registered Public Accounting Firm

### To the Stockholders and Board of Directors

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.)**

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and subsidiaries (the “Company”) as of December 31, 2020, 2019 and 2018, and the related consolidated statements of income and other comprehensive income, changes in equity and cash flows for the years ended December 31, 2020, 2019 and 2018, and the related notes (collectively, the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards IFRS as issued by the International Accounting Standards Board.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Caipo y Asociados S. Civil de R.L.

We have served as the Company’s auditor since 2016.

Lima, Peru  
August 24, 2021

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Consolidated Statement of Financial Position**  
**As of December 31, 2020, 2019 and 2018**

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	343,454	36,084	110,871
Trade accounts receivable	6	370,643	285,601	238,116
Other assets	7	69,517	81,380	63,481
Inventories	8	52,568	37,057	31,830
Derivative financial instruments	9	—	448	510
Assets held for sale		—	1,378	1,971
<b>Total current assets</b>		<b><u>836,182</u></b>	<b><u>441,948</u></b>	<b><u>446,779</u></b>
<b>Non-current assets</b>				
Trade accounts receivable	6	367	—	—
Other assets	7	15,951	8,626	9,392
Investments in associates and joint venture	10	12,097	9,907	9,214
Property, furniture, and equipment	11	1,062,222	715,800	794,645
Intangible assets	12	490,892	431,594	431,578
Right-of-use assets	13	141,274	240,909	—
Investment properties		1,601	1,456	567
Derivative financial instruments	9	11,707	8,321	12,598
Deferred tax assets	14	78,778	32,736	35,398
<b>Total non-current assets</b>		<b><u>1,814,889</u></b>	<b><u>1,449,349</u></b>	<b><u>1,293,392</u></b>
<b>Total assets</b>		<b><u>2,651,071</u></b>	<b><u>1,891,297</u></b>	<b><u>1,740,171</u></b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	15	18,444	172,992	108,931
Lease liabilities	13	18,649	27,799	—
Trade accounts payable	16	351,247	254,199	242,856
Other accounts payable	17	109,784	64,744	62,196
Provisions	18	7,932	8,020	7,055
Unearned premiums reserve	19	60,245	58,210	54,478
Deferred income		446	—	—
Derivative financial instruments	9	—	3,952	56
<b>Total current liabilities</b>		<b><u>566,747</u></b>	<b><u>589,916</u></b>	<b><u>475,572</u></b>
<b>Non-current liabilities</b>				
Loans and borrowings	15	1,190,225	464,751	616,458
Lease liabilities	13	127,519	151,285	—
Trade accounts payable	16	4,782	—	—
Other accounts payable	17	24,214	12,876	24,023
Derivative financial instruments	9	33,594	11,526	959
Deferred tax liabilities	14	51,154	82,125	89,824
Deferred income		765	—	—
<b>Total non-current liabilities</b>		<b><u>1,432,253</u></b>	<b><u>722,563</u></b>	<b><u>731,264</u></b>
<b>Total liabilities</b>		<b><u>1,999,000</u></b>	<b><u>1,312,479</u></b>	<b><u>1,206,836</u></b>
<b>Equity</b>				
	20			
Share capital		236,547	236,547	236,546
Share premium		386,045	386,045	386,045
Reserves		(9,038)	(77,556)	(66,813)
Retained earnings (losses)		(12,623)	17,244	(38,170)
<b>Equity attributable to the owner of the Company</b>		<b><u>600,931</u></b>	<b><u>562,280</u></b>	<b><u>517,608</u></b>
Non-controlling interest		51,140	16,538	15,727
<b>Total equity</b>		<b><u>652,071</u></b>	<b><u>578,818</u></b>	<b><u>533,335</u></b>
<b>Total liabilities and equity</b>		<b><u>2,651,071</u></b>	<b><u>1,891,297</u></b>	<b><u>1,740,171</u></b>

The accompanying notes on pages 5 to 114 are an integral part of these consolidated financial statements.

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the years ended December 31, 2020, 2019 and 2018**

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>				
Premiums earned	21	566,358	522,337	467,616
Healthcare services revenue	21	703,726	658,881	229,572
Sales of medicines	21	173,698	201,348	164,039
<b>Total revenue from contracts with customers</b>		<b>1,443,782</b>	<b>1,382,566</b>	<b>861,227</b>
Cost of sales and services	22	(914,354)	(844,519)	(497,789)
<b>Gross profit</b>		<b>529,428</b>	<b>538,047</b>	<b>363,438</b>
Selling expenses	22	(133,056)	(132,544)	(120,738)
Administrative expenses	22	(273,361)	(236,464)	(154,442)
Loss for impairment of trade receivables	6	(16,358)	(5,987)	(2,826)
Other expenses	24	(321)	(1,446)	—
Other income	23	12,089	5,528	5,333
<b>Operating profit</b>		<b>118,421</b>	<b>167,134</b>	<b>90,765</b>
Finance income	25	3,773	1,532	630
Finance costs	25	(136,736)	(56,053)	(38,176)
<b>Net finance cost</b>		<b>(132,963)</b>	<b>(54,521)</b>	<b>(37,546)</b>
<b>Share of profit of equity-accounted investees</b>	10	<b>1,320</b>	<b>2,438</b>	<b>960</b>
<b>(Loss) profit before tax</b>		<b>(13,222)</b>	<b>115,051</b>	<b>54,179</b>
Income tax expense	28	7,844	(41,178)	(17,538)
<b>(Loss) profit for the year</b>		<b>(5,378)</b>	<b>73,873</b>	<b>36,641</b>
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Cash flow hedges		(28,406)	(19,160)	(1,014)
Foreign operations – Foreign currency translation differences		75,976	(8,338)	(2,555)
Income tax		7,987	6,044	303
<b>Other comprehensive profit (loss) for the year, net of tax</b>		<b>55,557</b>	<b>(21,454)</b>	<b>(3,266)</b>
<b>Total comprehensive income for the year</b>		<b>50,179</b>	<b>52,419</b>	<b>33,375</b>
<b>(Loss) profit attributable to:</b>				
Owner of the Company		(7,104)	72,685	36,184
Non-controlling interest	20.I	1,726	1,188	457
		<b>(5,378)</b>	<b>73,873</b>	<b>36,641</b>
<b>Total comprehensive income attributable to:</b>				
Owner of the Company		43,119	51,608	32,918
Non-controlling interest	20.I	7,060	811	457
		<b>50,179</b>	<b>52,419</b>	<b>33,375</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share	26	(0.03)	0.31	0.18

*The accompanying notes on pages 5 to 114 are an integral part of these consolidated financial statements.*

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the years ended December 31, 2020, 2019 and 2018**

	Equity attributable to the owner of the Company								Total	Non-controlling interest	Total equity
	Share capital (note 20.A)	Share premium (note 20.B)	Other capital reserve (note 20.C)	Translation reserve (note 20.D)	Cost of hedging reserve (note 20.E)	Hedging reserve (note 20.F)	Merger reserve (note 20.G)	Retained earnings (losses) (note 20.H)			
<i>In thousands of soles</i>											
Balances as of January 1, 2018	204,362	176,115	15,868	—	—	—	(85,804)	(58,473)	252,068	1,361	253,429
Profit for the year	—	—	—	—	—	—	—	36,184	36,184	457	36,641
Other comprehensive income for the year	—	—	—	(2,555)	—	(711)	—	—	(3,266)	—	(3,266)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,555)</b>	<b>—</b>	<b>(711)</b>	<b>—</b>	<b>36,184</b>	<b>32,918</b>	<b>457</b>	<b>33,375</b>
Capital contribution	32,184	209,930	—	—	—	—	—	—	242,114	—	242,114
Transfer to legal reserve	—	—	5,881	—	—	—	—	(5,881)	—	—	—
Acquisition of subsidiary with NCI	—	—	—	—	—	—	—	—	—	15,193	15,193
Contributions from non-controlling shareholder	—	—	—	—	—	—	—	—	—	170	170
Acquisition of non-controlling interest	—	—	—	—	—	—	508	—	508	(1,454)	(946)
Dividend distribution	—	—	—	—	—	—	—	(10,000)	(10,000)	—	(10,000)
<b>Total transactions with the owners of the Company</b>	<b>32,184</b>	<b>209,930</b>	<b>5,881</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>508</b>	<b>(15,881)</b>	<b>232,622</b>	<b>13,909</b>	<b>246,531</b>
<b>Balances as of December 31, 2018</b>	<b>236,546</b>	<b>386,045</b>	<b>21,749</b>	<b>(2,555)</b>	<b>—</b>	<b>(711)</b>	<b>(85,296)</b>	<b>(38,170)</b>	<b>517,608</b>	<b>15,727</b>	<b>533,335</b>
Adjustment on initial application of IFRS 16, net of tax	—	—	—	—	—	—	—	3,063	3,063	—	3,063
Balances as of January 1, 2019	236,546	386,045	21,749	(2,555)	—	(711)	(85,296)	(35,107)	520,671	15,727	536,398
Profit for the year	—	—	—	—	—	—	—	72,685	72,685	1,188	73,873
Other comprehensive income for the year	—	—	—	(7,961)	—	(13,116)	—	—	(21,077)	(377)	(21,454)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(7,961)</b>	<b>—</b>	<b>(13,116)</b>	<b>—</b>	<b>72,685</b>	<b>51,608</b>	<b>811</b>	<b>52,419</b>
Capital contribution	1	—	—	—	—	—	—	—	1	—	1
Transfer to legal reserve	—	—	10,334	—	—	—	—	(10,334)	—	—	—
Dividend distribution	—	—	—	—	—	—	—	(10,000)	(10,000)	—	(10,000)
<b>Total transactions with the owners of the Company</b>	<b>1</b>	<b>—</b>	<b>10,334</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(20,334)</b>	<b>(9,999)</b>	<b>—</b>	<b>(9,999)</b>
<b>Balances as of December 31, 2019</b>	<b>236,547</b>	<b>386,045</b>	<b>32,083</b>	<b>(10,516)</b>	<b>—</b>	<b>(13,827)</b>	<b>(85,296)</b>	<b>17,244</b>	<b>562,280</b>	<b>16,538</b>	<b>578,818</b>
Balances as of January 1, 2020	236,547	386,045	32,083	(10,516)	—	(13,827)	(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
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>70,642</b>	<b>(18,932)</b>	<b>(1,487)</b>	<b>—</b>	<b>(7,104)</b>	<b>43,119</b>	<b>7,060</b>	<b>50,179</b>
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)
<b>Total transactions with the owners of the Company</b>	<b>—</b>	<b>—</b>	<b>12,763</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,532</b>	<b>(22,763)</b>	<b>(4,468)</b>	<b>27,542</b>	<b>23,074</b>
<b>Balances as of December 31, 2020</b>	<b>236,547</b>	<b>386,045</b>	<b>44,846</b>	<b>60,126</b>	<b>(18,932)</b>	<b>(15,314)</b>	<b>(79,764)</b>	<b>(12,623)</b>	<b>600,931</b>	<b>51,140</b>	<b>652,071</b>

The accompanying notes on pages 5 to 114 are an integral part of these consolidated financial statements.

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Consolidated Statement of Cash Flows**  
**For the years ended December 31, 2020, 2019 and 2018**

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>				
(Loss) profit for the year		(5,378)	73,873	36,641
<b>Adjustments for:</b>				
Depreciation	11	30,986	30,512	28,950
Depreciation of right-of-use assets	13	26,435	19,937	—
Amortization	12	7,278	6,299	3,086
Change in fair value of assets held for sale		—	527	—
Change in fair value of investment property		(57)	(75)	—
Impairment of inventories		419	377	318
Gain on a bargain purchase	1.C	(4,495)	—	—
Loss on sale of Investments in associates	24	—	919	—
(Gain) loss on disposal of property, furniture, and equipment	11	(6)	1,849	171
Loss on disposal of right-of-use assets	13	321	97	—
Loss on disposal of intangibles	12	20	21	3
Loss on disposal of assets held for sale		45	—	—
Loss for impairment of trade receivables	6	16,358	5,987	2,826
Share of profit of equity-accounted investees	10	(1,320)	(2,438)	(960)
Technical provisions and other provisions	18	2,614	4,497	2,608
Finance income	25	(3,773)	(1,532)	(630)
Finance costs	25	136,736	56,053	38,176
Tax expense	28	(7,844)	41,178	17,538
<b>Net changes in assets and liabilities</b>				
Trade accounts receivable and other assets		(6,650)	(38,606)	(16,724)
Inventories		(14,166)	(6,038)	(527)
Trade accounts payable and other accounts payable		25,381	(19,402)	19,509
Provisions	18	(4,259)	(3,448)	(1,630)
Unearned premium reserves		2,035	3,732	3,692
Cash generated from operating activities		200,680	174,319	133,047
Income tax paid		(47,083)	(23,451)	(24,380)
Interest received		2,699	1,530	630
<b>Net cash from operating activities</b>		<b>156,296</b>	<b>152,398</b>	<b>109,297</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiary, net of cash acquired	1-C	259	—	(533,679)
Purchase of properties, furniture, and equipment	11	(90,743)	(104,570)	(39,010)
Purchase of intangibles	12	(38,174)	(21,204)	(7,336)
Dividends from equity-accounted investees	10	303	330	—
Proceeds from sale of assets held for sale		1,333	—	—
Proceeds from sale of property, furniture, and equipment		1,094	—	—
Proceeds from sale of investments in associates		—	328	—
Advance payment for purchase of shares of associates		—	(792)	—
<b>Net cash used in investing activities</b>		<b>(125,928)</b>	<b>(125,908)</b>	<b>(580,025)</b>
<b>Cash flows from financing activities</b>				
Capital contribution		—	1	242,114
Proceeds from loans and borrowings	15	1,481,639	215,901	650,276
Advance payment for purchase of non-controlling interest	7	—	(12,756)	—
Payment for loans and borrowings	15	(1,072,048)	(200,899)	(273,170)
Payment for lease liabilities	15	(90,089)	(39,328)	(25,571)
Penalty paid for debt prepayment	15	(3,400)	—	—
Payment for accounts payables to third parties	15	(1,908)	(3,928)	(10,382)
Payment for call spread premiums	15	(4,302)	(5,907)	—
Payment for settlement of derivatives	15	(5,296)	(1,566)	—
Payment of commissions for derivatives		—	(2,474)	—
Interest paid	15	(37,276)	(37,831)	(21,482)
Dividends paid	20	(10,007)	(10,000)	(10,000)
Trust funds	7 (c)	6,438	(687)	1,606
Contributions from non-controlling shareholders	15 & 20	8,951	—	170
Acquisition of non-controlling interest		—	—	(946)
<b>Net cash from (used in) financing activities</b>		<b>272,702</b>	<b>(99,474)</b>	<b>552,615</b>
Net increase (decrease) in cash and cash equivalents		303,070	(72,984)	81,887
Cash and cash equivalents at January 1		36,084	110,871	32,498
Effect of movements in exchange rates on cash held		4,300	(1,803)	(3,514)
<b>Cash and cash equivalents at December 31</b>		<b>343,454</b>	<b>36,084</b>	<b>110,871</b>
<b>Transactions not representing cash flows</b>				
Assets acquired through finance lease and other financing	13	42,853	83,883	2,360
Assets acquired from suppliers in installments	11	6,133	579	5,165
Capitalised borrowing costs	11	1,235	—	—
Liability for call spread premiums financing		—	—	21,134
Outstanding payment to former shareholders	1-C	—	—	7,274

The accompanying notes on pages 5 to 114 are an integral part of these consolidated financial statements.

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**1. Economic Activity**

**A. Business activity**

Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) (hereinafter the “Company” or “Auna”) is a subsidiary of Enfoca Group (ultimate controlling party), which holds a share capital of 69.46% 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.

On December 30, 2019, the Company changed its legal name to Auna S.A. 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 and, since the end of 2018, through Promotora Médica Las Américas S.A. (hereinafter “PMLA”), likewise since September 1, 2020 through Clínica Portoazul, both in Colombia. The structure of the Group is detailed in note 29.

On September 14, 2020, the General Shareholder’s Meeting approved the change of legal name from Auna S.A. to Auna S.A.A. an openly held corporation.

**B. Approval of the consolidated financial statements**

The consolidated financial statements as of December 31, 2020, 2019 and 2018 were approved for issuance by the Board of Directors on August 24, 2021.

**C. Acquisition of Colombian subsidiaries**

**i. Clínica Portoazul S.A.**

On August 14, 2020, Auna Colombia S.A.S. signed a capitalization agreement with the shareholders of Clínica Portoazul S.A. for the acquisition of 2,239 newly issued shares of Clínica Portoazul S.A., obtaining an interest of 66.55%, diluting the existing shareholders up to that date and obtaining control. The closing date of the transaction was on September 1, 2020.

Clínica Portoazul S.A. operations are regulated by the Superintendencia Nacional de Salud - Supersalud (Colombian Board of Health). It is engaged in the direct provision of healthcare services, sale of medicines, and other healthcare-related services. Clínica Portoazul’s registered office is at Municipio de Puerto Colombia - Atlántico, Barranquilla, Colombia. The acquisition is expected to provide the Group with an increased share of the healthcare services market in Colombia.

For the shares acquired, the Group, through its Colombian subsidiary Auna Colombia S.A.S. made a capital contribution in cash on September 1, 2020 amounting to S/ 66,640 thousand. This contribution was funded with two loans received from local financial entities, amounting to S/ 53,100 thousand and with its own capital for S/ 13,540 thousand.

This acquisition was recorded using the purchase method of accounting, as established in *IFRS 3 Business Combinations*. Under this method, most assets and liabilities were recorded at their estimated fair values at the date of purchase, including identifiable intangibles not recorded in the statement of financial position of the

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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 income and other comprehensive income. The fair values of the acquired net assets are presented below:

***Identifiable assets acquired and liabilities assumed***

<i>In thousands of soles</i>	<i>Note</i>	
Cash and cash equivalents (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		133,946
Deferred tax assets		5,688
Trade accounts payable and other accounts payable		(47,910)
Loans and borrowings		(102,837)
Contingent liabilities		(1,225)
<b>Total identifiable net assets acquired</b>		<b><u>106,890</u></b>

The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 48,002 thousand and S/ 1,815 thousand, respectively. At the date of acquisition, S/ 3,405 thousand were expected to be uncollectable.

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

<i>In thousands of soles</i>	
Fair value of identifiable net assets	106,890
<b>Less</b>	
Consideration transferred	(66,640)
Non-controlling interest	(35,755)
<b>Gain from purchase</b>	<b><u>4,495</u></b>

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 income and other comprehensive income.

The gain from the bargain purchase is the result of various factors, one of them relates to the current financial situation of the acquired business, which was highly leveraged. At the acquisition date, the financial obligations of the acquired business amounted to S/ 103,955 thousand, representing 184% of equity and bearing interests that have been reducing the profits over the years. Thus, an increase of capital shares was needed in the short term in order to improve this financial situation. In this respect, it should be noted that after the entrance of the Company, the acquired business repaid a substantial amount of financial obligations reducing it to S/ 56,851 thousand.

Other factors explaining the transaction are related to the business model of the acquired business. Indeed, Clínica Portoazul was also searching for a partner with expertise in the health industry, and other areas of specialization. Based on that, the Group offered its expertise and its current medical offer, including the oncological expertise, to supplement the current offer and provide synergies in benefit of the existing shareholders.

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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 year ended December 31, 2020 would have amounted to S/ 1,645 thousand in the consolidated statement of income and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	
Consideration transferred	66,640
Cash and cash equivalents from acquired company Clínica Portoazul	(66,899)
	<u>(259)</u>

***Measurement of fair values***

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

<u>Assets acquired</u>	<u>Valuation technique</u>
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	<p>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.</p> <p>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.</p>

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Assets acquired	Valuation technique
	<p>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.</p> <p>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.</p>
Loans and borrowings	<p>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.</p>

**ii. Promotora Médica Las Américas S.A. and Subsidiaries**

In September 2018, the Group signed a share purchase agreement through Auna Colombia for the acquisition of 97.32% of the shares of PMLA. On December 5, 2018, the Superintendencia Nacional de Salud de la República de Colombia (Colombian Board of Health) approved the acquisition. Finally, on December 27, 2018, the Group acquired 97.32% of the shares and voting interests in PMLA.

Its operations are regulated by the Colombian Board of Health. It is engaged in the direct provision of healthcare services, creation of healthcare promoting enterprises, sale of medicines, and other healthcare-related services. PMLA's registered office is at Avenida Diagonal 75 B N° 2 A 80/140, Medellín, Colombia. The acquisition is expected to provide the Group with an increased share of the healthcare services market in South America through access to PMLA's customer base. The Group also expects to reduce costs through economies of scale.

For the shares acquired, Auna Colombia paid on December 27, 2018 the amount of S/ 551,633 thousand, which includes a capital increase to PMLA of S/ 41,876 thousand, to acquire the non-controlling interest of the subsidiaries of Instituto de Cancerología S.A., Patología Las Américas S.A.S. and Salud Oral Especializada S.A., with PMLA being the owner of 100% of the aforementioned subsidiaries.

Auna Colombia signed a syndicated loan agreement with Banco Nacional de México S.A. and Banco Santander S.A. for a total amount of S/ 368,611 thousand which, together with the capital contribution received from Enfoca Group amounting to S/ 242,114 thousand (notes 20.A and B), were used to pay for the acquisition of PMLA.

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The group of companies that make up PMLA and their respective economic activities are listed below:

<u>Company</u>	<u>Business activity</u>
Laboratorio Médico Las Américas Ltda.	Provision of medical laboratory services and provision of scientific advice on issues related to the corporate purpose. Its main office is in Medellín.
Instituto de Cancerología S.A.	Provision of medical-surgical and hospital services in the field of radiotherapy and oncology. Its main office is in Medellín.
Patología Las Américas S.A.S.	Activities related to pathology laboratory services and provision of scientific advice on issues related to the corporate purpose. Its main office is in Medellín.
Salud Oral Especializada S.A.	Integral oral healthcare services provision. Its main office is in Medellín.
Clinica del Sur S.A.S.	Medical and surgical services provision specializing in orthopedics and traumatology. Its main office is in the Municipality of Envigado, Medellín.
Las Américas Farma Store S.A.S.	Wholesale and retail marketing of all types of medicines, surgical medical equipment, beauty products, and all types of products aimed at human healthcare. Its main office is in Medellín.

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 each acquired entity. The transaction costs associated with the acquisition amounting to S/ 6,948 thousand were recorded as an expense and presented under administrative expenses' as of December 27, 2018, 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***

<u>In thousands of soles</u>	<u>Note</u>	
Cash and cash equivalents		10,680
Trade accounts receivable and other accounts assets		168,503
Inventories		13,708
Investments in associates		5,818
Investment property		567
Account receivable from former shareholders		1,618
Intangible assets	12	206,554
Property, furniture and equipment		326,036
Assets held for sale		1,971
Trade accounts payable and other accounts payable		(129,842)
Loans and borrowings		(118,421)
Deferred tax liabilities		(89,898)
Contingent liabilities		(3,269)
<b>Total identifiable net assets acquired</b>		<b><u>394,025</u></b>

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The trade accounts receivable and other accounts receivable comprise gross contractual amounts due of S/ 165,065 thousand and S/ 15,149 thousand, respectively. At the date of acquisition, S/ 11,711 thousand were expected to be uncollectable.

Goodwill arising from the acquisition has been recognized as follows:

<i>In thousands of soles</i>	
Consideration transferred	551,633
Non-controlling interest	15,193
Fair value of identifiable net assets	<u>(394,025)</u>
<b>Goodwill</b>	<b><u>172,801</u></b>

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

The fair value of the non-controlling interest in PMLA, has been estimated by applying a discounted free cash flow valuation technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

- Projected cash flows based on Management's earnings before interest, taxes, depreciation and amortization ("EBITDA") projections for a period of seven years.
- An assumed discount rate of 9.9%.
- A terminal value, calculated based on long-term sustainable growth rates of 3%, which has been used to determine income for the future years.

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. None of the goodwill recognized is expected to be deductible for tax purposes. In the case of identified intangible assets measured at fair value, those are expected to be recovered through sale or use.

For the year ended December 31, 2018, Promotora Médica Las Américas S.A. and Subsidiaries contributed revenues of S/ 4,768 thousand and profit before tax of S/ 380 thousand to the Group's results.

If the acquisition had been made as of January 1, 2018, revenues would have amounted to S/ 1,231,554 thousand and profit before tax for the year ended December 31, 2018 would have amounted to S/ 53,371 thousand in the consolidated statement of income and other comprehensive income.

The net cash flows incurred as a result of the acquisition is presented below:

<i>In thousands of soles</i>	<u>Note</u>	
Consideration transferred		551,633
Outstanding payment to former shareholders	17(c)	(7,274)
Cash and cash equivalents from acquired company PMLA		<u>(10,680)</u>
		<b><u>533,679</u></b>

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***Measurement of fair values***

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

<b>Assets acquired</b>	<b>Valuation technique</b>
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.
Customer relationship	<p>Contracts agreed with insurers for cardiology services, 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.</p> <p>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.</p>
Trade names, trademarks and domain names	<p>Las Américas is the main brand of PMLA as a health service provider group of companies. This brand has a local presence and offers a broad portfolio of health services to its patients, sheltering the different entities under which PMLA operates. Of the three main approaches of value (income, market and cost) and the methods that comprise these approaches, the Company used the relief-royalty-saving method within the income approach as the most appropriate to assess the Las Américas brand.</p> <p>The relief-from-royalty method under the income approach is considered to be the most appropriate method for measuring the “Las Américas” trademark.</p> <p>The basic principle of the relief-from-royalty 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.</p> <p>Based on the projections of the purchase model, the income and cash flow of PMLA was determined for the years 2019-2028 and in perpetuity. For the valuation of the brand’s assets 100% of the estimated revenues for PMLA consolidated were considered.</p> <p>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 2.5% of revenue.</p>

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<u>Assets acquired</u>	<u>Valuation technique</u>
Software	<p>The replacement cost method under the cost approach is the most appropriate to value the in-house developed software.</p> <p>The concept behind the cost approach is that a prudent investor will pay no more for an asset than the replacement or reproduction cost. The cost of replacing the asset would include the cost of constructing a similar asset of equivalent use at the prices applicable at the time of valuation analysis. This estimate can then be adjusted due to impairment losses attributable to obsolescence (physical, functional and/or economic).</p>
Investment in associates	<p>Income and market approaches: The market approach measures value based on the amounts paid by other purchasers in the market for commercial interest or assets that are considered reasonably similar. The income approach focuses on income-generating capacity of the identifiable asset or business.</p>

**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 and Clínica Portoazul, 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 and investment properties 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).

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**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:

- leases: whether an arrangement contains a lease (note 4.J); and
- lease term: whether the Group is reasonably certain to exercise extension options (note 4.J).
- 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, 2020 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 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**

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.

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**A. IFRIC Interpretation 23: Uncertainty over income tax treatment**

IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 Income taxes are applied when there is uncertainty over income taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

Under IFRIC 23, uncertain tax liabilities or assets are recognized applying the definition of liabilities or assets for current or deferred taxes according to IAS 12. Therefore, those tax balances are presented as current or deferred tax assets or liabilities.

If there is uncertainty about an income tax treatment, then the Group considers whether it is probable that a tax authority will accept the Group tax treatment included or planned to be included in their tax filing. The underlying assumption in the assessment is that a tax authority will examine all amounts reported and will have full knowledge of all relevant information.

The accounting of interest and penalties are not specified under IAS 12 or IFRIC 23. The Group determines if interest or a penalty itself meets the definition of income tax to apply IAS 12, and if not it is accounted under IAS 37.

The Group has assessed the impact of IFRIC 23 at January 1, 2019 and the impact on the Group's consolidated financial statements is not significant.

**B. IFRS 16: Leases**

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at January 1, 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e., it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

**a. Definition of a lease**

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019.

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At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

**b. As a lessee**

The Group leases many assets, including properties, medical equipment and IT equipment.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e., these leases are on-balance sheet.

However, the Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets (e.g., IT equipment and furniture), for which the Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Significant accounting policies**

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, and subsequently at cost less any accumulated depreciation and impairment losses, 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 lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

**i. Transition**

Previously, the Group classified property leases as operating leases under IAS 17. These include administrative, commercial offices and health centers. The leases typically run for a period of 10 years except for the one that remains with the Red Cross, which is for a period of 40 years. Some leases include an option to renew the lease for an additional five years after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

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At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low-value items.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group leases a number of items of medical equipment. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at January 1, 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

**c. Impacts on consolidated financial statements**

**i. Impacts on transition**

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities. The impact on transition is summarized below:

<i>In thousands of soles</i>	<b>January 1, 2019</b>
Right-of-use assets	33,475
Lease liabilities	<u>33,475</u>

The change in accounting policy affected the following items in the consolidated statement of financial position on January 1, 2019:

<i>In thousands of soles</i>	
Right-of-use assets – recognition on initial application of IFRS 16	33,475
Right-of-use assets reclassified from property, furniture and equipment	183,102
Right-of-use assets reclassified from intangible assets	<u>3,126</u>
<b>Total right-of-use assets as of January 1, 2019</b>	<b>219,703</b>
Lease liabilities – recognition on initial application of IFRS 16	33,475
Lease liabilities reclassified from loans and borrowings	<u>92,828</u>
<b>Total lease liabilities as of January 1, 2019</b>	<b>126,303</b>
Other accounts payable	(4,345)
Deferred tax assets	1,282
Retained earnings (losses)	<u>3,063</u>

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When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted- average rate applied is 7% except for the Red Cross contract for which the rate applied is 5.5%.

<i>In thousands of soles</i>	<u>January 1, 2019</u>
Operating lease commitments as at December 31, 2018 (undiscounted)	67,954
<b>Exclude</b>	
Recognition exemption for leases of low-value assets	(4,182)
Recognition exemption for leases of short term	(1,746)
<b>Include</b>	
Finance leases liabilities	92,828
Effect of discounting	(28,551)
<b>Discounted recognized lease liabilities at January 1, 2019</b>	<b><u>126,303</u></b>

***For annual periods beginning on January 1, 2018***

**A. IFRS 9: Financial instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. Previously, the Group's approach was to include the impairment of trade receivables in selling expenses. Consequently, the Group reclassified the impairment of trade receivables amounting to S/ 11,816 thousand, recognized under IAS 39, from 'selling expenses' to 'loss for impairment of trade receivables' in the statement of profit or loss and OCI (Other Comprehensive Income) for the year ended December 31, 2017. Impairment losses on other financial assets are presented under 'finance costs,' similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

***i. Classification and measurement of financial assets and financial liabilities***

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. The standard eliminates IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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The adoption of IFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see note 4.B.

The adoption of IFRS 9 has not had a significant effect on the classification of the Company’s financial assets and liabilities, except for the change in the name of the categories.

The following table shows the classification and original measurement of financial instruments under IAS 39 and the new classification and subsequent measurement under IFRS 9 for each class of the Group’s financial assets and financial liabilities as of January 1, 2018:

<i>In thousands of soles</i>	<u>Original classification under IAS 39</u>	<u>New classification under IFRS 9</u>	<u>Original carrying amount under IAS 39</u>	<u>New carrying amount under IFRS 9</u>
<b>Financial assets</b>				
Cash and cash equivalents	Loans and accounts receivable	Amortized cost	32,498	32,498
Trade accounts receivable	Loans and accounts receivable	Amortized cost	69,977	69,977
Other assets	Loans and accounts receivable	Amortized cost	39,415	39,415
<b>Total financial assets</b>			<b><u>141,890</u></b>	<b><u>141,890</u></b>
<b>Financial liabilities</b>				
Loans and borrowings	Other financial liabilities	Other financial liabilities	244,714	244,714
Trade accounts payable	Other financial liabilities	Other financial liabilities	100,411	100,411
Other accounts payable	Other financial liabilities	Other financial liabilities	42,396	42,396
<b>Total financial liabilities</b>			<b><u>387,521</u></b>	<b><u>387,521</u></b>

**ii. Impairment of financial assets**

IFRS 9 replaces the “incurred loss” model in IAS 39 with an ECL model. The new impairment model applies to the financial assets measured at amortized cost, contract assets, and debt investments at FVOCI, but not to the investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

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The application of IFRS 9's impairment requirements at January 1, 2018 resulted in no significant impact. This impact amounting to S/ 10 thousand was recognized in the consolidated statement of income and other comprehensive income.

**Transition**

The Company applied the exception for retrospective application, that includes restatement of comparative information about Classification and Measurement, including Impairment.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

**B. IFRS 15: Revenue from contracts with customers**

The Group has adopted IFRS 15 using the cumulative effect method, with first-time application as of January 1, 2018. As a result, the Group opted for not applying the requirements required by the standard for the comparative period presented.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over medicine or service to a customer.

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:

<u>Type of service</u>	<u>Nature and timing of satisfaction of performance obligations, including significant payment terms</u>	<u>Revenue recognition under IFRS 15 (applicable from January 1, 2018)</u>	<u>Revenue recognition under IAS 18 (applicable before January 1, 2018)</u>
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.	Revenue is recognized when services are rendered. Revenue is recognized over time.  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 was recognized when services were provided. There was no significant change from IFRS 15.  Advances received were included in trade payable.

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<u>Type of service</u>	<u>Nature and timing of satisfaction of performance obligations, including significant payment terms</u>	<u>Revenue recognition under IFRS 15 (applicable from January 1, 2018)</u>	<u>Revenue recognition under IAS 18 (applicable before January 1, 2018)</u>
	<p>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.</p> <p>Generally, invoices are payable within 120 to 150 days for insurance companies and third parties are charged within 30 to 60 days.</p>	<p>Advances received are included in contract liabilities.</p>	
Sale of medicines	<p>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.</p> <p>Invoices are generated at the time the customers receive the medicines and in the case of hospitalization at the time the medicine is delivered. In general, invoices are payable at the time of issuance and after invoicing, in the case of hospitalized patients.</p>	<p>Revenue is recognized when medicines are delivered and have been accepted by customers at their premises.</p> <p>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.</p>	<p>Revenue from the sale of medicines was recognized in accordance with the transfer of risks and benefits of the goods delivered.</p> <p>Because the transaction for the sale of medicines, for the most part, is immediate, no major impacts were identified.</p>

As the revenues associated with oncologic healthcare plans are within the scope of IFRS 4 Insurance Contracts, IFRS 15 is not applied to these contracts for any period presented. For the details of accounting policies under IFRS 4, see note 4.M.

At January 1, 2018, the Group has not identified any significant impact on the consolidated financial statements arising from the application of IFRS 15.

**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).

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**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.

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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 income 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 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.

**Classification and subsequent measurement**

• **Financial assets**

**Policy applicable from January 1, 2018**

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.

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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.

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: Policy applicable from January 1, 2018***

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***

***Policy applicable from January 1, 2018***

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.

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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: Policy applicable from January 1, 2018***

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.v 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.

The Group classified its financial assets at FVTPL, and, within this category, as held for trading.

***Subsequent measurement and gains and losses: Policy applicable before January 1, 2018***

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognized in profit or loss.
Loans and receivables	Measured at amortized cost using the effective interest method.

• ***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,

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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.

**ii. 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.

**iii. 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.

**iv. Derivative financial instruments**

**Derivative financial instruments and hedge accounting – Policy applicable from January 1, 2018**

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.

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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.

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**C. Impairment**

*i. Non-derivative financial assets*

***Policy applicable from January 1, 2018***

***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 90 and 180 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.

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***Policy applicable before January 1, 2018***

***Financial assets measured at amortized cost***

The Group considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

***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.

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**D. Cash and cash equivalents**

Cash and cash equivalents presented in the consolidated statement of financial position comprise cash on hand, demand deposits at banks and other highly marketable debt investments with maturity of three months or less that are not subject to significant risk of changes in value.

**E. Inventories**

Inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price of the inventories in the ordinary course of business, less discounts and other costs and expenses incurred to put the inventories to sale. Cost is determined using the weighted average method.

Provisions for obsolescence and net realizable value are estimated based on a specific analysis made at each reporting date of the consolidated financial statements. The reduction of the carrying amount of inventories to their net realizable value is recorded under 'provision for impairment of inventories' with a charge to profit or loss in the period in which it is estimated that such reductions will occur.

**F. Intangibles**

***Goodwill***

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of the Group's interest in the net identifiable assets at the date of the acquisition.

Goodwill arising from a business combination is allocated to each CGU or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of GCU's 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 "Clínica Portoazul" and "Las Américas," which was identified in the acquisitions (note 1.C). It is a trademark with presence in Colombia and offers a broad portfolio of healthcare services to its patients through the different entities under which Clínica Portoazul and PMLA operates. The estimated market value was determined using the relief-from-royalty method. Management evaluated its recognition and growth in the Colombian market, and assessed that it has an indefinite useful life.

***Customers relationship***

It includes the estimated market value of the contracts with insures for cardiology services identified as a result of the acquisition of Promotora Médica Las Américas S.A. (note 1.C) and was determined under the multi-period excess earnings method ("MPEEM") within the income approach, which is the most appropriate to value this asset. The estimated useful life is 10 years.

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***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 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 income and other comprehensive income on a straight-line basis as follows:

	Years
Software	2 to 10
Customer relationships	10
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 income 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 income 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.

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**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

During 2018, the Group reviewed the useful life of medical equipment and surgical instruments, which resulted in changes in the expected useful life of certain surgical instruments. The useful life of some of them decreased mainly due to a higher level of use. As a result, the effect of these changes on actual depreciation expense was included in “cost of sales.”

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

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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.k).

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**

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

***Amendment applicable from June 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 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020.

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 June to December 2020 was a lower expense in finance cost amounting to S/ 82 thousand.

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***Policy applicable from January 1, 2019***

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.

This policy is applied to contracts entered into on or after January 1, 2019.

***i. As a lessee***

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.

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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.

***Policy applicable before January 1, 2019***

For contracts entered into before January 1, 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

***i. As a lessee***

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

**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.'

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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 date, 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**

***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 and Colombian 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.

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*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**

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. 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.

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***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 Chain Ladder methodology, which considers the historical development of oncological medical attention reported in the last 6 years at December 31, 2020 (10 years at December 31, 2019), 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.

As of December 31, 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

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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 income 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**

The Group applied for the first time in these annual financial statements IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

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

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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.

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.

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**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.

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 ten 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. Hospitalist revenue is recognized at the time services are provided.

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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, 2020, the variable consideration recorded by our healthcare services subsidiaries amounted to S/ 3,897 thousand (S/ 6,471 thousand as of December 31, 2019) and is recorded in the Healthcare services revenue line item in the consolidated statement of income 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:

<u>Type of service</u>	<u>Nature and timing of satisfaction of performance obligations, including significant payment terms</u>	<u>Revenue recognition under IFRS 15</u>
Healthcare services	<p>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.</p> <p>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.</p>	<p>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.</p> <p>The variable consideration is determined using the expected value with statistics of historical percentages for the last 3 years and is updated at the end of each month.</p> <p>Advances received were included in trade payable.</p> <p>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</p>

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<u>Type of service</u>	<u>Nature and timing of satisfaction of performance obligations, including significant payment terms</u>	<u>Revenue recognition under IFRS 15</u>
	Generally, invoices are payable within 120 to 150 days for insurance companies and third parties are charged within 30 to 60 days.	<p>under reimbursement arrangements. These arrangements are generally with third parties such as commercial insurers.</p> <p>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.</p> <p>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.</p>
Sale of medicines	<p>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.</p> <p>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 time of issuance and after invoicing, in the case of hospitalized patients.</p>	<p>Revenue is recognized when medicines are delivered and have been accepted by customers at their premises.</p> <p>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.</p>

**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 2020 and 2019 (note 4.M).

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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 fvtpI;
- 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 income 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. Standards issued but not yet effective**

A number of new standards are effective for annual periods beginning after January 1, 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

This table lists new currently effective standards that are required to be adopted in annual periods beginning on January 1, 2020 and forthcoming requirements that are required to be applied for annual periods beginning after January 1, 2021 and that are available for early adoption in annual periods beginning on January 1, 2020.

***New currently effective requirements and forthcoming requirements***

<u>Effective date</u>	<u>New standards or amendments</u>
January 1, 2023	• IFRS 17: Insurance contracts.
January 1, 2022	• IAS 37: Provisions, contingent liabilities and contingent assets.
January 1, 2022	• IAS 16: Property, plant and equipment.
January 1, 2023	• IAS 1: Presentation of financial statements.

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***IFRS 17: Insurance contracts***

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guaranties and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which is largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is applied retrospectively unless impracticable.

The Group is currently assessing the impacts of the future adoption of this standard.

***Onerous Contracts - Contract Performance Costs (Amendments to IAS 37)***

In order to clarify the types of costs that a company includes as contract performance costs when evaluating whether a contract is onerous, the International Standards Board (Board) issued in May 2020 the amendment to IAS 37 Provisions, contingent liabilities and contingent assets. As a consequence of this modification, the entities that currently apply the “incremental costs” approach will find it necessary to recognize larger provisions and a greater number of onerous contracts.

The amendment clarifies that the costs of fulfilling a contract include:

- Incremental costs, for example: direct labor and materials;
- An allocation of other direct costs, for example: the allocation of a depreciation expense of an item of installation, furniture and equipment used for the performance of a contract.

At the date of initial application, the accumulated effect of the application of this amendment to the Standard is recognized in the initial balances as an adjustment to retained earnings or any other item in equity, as appropriate. The Group is currently assessing the impacts of the future adoption of this standard.

***Property, Plant and Equipment - Proceeds before intended use (Amendments to IAS 16)***

In order to provide guidance in accounting for sales and costs that entities can generate in the process of making an item of Property, Plant and Equipment is available for use, the International Accounting Standards Board (the Board) issued in May 2020 the amendment to IAS 16.

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In accordance with these amendments, the proceeds from the sale of the assets obtained in the process that An item of Property, Plant and Equipment is available for use, it must be recognized in the income statement together with the costs of producing such goods. IAS 2 Inventories should be applied in the identification and measurement of these assets.

The Group will need to differentiate between:

- The costs associated with the production and sale of goods and services before the Installation, Furniture and Equipment item is in use;
- The costs associated with the commissioning of the Installation, Furniture and Equipment item for its intended use.

The Group is currently assessing the impacts of the future adoption of this standard.

**5. Cash and Cash Equivalents**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Checking accounts (a)	142,553	21,475	100,549
Term deposits(b)	200,352	14,109	9,939
Cash funds	549	500	383
	<b><u>343,454</u></b>	<b><u>36,084</u></b>	<b><u>110,871</u></b>

- (a) As of December 31, 2020, checking accounts are held at local and foreign banks in local and foreign currency amounting to S/ 47,861 thousand and an equivalent of S/ 94,692 thousand respectively (S/ 12,646 thousand and an equivalent of S/ 8,829 thousand as of December 31, 2019 and S/ 37,255 thousand and an equivalent of S/ 63,294 thousand as of December 31, 2018).
- (b) As of December 31, 2020, it comprises overnight term deposits in local and foreign currency for S/ 192,478 thousand and COP 7,393,560 thousand (equivalent to S/ 7,874 thousand). These deposits were held in local and foreign financial entities, earned interest at market rates, and matured at the beginning of February 2021 (S/ 11,964 thousand and COP 2,129,343 thousand – equivalent to S/ 2,145 thousand – as of December 31, 2019, with maturity at the beginning of January 2020 and S/ 6,000 thousand and COP 3,791,485 thousand – equivalent to S/ 3,939 thousand – as of December 31, 2018, with maturity at the beginning of January 2019).

The quality of the financial institutions where the Group deposits its cash has been rated as follows:

- In accordance with the information provided by Apoyo y Asociados Internacionales S.A.C., an international rating agency (applicable to Peruvian financial entities):

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Bank deposits and accounts</b>			
A+	235,129	22,150	38,606
A	5,210	2,462	6,000
	<b><u>240,339</u></b>	<b><u>24,612</u></b>	<b><u>44,606</u></b>

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- In accordance with the information provided by an international rating agency (applicable to Colombian financial entities):

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Bank deposits and accounts</b>			
AAA	99,692	10,831	64,665
AA	—	33	13
AA+	35	—	—
AA-	979	108	1,195
A	—	—	9
BBB-	1,860	—	—
	<b><u>102,566</u></b>	<b><u>10,972</u></b>	<b><u>65,882</u></b>

**6. Trade Accounts Receivable**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Trade accounts receivable		409,088	307,322	254,882
Trade accounts receivable from related parties	33	462	607	266
		<b><u>409,550</u></b>	<b><u>307,929</u></b>	<b><u>255,148</u></b>
Less: Loss for impairment of trade receivables		(38,540)	(22,328)	(17,032)
		<b><u>371,010</u></b>	<b><u>285,601</u></b>	<b><u>238,116</u></b>
<b>Current</b>		<b><u>370,643</u></b>	<b><u>285,601</u></b>	<b><u>238,116</u></b>
<b>Non-current</b>		<b><u>367</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

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/ 32,889 thousand (S/ 28,319 thousand as December 31, 2019 and S/ 24,888 thousand as of December 31, 2018). These amounts will become billable within the first quarter of the next annual period.

As of December 31, 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 does 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 income and other comprehensive income. Amounts charged to results of the impairment period are generally written off when there is no expectation of cash recovery.

***Disaggregation of trade accounts receivable***

This caption comprises the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Premium earned	10,120	10,293	9,494
Healthcare services	360,890	275,308	228,622
	<b><u>371,010</u></b>	<b><u>285,601</u></b>	<b><u>238,116</u></b>

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**By primary geographical markets**

**2020**

<i>In thousands of soles</i>	<u>Peru</u>	<u>Colombia</u>	<u>Total</u>
Premium earned	10,120	—	10,120
Healthcare services	133,429	227,461	360,890
	<u>143,549</u>	<u>227,461</u>	<u>371,010</u>

**2019**

<i>In thousands of soles</i>	<u>Peru</u>	<u>Colombia</u>	<u>Total</u>
Premium earned	10,293	—	10,293
Healthcare services	96,541	178,767	275,308
	<u>106,834</u>	<u>178,767</u>	<u>285,601</u>

**2018**

<i>In thousands of soles</i>	<u>Peru</u>	<u>Colombia</u>	<u>Total</u>
Premium earned	9,494	—	9,494
Healthcare services	75,267	153,355	228,622
	<u>84,761</u>	<u>153,355</u>	<u>238,116</u>

**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.

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The composition of accounts receivable by geographic region as of December 31, 2020, 2019 and 2018 is as follows:

**2020**

<i>In thousands of soles</i>	<b>Peru</b>	<b>Colombia</b>	<b>Total</b>
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
	<b><u>173,395</u></b>	<b><u>236,155</u></b>	<b><u>409,550</u></b>

**2019**

<i>In thousands of soles</i>	<b>Peru</b>	<b>Colombia</b>	<b>Total</b>
Current (not past due)	76,971	73,410	150,381
1 - 90 days past due	29,384	46,848	76,232
91 - 180 days past due	2,474	31,030	33,504
181 - 360 days past due	2,118	21,771	23,889
More than 360 days past due	15,047	8,876	23,923
	<b><u>125,994</u></b>	<b><u>181,935</u></b>	<b><u>307,929</u></b>

**2018**

<i>In thousands of soles</i>	<b>Peru</b>	<b>Colombia</b>	<b>Total</b>
Current (not past due)	61,391	71,727	133,118
1 - 90 days past due	22,747	30,623	53,370
91 - 180 days past due	2,296	19,980	22,276
181 - 360 days past due	2,565	20,917	23,482
More than 360 days past due	12,513	10,389	22,902
	<b><u>101,512</u></b>	<b><u>153,636</u></b>	<b><u>255,148</u></b>

The following table provides information about the exposure to credit risk and ECLs for trade receivables from corporate customers as of December 31, 2020, 2019 and 2018:

**2020**

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
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
		<b><u>390,885</u></b>	<b><u>25,155</u></b>

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**2019**

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
Current (not past due)	0.21%	149,885	313
1 - 90 days past due	0.38%	75,519	290
91 - 180 days past due	3.43%	32,593	1,117
181 - 360 days past due	3.93%	22,202	873
More than 360 days past due	73.39%	20,301	14,899
		<b><u>300,500</u></b>	<b><u>17,492</u></b>

**2018**

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
Current (not past due)	0.20%	131,936	259
1 - 90 days past due	0.26%	52,241	138
91 - 180 days past due	2.79%	20,992	585
181 - 360 days past due	2.53%	21,356	541
More than 360 days past due	52.92%	21,599	11,430
		<b><u>248,124</u></b>	<b><u>12,953</u></b>

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of December 31, 2020, 2019 and 2018:

**2020**

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
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
		<b><u>18,665</u></b>	<b><u>13,385</u></b>

**2019**

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
Current (not past due)	4.14%	495	21
1 - 90 days past due	49.28%	713	351
91 - 180 days past due	70.14%	912	639
181 - 360 days past due	70.25%	1,687	1,185
More than 360 days past due	72.87%	3,622	2,640
		<b><u>7,429</u></b>	<b><u>4,836</u></b>

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2018

<i>In thousands of soles</i>	<b>Weighted- average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
Current (not past due)	3.31%	1,182	39
1 - 90 days past due	51.80%	1,129	585
91 - 180 days past due	72.96%	1,285	937
181 - 360 days past due	73.62%	2,126	1,566
More than 360 days past due	73.11%	1,302	952
		<b><u>7,024</u></b>	<b><u>4,079</u></b>

The annual movement of loss for impairment of trade accounts receivables is the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Initial balance	22,328	17,032	14,631
Additions	17,333	10,808	2,826
Recovery	(975)	(4,821)	—
Write-off	(543)	(624)	(425)
Exchange difference	397	(67)	—
<b>Final balance</b>	<b><u>38,540</u></b>	<b><u>22,328</u></b>	<b><u>17,032</u></b>

**7. Other Assets**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Tax credit from sales tax (VAT) (a)		36,639	32,232	22,205
Costs of anticipated equity transactions		5,615	—	—
Advance payment for purchase of shares (b)		1,148	13,548	—
Deferred acquisition costs (DAC) (l)	4.M(iii)	5,359	7,702	6,184
Trust fund (c)		—	6,438	5,751
Prepaid expenses (d)		7,717	4,302	3,653
Payments in advance of income tax (e)		2,820	5,232	10,340
Accounts receivables from credit cards		4,608	4,229	4,800
Claims to third parties (f)		1,879	2,020	2,376
Account receivable from former shareholders (g)		1,659	1,568	1,618
Guarantees furnished (h)		2,250	1,420	1,505
Taxes receivable		1,465	1,313	1,633
Loans to personnel		1,345	972	792
Prepayments		1,221	1,381	774
Accounts receivable from a trust company (i)		—	—	2,167
Account receivables due from fixed assets sold (j)		—	—	4,912
Others (k)		11,743	7,649	4,163
		<b><u>85,468</u></b>	<b><u>90,006</u></b>	<b><u>72,873</u></b>
<b>Current</b>		<b><u>69,517</u></b>	<b><u>81,380</u></b>	<b><u>63,481</u></b>
<b>Non-current</b>		<b><u>15,951</u></b>	<b><u>8,626</u></b>	<b><u>9,392</u></b>

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- (a) As of December 31, 2020, 2019 and 2018, it includes the tax credit (net) of value added tax (VAT).
- (b) As of December 31, 2019, it corresponds to payments in advance for the acquisition of shares in the associate Ciclotron Peru for S/ 792 thousand which represents a 9% addition of the participation and the payment in advance for the acquisition of shares of the minority interest shareholders of the PMLA of S/ 12,756 thousand to acquire 484 shares owned by the non-controlling interest in PMLA, which represent 2.45 % of this group's share capital.

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%. 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. Management expect to collect this amount in 2021.

- (c) The fund is administered by La Fiduciaria S.A. and was established on June 30, 2016 (with the participation of Scotiabank Perú S.A.A.) by virtue of the contractual obligations of the loan granted by Scotiabank Perú S.A.A. (note 15). The purpose of the funds managed by trust is to consolidate the collection rights of insured and cash flows and guarantee debt payment in the event of default.

On December 26, 2018, an addendum to the original loan agreement was signed establishing that the funds that make up the trust fund come from the following accounts held at Scotiabank Perú S.A.A.: (i) escrow account, which holds the collection from insured members and (ii) reserve account, which holds, as a guarantee, the amount equivalent to the interest of one installment to become due.

As of December 31, 2019, the Group instructed La Fiduciaria S.A., in accordance with the terms of the trust agreement, to open a 91-day term deposit at an effective rate of 2.90% (an effective rate of 3.20% as of December 31, 2018). At maturity, such deposit was renewed for 91 more days. On November 2020, the Group precancelled the loans guaranteed and recovered the trust fund in cash (note 15).

- (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 2021 fiscal year.
- (f) It includes a receivable for salaries of employees on leave that is to be refunded by the government for S/ 1,015 thousand for December 31, 2020 (S/ 1,313 thousand and S/ 1,354 thousand for December 31, 2019 and 2018, respectively).
- (g) It corresponds to account receivables from former shareholders for medical liabilities contingencies that were determined in the acquisition of PMLA.
- (h) It corresponds to funds under restriction in financial institutions for the compliance with debts and guarantees for real estate rentals.
- (i) It corresponds to accounts receivable from BTG Pactual Sociedad Fiduciaria S.A. for taxes assumed by PMLA. In January 2019, such amount was fully collected.
- (j) It relates to fixed assets (land) sold in Colombia that was collected during 2019.
- (k) It includes accounts receivable from Consorcio Trecca for S/ 9,224 thousand for December 31, 2020 (S/ 4,708 thousand and S/ 2,047 thousand for December 31, 2019 and 2018, 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.

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(l) The annual movement of deferred acquisition costs is the following:

<i>In thousands of soles</i>	<i>Note</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Balances as of January 1</b>		<b>7,702</b>	<b>6,184</b>	<b>7,917</b>
Additions		9,152	14,105	12,360
Amortization	22.b.i	(11,495)	(12,507)	(14,130)
Other		—	(80)	37
<b>Balances as of December 31</b>		<b><u>5,359</u></b>	<b><u>7,702</u></b>	<b><u>6,184</u></b>

## 8. Inventories

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Medicines	25,236	23,315	21,825
Medical supplies	21,949	9,805	7,298
Supplies and packaging	5,383	3,937	2,707
	<b><u>52,568</u></b>	<b><u>37,057</u></b>	<b><u>31,830</u></b>

In 2020, 2019 and 2018, inventories of S/ 383 millions, S/ 354 millions and S/ 197 millions, respectively, were recognised as an expense during these years and included in cost of sales and services.

As of December 31, 2020 the increase compared to December 31, 2019 and 2018 is due mainly to the purchase of medical materials and personal protective equipment as management's plan to has enough inventory and avoid the risk of shortage during the healthcare emergency stage

As of December 31, 2020, 2019 and 2018, the Group recognized an impairment of inventories for S/ 419 thousand, S/ 377 thousand and S/ 318 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 operation derivatives 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 above derivatives, for the novation to Goldman Sachs Bank. These new instruments cover the exchange fluctuations ranging from S/ 3.424 to S/ 3.85 per US\$ 1, as shown below:

As of December 31, 2020, this caption comprises the following:

<i>In thousands of soles</i>	<u>Reference value</u>	<u>Maturity date</u>	<u>2020</u>	<u>2019</u>
<b>Derivative assets mandatorily measured at FVOCI</b>				
Fx operation Agreements – Long forward	US\$ 300,000	2023	11,707	—
			<b><u>11,707</u></b>	<b><u>—</u></b>
<b>Current</b>			<b><u>—</u></b>	<b><u>—</u></b>
<b>Non-current</b>			<b><u>11,707</u></b>	<b><u>—</u></b>

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<i>In thousands of soles</i>	<u>Reference value</u>	<u>Maturity date</u>	<u>2020</u>	<u>2019</u>
<b>Derivative liabilities mandatorily measured at FVOCI</b>				
Fx operation Agreements – Purchased Collar (Long Put)	US\$ 300,000	2023	(12,603)	—
Fx operation Agreements – Purchased Collar (Short Call)	US\$ 300,000	2023	46,197	—
			<u>33,594</u>	<u>—</u>
<b>Current</b>			<u>—</u>	<u>—</u>
<b>Non-current</b>			<u>33,594</u>	<u>—</u>

*Fx: Foreign exchange*

These derivatives instruments are classified as non-current under the same structure as the hedged item (senior notes) due the entire principal value will be paid when the maturity date will be met.

As of December 31, 2020, there are outstanding premiums and other accounts payable to Goldman Sachs of S/ 14,185 thousand and S/ 21,660 thousand, which were included in Other Accounts Payable (note 17.e). 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, 2020, was loss for S/ 25,391 thousand. Also, 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 both not include 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 (note 1.C). These instruments cover the exchange fluctuations ranging from S/ 3.383 to S/ 3.733 per US\$ 1, as shown below:

<i>In thousands of soles</i>	<u>Reference value</u>	<u>Maturity date</u>	<u>2018</u>
<b>Negotiation</b>			
Call Spread Agreements – Tranch 1	US\$ 54,000	2023	6,554
Call Spread Agreements – Tranch 2	US\$ 54,000	2023	6,554
			<u>13,108</u>
<b>Current</b>			<u>510</u>
<b>Non-current</b>			<u>12,598</u>

For the year ended December 31, 2018, the effect of fair value of the derivative financial instrument of the call spread agreements, recognized in 'finance costs' in the consolidated statement of income and other comprehensive income for year 2018, was S/ 8,026 thousand (note 25).

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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 (note 1.C).

As a result of change, the Group recorded a derivative financial asset measured at FVOCI and call spread premiums payable by S/ 13,830 thousand and S/ 21,537 thousand, respectively, and derecognized the old asset derivative financial measured at FVTPL and call spread premiums payable by S/ 13,108 thousand and S/ 21,134 thousand, respectively. The net effect recognized in 'finance costs' (note 25) in the consolidated statement of income and other comprehensive income for the year 2019 was S/ 319 thousand.

<i>In thousands of soles</i>	<u>Reference value</u>	<u>Maturity date</u>	<u>2019</u>
<b>Derivative assets mandatorily measured at FVOCI</b>			
Call Spread Agreements – Tranch 1	US\$55,000	2023	4,385
Call Spread Agreements – Tranch 2	US\$55,000	2023	4,384
			<b>8,769</b>
<b>Current</b>			<b>448</b>
<b>Non-current</b>			<b>8,321</b>

The effect of fair value of the derivative financial instrument of the call spread agreements, net of tax recognized in the consolidated other comprehensive income for the year ended December 31, 2019, was loss for S/ 3,750 thousand.

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). 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.e).

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**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.

<i>In thousands of soles</i>	<u>Reference value</u>	<u>Maturity date</u>	<u>Fair value</u>	
			<u>2020</u>	<u>2019</u>
<b>Cash flow hedges</b>				
Interest rate swap agreement	US\$ 55,000	2023	—	8,482
Interest rate swap agreement	US\$ 35,000	2023	—	3,740
Interest rate swap agreement	US\$ 15,000	2023	—	3,256
			<u>—</u>	<u>15,478</u>
<b>Current</b>			<u>—</u>	<u>3,952</u>
<b>Non-current</b>			<u>—</u>	<u>11,526</u>

The effect of fair value of the derivative financial instrument, net of tax, recognized in ‘other comprehensive income’ for the year 2019, was S/ 9,983 thousand (S/ 711 thousand for the year 2018) (note 20.E).

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.e).

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**10. Investments in Associates and Joint Venture**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>Percentage ownership interest</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Associates</b>				
Ciclotrón Colombia S.A.S. (a)	32.50	6,604	5,507	4,571
Ciclotrón Perú S.A.	49.00	2,854	1,882	1,426
Hospital en Casa S.A.	—	—	—	1,247
<b>Joint Venture</b>				
Pet CT Perú S.A. (b)	50.00	2,639	2,518	1,970
		<b><u>12,097</u></b>	<b><u>9,907</u></b>	<b><u>9,214</u></b>

- (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.

The Group has recognized the following amounts in the consolidated statement of income and other comprehensive income:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Associate</b>			
Ciclotrón Colombia S.A.S.	1,020	1,434	—
Ciclotrón Perú S.A.	180	456	315
<b>Joint Venture</b>			
Pet CT Perú S.A.	120	548	645
	<b><u>1,320</u></b>	<b><u>2,438</u></b>	<b><u>960</u></b>

The interest of the Group in the profit or loss, assets, and liabilities of its associate and joint venture is the following:

<i>In thousands of soles</i>	<b>Assets</b>	<b>Liabilities</b>	<b>Income</b>	<b>Expenses</b>	<b>Interest (%)</b>
<b>As of December 31, 2020</b>					
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
<b>As of December 31, 2019</b>					
Ciclotrón Perú S.A.	7,216	2,510	5,156	4,014	40.0
Pet CT Perú S.A.	9,534	4,498	15,279	14,183	50.0
Ciclotrón Colombia S.A.S.	19,691	7,918	16,444	12,032	32.5
<b>As of December 31, 2018</b>					
Ciclotrón Perú S.A.	4,412	848	4,336	3,544	40.0
Pet CT Perú S.A.	6,705	2,764	12,773	11,483	50.0
Ciclotrón Colombia S.A.S.	18,366	9,536	10,831	7,161	32.5

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The annual movement of investments in the associate and joint venture during the year comprises:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
As of January, 1		9,907	9,214	2,436
Group's share in profit or loss		1,320	2,438	960
Balance after the acquisition of subsidiary	<i>I.C</i>	—	—	5,818
Purchase of participation (i)		792	—	—
Collection of dividends		(303)	(330)	—
Sale of investments in associates (ii)		—	(1,247)	—
Exchange difference		381	(168)	—
<b>As of December, 31</b>		<b><u>12,097</u></b>	<b><u>9,907</u></b>	<b><u>9,214</u></b>

- (i) On January 2, 2020, the Group completed the acquisition of the shares of Ciclotron Perú S.A. which represent 9% of their share capital, increased its percentage ownership interest to 49%. The Company paid in December 2019 for the acquisition of these shares S/ 792 thousand.

This acquisition has not represented change in the accounting treatment due to the fact that the Company still does not have control over Ciclotron Perú S.A., because it is not exposed and it does not have the ability to affect its power or control over the investee.

- (ii) In December 2019, the Group sold the total participation held in Hospital en Casa S.A. for S/ 328 thousand and recognized in 'other expenses' a loss on sale for S/ 919 thousand in the consolidated statement of income and other comprehensive income (note 24).

## 11. Property, Furniture and Equipment

The movement of property, furniture and equipment and the respective accumulated depreciation for the years ended December 31, 2020, 2019 and 2018 is as follows:

<i>In thousands of soles</i>	<i>Note</i>	<b>Land</b>	<b>Buildings and facilities (a)</b>	<b>Medical equipment And others (a)</b>	<b>Vehicles</b>	<b>Furniture and fixture</b>	<b>Works in progress (b)</b>	<b>Total</b>
<b>Cost</b>								
Balances as of January 1, 2018		81,365	319,747	151,354	1,161	9,461	—	563,088
Additions		20,071	12,319	10,431	—	387	3,327	46,535
Business combination balances	<i>I.C</i>	98,730	165,021	37,051	40	2,449	22,745	326,036
Transfers		—	—	(16)	—	16	—	—
Reclassifications		—	—	(5)	—	—	—	(5)
Disposals		—	(127)	(2,920)	—	(204)	—	(3,251)
<b>Balances as of December 31, 2018</b>		<b><u>200,166</u></b>	<b><u>496,960</u></b>	<b><u>195,895</u></b>	<b><u>1,201</u></b>	<b><u>12,109</u></b>	<b><u>26,072</u></b>	<b><u>932,403</u></b>
Balances as of January 1, 2019		200,166	496,960	195,895	1,201	12,109	26,072	932,403
Reclassification of assets acquired on finance to right-of-use assets	<i>3.C</i>	(47,922)	(72,873)	(83,871)	—	(616)	—	(205,282)
Balances as of January 1, 2019		152,244	424,087	112,024	1,201	11,493	26,072	727,121
Additions		22,103	7,569	13,810	—	2,083	59,584	105,149
Transfers		—	3,051	—	—	—	(3,051)	—
Reclassifications from right-of-use asset (c)		32,099	9,766	75	—	3	—	41,943
Reclassifications to investment properties		(859)	—	—	—	—	—	(859)

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Write-off		(10)	(708)	(1,466)	—	(26)	—	(2,210)
Disposals		—	—	—	(159)	—	—	(159)
Exchange difference		(2,527)	(3,212)	(686)	(1)	(79)	(958)	(7,463)
<b>Balances as of December 31, 2019</b>		<b>203,050</b>	<b>440,553</b>	<b>123,757</b>	<b>1,041</b>	<b>13,474</b>	<b>81,647</b>	<b>863,522</b>
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	<i>I.C</i>	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
<b>Balances as of December 31, 2020</b>		<b>237,901</b>	<b>668,711</b>	<b>226,240</b>	<b>1,028</b>	<b>16,796</b>	<b>131,022</b>	<b>1,281,698</b>

<i>In thousands of soles</i>	<i>Note</i>	<b>Land</b>	<b>Buildings and facilities</b>	<b>Medical equipment and others</b>	<b>Vehicles</b>	<b>Furniture and fixture</b>	<b>Works in progress</b>	<b>Total</b>
<b>Accumulated depreciation</b>								
Balances as of January 1, 2018		—	(50,034)	(56,866)	(1,066)	(3,925)	—	(111,891)
Additions (d)		—	(11,824)	(16,118)	(17)	(991)	—	(28,950)
Transfers		—	—	3	—	(3)	—	—
Reclassifications		—	—	3	—	—	—	3
Disposals		—	57	2,835	—	188	—	3,080
<b>Balances as of December 31, 2018</b>		<b>—</b>	<b>(61,801)</b>	<b>(70,143)</b>	<b>(1,083)</b>	<b>(4,731)</b>	<b>—</b>	<b>(137,758)</b>
Reclassification of assets acquired on finance leases to right-of-use assets	<i>3.C</i>	—	2,266	19,796	—	118	—	22,180
Balances as of January 1, 2019		—	(59,535)	(50,347)	(1,083)	(4,613)	—	(115,578)
Additions (d)		—	(14,365)	(14,909)	(21)	(1,217)	—	(30,512)
Reclassifications from right-of-use asset (c)		—	(2,215)	—	—	—	—	(2,215)
Write-off		—	—	355	—	6	—	361
Disposals		—	—	—	159	—	—	159
Exchange difference		—	19	40	1	3	—	63
<b>Balances as of December 31, 2019</b>		<b>—</b>	<b>(76,096)</b>	<b>(64,861)</b>	<b>(944)</b>	<b>(5,821)</b>	<b>—</b>	<b>(147,722)</b>
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)
<b>Balances as of December 31, 2020</b>		<b>—</b>	<b>(93,194)</b>	<b>(118,025)</b>	<b>(938)</b>	<b>(7,319)</b>	<b>—</b>	<b>(219,476)</b>
<b>Net carrying amount</b>								
<b>Balances as of December 31, 2018</b>		<b>200,166</b>	<b>435,159</b>	<b>125,752</b>	<b>118</b>	<b>7,378</b>	<b>26,072</b>	<b>794,645</b>
<b>Balances as of December 31, 2019</b>		<b>203,050</b>	<b>364,457</b>	<b>58,896</b>	<b>97</b>	<b>7,653</b>	<b>81,647</b>	<b>715,800</b>
<b>Balances as of December 31, 2020</b>		<b>237,901</b>	<b>575,517</b>	<b>108,213</b>	<b>90</b>	<b>9,479</b>	<b>131,022</b>	<b>1,062,222</b>

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- (a) In 2020, the Group acquired medical equipment for S/ 11,215 thousand (S/ 13,810 thousand and S/ 10,431 thousand in 2019 and 2018, respectively) to expand the clinical services and improve and remodel the infrastructure of facilities for S/ 6,523 thousand (S/ 3,063 thousand and S/ 4,463 thousand in 2019 and 2018, respectively).
- In 2020, the Group acquired two mall stand located in Chiclayo for S/ 52 thousand (six properties located in Lima, Arequipa and Chiclayo for S/ 26,609 thousand in 2019 and two properties for S/ 27,927 thousand in 2018, respectively) as part of the expansion strategy of the Group.
- (b) As of December 31, 2020, 2019 and 2018, the constructions in progress in Peru correspond to real estate projects related to the expansion of Clínica Delgado and Clínica Oncosalud (Oncocenter), Clínica Vallesur as the construction of a new clinic in the city of Chiclayo (include capitalised borrowing costs for S/ 1,235 thousand, calculated using a capitalisation rate of 6.77%) and improvements in facilities for new administrative offices, in addition to the construction of real estate projects to build a new clinic through the subsidiary Clínica del Sur in Colombia. The Management estimates that the construction of these clinic will be completed in 2021.
- (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 income and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cost of sales and services	22	24,944	25,130	24,766
Administrative expenses	22	6,042	5,382	4,184
		<b>30,986</b>	<b>30,512</b>	<b>28,950</b>

As of December 31, 2019 and 2018, the subsidiary PMLA has a property called Torre 3, where Clínica Las Américas operates in, amounting to COP 78,112,859 thousand (equivalent to S/ 81,159 thousand) used as guarantee for 63.29% of its value and subject to two trust agreements signed with Fiduciaria de Occidente to guarantee the payment of bank loans from Bancolombia, Bancoomeva, Banco Popular, Banco de Bogotá and Banco Occidente (note 32). In December 2020, the subsidiary PMLA pre-canceled the loans, releasing the guarantees of these properties as of December 31, 2020.

## 12. Intangibles Assets

The movement of intangibles and the corresponding accumulated amortization for the years ended December 31, 2020, 2019 and 2018, is as follows:

<i>In thousands of soles</i>	<i>Note</i>	<b>Goodwill</b>	<b>Trademark</b>	<b>Customer relationships</b>	<b>Software</b>	<b>Public service concessions</b>	<b>Surface rights agreement</b>	<b>Total</b>
<b>Cost</b>								
Balances as of January 1, 2018		20,586	—	—	29,266	4,065	3,794	57,711
Additions		—	—	—	5,193	2,143	—	7,336
Business combination balances	1C	172,801	186,189	13,923	6,442	—	—	379,355
Write-off		—	—	—	(5)	—	—	(5)
Reclassifications		—	—	—	5	—	—	5
<b>Balances as of December 31, 2018</b>		<b>193,387</b>	<b>186,189</b>	<b>13,923</b>	<b>40,901</b>	<b>6,208</b>	<b>3,794</b>	<b>444,402</b>
Reclassification to right-of-use assets		—	—	—	—	—	(3,794)	(3,794)
Balances as of January 1, 2019		193,387	186,189	13,923	40,901	6,208	—	440,608
Additions		—	—	—	15,481	5,723	—	21,204
Write-off		—	—	—	(21)	—	—	(21)
Exchange difference		(5,321)	(5,735)	(429)	(252)	—	—	(11,737)
<b>Balances as of December 31, 2019</b>		<b>188,066</b>	<b>180,454</b>	<b>13,494</b>	<b>56,109</b>	<b>11,931</b>	<b>—</b>	<b>450,054</b>

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<i>In thousands of soles</i>	<i>Note</i>	<b>Goodwill</b>	<b>Trademark</b>	<b>Customer relationships</b>	<b>Software</b>	<b>Public service concessions</b>	<b>Surface rights agreement</b>	<b>Total</b>
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	<i>IC</i>	—	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
<b>Balances as of December 31, 2020</b>		<b>197,712</b>	<b>195,101</b>	<b>14,271</b>	<b>92,902</b>	<b>17,162</b>	<b>—</b>	<b>517,148</b>
<b>Accumulated amortization</b>								
Balances as of January 1, 2018		—	—	—	(9,160)	—	(577)	(9,737)
Annual amortization		—	—	—	(2,995)	—	(91)	(3,086)
Disposals		—	—	—	2	—	—	2
Reclassifications		—	—	—	(3)	—	—	(3)
<b>Balances as of December 31, 2018</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>(12,156)</b>	<b>—</b>	<b>(668)</b>	<b>(12,824)</b>
Reclassification to right-of-use assets		—	—	—	—	—	668	668
Balances as of January 1, 2019		—	—	—	(12,156)	—	—	(12,156)
Annual amortization		—	—	(1,311)	(4,988)	—	—	(6,299)
Exchange difference		—	—	(3)	(2)	—	—	(5)
<b>Balances as of December 31, 2019</b>		<b>—</b>	<b>—</b>	<b>(1,314)</b>	<b>(17,146)</b>	<b>—</b>	<b>—</b>	<b>(18,460)</b>
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)
<b>Balances as of December 31, 2020</b>		<b>—</b>	<b>—</b>	<b>(2,817)</b>	<b>(23,439)</b>	<b>—</b>	<b>—</b>	<b>(26,256)</b>
<b>Carrying amount</b>								
<b>Balances as of December 31, 2018</b>		<b>193,387</b>	<b>186,189</b>	<b>13,923</b>	<b>28,745</b>	<b>6,208</b>	<b>3,126</b>	<b>431,578</b>
<b>Balances as of December 31, 2019</b>		<b>188,066</b>	<b>180,454</b>	<b>12,180</b>	<b>38,963</b>	<b>11,931</b>	<b>—</b>	<b>431,594</b>
<b>Balances as of December 31, 2020</b>		<b>197,712</b>	<b>195,101</b>	<b>11,454</b>	<b>69,463</b>	<b>17,162</b>	<b>—</b>	<b>490,892</b>

**Amortization**

The amortization recognized in the consolidated statement of income and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cost of sales and services	22	1,625	1,333	905
Administrative expenses	22	5,653	4,966	2,181
		<b>7,278</b>	<b>6,299</b>	<b>3,086</b>

**Software and other intangibles**

As of December 31, 2020, 2019 and 2018, it includes 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 2020 it includes S/ 6,133 thousand related to the retail digital pharmacy with last-mile delivery, *Farmauna*, and the telehealth platform, *Clinica 360*, which provides for clinical intervention with patients through remote access to physicians and other clinicians and telemedicine solutions.

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**Surface rights agreement**

Corresponds to surface rights agreement signed between Medicser and the Peruvian Red Cross Society, owner of the land, and acquired in 2011. The amortization period is 40 years, according to the term of the lease agreement. As of January 1, 2019, as a result of the application of IFRS 16, the amount was reclassified to right-of-use asset.

**Impairment testing**

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Radioncología S.A.C. (Radioncología)	10,237	10,237	10,237
Laboratorio Cantella S.A.C.(Cantella)	4,585	4,585	4,585
R&R Patólogos Asociados S.A.C.(R&R)	23	23	23
Servimédicos S.A.C. (Servimédicos)	3,522	3,522	3,522
Clínica Bellavista S.A.C. (Bellavista)	2,219	2,219	2,219
Promotora Médica Las Américas S.A.	61,122	57,793	59,630
Instituto de Cancerología S.A.	60,404	57,115	58,930
Laboratorio Médico Las Américas Ltda.	55,600	52,572	54,241
<b>Total goodwill</b>	<b>197,712</b>	<b>188,066</b>	<b>193,387</b>

The key assumptions used in the estimation of value in use were as follows:

For companies located in Peru:

<i>In percent</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Terminal value growth rate	2.5%	2.50%	2.50%
Discount rate	8.2%	8.0%	8.53%

For companies located in Colombia:

<i>In percent</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Terminal value growth rate	3.0%	3.0%	—
Discount rate	8.7%	8.06%	—

- 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.

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The ranges of projected EBITDA as a percentage of revenue by CGUs over the projected period are as follows:

	<b>EBITDA as a percentage of revenue</b>
Radioncología S.A.C. (Radioncología)	26.9% - 37.4%
Laboratorio Cantella S.A.C. (Cantella)	10.0% - 15.6%
R&R Patólogos Asociados S.A.C. (R&R)	10.3% - 15.9%
Servimédicos S.A.C. (Servimédicos)	9.0% - 15.7%
Clínica Bellavista S.A.C. (Bellavista)	7.6% - 13.6%

- 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 8.2% (post-tax) for the companies located in Peru, according to each Group's CGU assessed as of December 31, 2020 (8.0% post-tax as of 2019). For our companies located in Colombia (Promotora Médica Las Américas, Instituto de Cancerología and Laboratorio Médico Las Américas), the nominal after-tax discount rate was 8.7% (8.06% as of 2019).
- Projected cash flows include estimates of the revenue increase of each of the healthcare services at each CGU's (Radioncología, Bellavista, Servimédicos, Cantella, Promotora Médica Las Américas, Instituto de Cancerología and Laboratorio Médico Las Américas), rates and gross margins.
- The trademark has been allocated to the Group's CGUs as follows:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>
Promotora Médica Las Américas S.A.	116,709	110,353
Instituto de Cancerología S.A.	66,519	62,897
Laboratorio Médico Las Américas Ltda.	7,619	7,204
Clínica Portoazul S.A.	4,254	—
<b>Total trademarks</b>	<b>195,101</b>	<b>180,454</b>

- The customer relationship has been allocated to the Group's CGUs net of amortization as follows:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>
Promotora Médica Las Américas S.A.	11,454	12,180
<b>Total customer relationship</b>	<b>11,454</b>	<b>12,180</b>

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.

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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		
	2020	2019	2018	2020	2019	2018
Radioncología S.A.C.	7.34	2.79	2.84	(14.84)	(4.32)	(4.03)
Laboratorio Cantella S.A.C.	34.07	29.02	19.95	Indet.	Indet.	(68.53)
R&R Patólogos Asociados S.A.C.	Indet.	Indet.	47.29	Indet.	Indet.	Indet.
Servimédicos S.A.C.	1.48	0.85	3.29	(2.07)	(1.15)	(4.52)
Clínica Bellavista S.A.C.	32.34	0.41	4.76	Indet.	(0.52)	(6.94)
Promotora Médica Las Américas S.A.	0.58	0.03	—	(0.90)	(0.04)	—
Instituto de Cancerología S.A.	4.95	0.03	—	(10.84)	(0.04)	—
Laboratorio Médico Las Américas Ltda.	12.39	0.03	—	(192.94)	(0.04)	—

As of December 31, 2020, 2019 and 2018, 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, 2020 and 2019:

<i>In thousands of soles</i>	Right-of-use assets					
	Lands	Buildings and facilities	Medical equipment and other	Vehicles	Furniture and fixture	Total
Reclassification from property, furniture and equipment on initial application of IFRS 16	47,922	70,607	64,075	—	498	183,102
Reclassification from intangible assets on initial application of IFRS 16	3,126	—	—	—	—	3,126
Recognition of right-of-use assets on initial application of IFRS 16	15,751	17,724	—	—	—	33,475
	<b>66,799</b>	<b>88,331</b>	<b>64,075</b>	<b>—</b>	<b>498</b>	<b>219,703</b>
Additions of right-of-use assets	—	65,738	17,864	281	—	83,883
Transfers to property, furniture and equipment	(32,099)	(7,551)	(75)	—	(3)	(39,728)
Annual depreciation	(546)	(7,806)	(11,539)	(21)	(25)	(19,937)
Write-off	—	—	(97)	—	—	(97)
Exchange difference	(487)	(1,965)	(451)	(2)	(10)	(2,915)
<b>Balance at December 31, 2019</b>	<b>33,667</b>	<b>136,747</b>	<b>69,777</b>	<b>258</b>	<b>460</b>	<b>240,909</b>
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
<b>Balance at December 31, 2020</b>	<b>18,240</b>	<b>59,424</b>	<b>62,482</b>	<b>967</b>	<b>161</b>	<b>141,274</b>

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- (a) In 2020, the additions of the Group mainly corresponds to new lease agreements for use of commercial offices, health centers and equipment for medical use. The Group recognised S/ 42,853 thousand (S/ 83,883 thousand in 2019) of right-of-use asset and lease liability.
- (b) On August 2020, the Group decided to terminate the lease agreement of one administrative office in Lima
- (c) The depreciation recognized in the consolidated statement of income and other comprehensive income comprises:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
Cost of sales and services	22	21,124	15,663
Selling expenses	22	29	74
Administrative expenses	22	5,282	4,200
		<b><u>26,435</u></b>	<b><u>19,937</u></b>

**i. Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the corresponding movements during the fiscal year ended December 31, 2020 and 2019:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>
Reclassification from finance leases (2018: included in loans and borrowings)	—	92,828
Recognition of lease liabilities on initial application of IFRS 16	—	33,475
<b>Balance at January 1</b>	<b>179,084</b>	<b>126,303</b>
Additions	44,956	83,883
Interest expense	12,107	11,706
Leases prepayment penalty	140	—
Payments	(90,089)	(39,328)
Penalty paid for leases prepayment	(140)	—
Lease contracts cancelled	(6,486)	—
Exchange difference	6,596	(3,480)
<b>Balance at December 31</b>	<b>146,168</b>	<b>179,084</b>
Current	18,649	27,799
Non-current	127,519	151,285

**14. Deferred Income Tax**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>Balances as of January 1</b>	<b>Recorded in the profit or loss for the year</b>	<b>Exchange difference</b>	<b>Business combination</b>	<b>Recorded in other comprehensive income</b>	<b>Balances as of December 31</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
<b>2020</b>								
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

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<i>In thousands of soles</i>	<b>Balances as of January 1</b>	<b>Recorded in the profit or loss for the year</b>	<b>Exchange difference</b>	<b>Business combination</b>	<b>Recorded in other comprehensive income</b>	<b>Balances as of December 31</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
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
<b>Net tax</b>	<b>(49,389)</b>	<b>64,030</b>	<b>(692)</b>	<b>5,688</b>	<b>7,987</b>	<b>27,624</b>	<b>78,778</b>	<b>(51,154)</b>

<i>In thousands of soles</i>	<b>Balances as of January 1</b>	<b>Adjustment on initial application of IFRS 16</b>	<b>Recorded in the profit or loss for the year</b>	<b>Exchange difference</b>	<b>Recorded in other comprehensive income</b>	<b>Balances as of December 31</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
<b>2019</b>								
Tax loss	52,858	—	1,427	(440)	—	53,845	36,113	17,732
Loss for impairment of trade receivables	6,834	—	217	(94)	—	6,957	2,584	4,373
Provision for unpaid vacations and annual performance bonuses	2,501	—	(154)	22	—	2,369	1,771	598
Trade accounts payable	1,772	(1,282)	(271)	79	—	298	298	—
Derivative financial instruments	2,670	—	(2,367)	(84)	6,044	6,263	1,311	4,952
Provisions	91	—	(31)	—	—	60	170	(110)
Intangibles	(60,993)	—	594	1,906	—	(58,493)	—	(58,493)
Investments in associates and others	(2,210)	—	(853)	29	—	(3,034)	—	(3,034)
Loans and borrowings	(1,072)	—	423	7	—	(642)	(478)	(164)
Property, furniture, and equipment	(56,402)	—	(2,598)	1,334	—	(57,666)	(9,190)	(48,476)
Others	(475)	—	1,046	83	—	654	157	497
<b>Net tax</b>	<b>(54,426)</b>	<b>(1,282)</b>	<b>(2,567)</b>	<b>2,842</b>	<b>6,044</b>	<b>(49,389)</b>	<b>32,736</b>	<b>(82,125)</b>

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<i>In thousands of soles</i>	Balances as of January 1	Recorded in the profit or loss for the year	Recorded in other comprehensive income	Acquired in business combinations	Balances as of December 31	Deferred tax assets	Deferred tax liabilities
<b>2018</b>							
Tax loss	37,523	1,279	—	14,056	52,858	39,056	13,802
Trade accounts receivable	1,083	689	—	—	1,772	1,482	290
Provision for unpaid vacations and annual performance bonuses	2,382	119	—	—	2,501	1,996	505
Loss for impairment of trade receivables	4,444	(1,184)	—	3,574	6,834	3,025	3,809
Derivative financial instruments	—	2,367	303	—	2,670	2,367	303
Provisions	212	(121)	—	—	91	403	(312)
Intangibles	—	—	—	(60,993)	(60,993)	—	(60,993)
Investments in associates and others	—	—	—	(2,210)	(2,210)	—	(2,210)
Loans and borrowings	—	(1,050)	—	(22)	(1,072)	(1,050)	(22)
Property, furniture, and equipment	(12,035)	(344)	—	(44,023)	(56,402)	(9,920)	(46,482)
Others	(475)	280	—	(280)	(475)	(1,961)	1,486
<b>Net tax</b>	<b>33,134</b>	<b>2,035</b>	<b>303</b>	<b>(89,898)</b>	<b>(54,426)</b>	<b>35,398</b>	<b>(89,824)</b>

**15. Loans and Borrowings**

As of December 31, 2020, 2019 and 2018, the terms and conditions of outstanding obligations are the following:

<i>In thousands of soles</i>	Type of obligation	Maturity	Interest rate	Currency	Outstanding balances					
					2020		2019		2018	
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Entity										
		2019	DTF + 2.5%		—	—	—	—	228	226
			IBR + 4.40%		—	—	—	—	256	242
			DTF + 1.8%		—	—	627	607	650	630
		2020	DTF + 2.25%		—	—	1,036	1,008	1,075	1,040
			IBR + 4.30%		—	—	64	64	349	328
			DTF + 2.90%		—	—	1,025	959	1,726	1,556
	Bank loan		DTF + 3.00%		—	—	1,244	1,160	2,025	1,821
			7.69%		—	—	596	559	964	958
			DTF + 2.96%	COP	—	—	160	151	285	260
Banco Davivienda		2021	IBR + 3.30%		—	—	370	336	—	—
			IBR + 4.67%		—	—	1,330	1,219	2,161	1,887
			IBR + 4.65%		—	—	886	812	1,432	1,250
			IBR + 2.90%		3,879	3,834	—	—	—	—
			27.27%		1	1	—	—	—	—
	Government guaranted loan	2025	IBR + 1.50%		14,966	12,861	—	—	—	—
			IBR + 1.50%		4,780	4,147	—	—	—	—
	Bank loan	2025	IBR + 3.50%		11,694	10,327	—	—	—	—

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<i>In thousands of soles</i>	Type of obligation	Maturity	Interest rate	Currency	Outstanding balances					
					2020		2019		2018	
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Banco de Bogotá	Bank loan	2019	IBR + 5.90%	COP	—	—	10,346	6,936	12,258	7,915
			DTF + 3%		—	—	—	—	48	48
			DTF + 2.23%		—	—	—	—	65	64
			12.24%	—	—	—	—	623	621	
			IBR+2.68%	—	—	1,042	1,015	—	—	
			IBR+2.8%	—	—	1,045	1,011	—	—	
Banco de Occidente	Bank loan	2021	DTF + 2.22%	COP	—	—	64	64	—	—
			26.16%		24	24	—	—		
			IBR + 4.00%		2,366	2,340	—	—		
			IBR + 3.00%	—	—	—	—	6	64	
			IBR + 4.00%	—	—	—	—	997	939	
			IBR + 2.50%	—	—	—	—	1,057	1,040	
Banco Interamericano de Finanzas	Bank loan	2021	IBR + 4.50%	COP	—	—	—	—	233	228
			IBR + 2.25%		—	—	64	63	—	—
			DTF+2.29%		—	—	1,528	1,512	—	—
			26.61%	2	2	24	24	—	—	
			IBR + 4.00%	—	—	1,142	1,092	—	—	
			IBR + 5.90%	—	—	5,363	3,626	6,335	4,119	
Banco Popular	Bank loan	2018	3.75%	S/	—	—	—	—	—	
Banco Popular	Bank loan	2023	IBR + 5.90%	COP	—	—	1,507	1,286	2,055	1,681
		2029	IBR + 5.00%		—	—	7,359	4,967	8,727	5,651
Bancolombia	Bank loan	2019	DTF + 2.95%	COP	—	—	—	—	535	520
			DTF + 4.97%		—	—	—	—	709	708
			DTF + 2.80%		—	—	—	—	2,530	2,500
			DTF + 2.42%	—	—	—	—	241	239	
			IBR + 3.92%	—	—	202	201	—	—	
			DTF + 2.85%	—	—	252	250	—	—	
			26.08%	1	1	2	2	—	—	
			26.08%	1	1	7	7	—	—	
Bancoomeva	Bank loan	2021	DTF + 4.97%	COP	—	—	475	442	718	716
			IBR + 4.60%		—	—	1,890	1,631	2,635	2,168
			IBR + 4.60%		—	—	619	535	866	712
			IBR + 5.00%	—	—	17,253	11,944	20,248	13,515	
			DTF + 6.00%	—	—	—	—	1,076	1,043	
			DTF + 5.00%	—	—	207	172	—	—	
Itaú Corpbanca Colombia SA	Bank loan	2024	IBR + 5.25%	COP	—	—	15,534	10,700	18,386	12,183
		2029	IBR + 5.25%		—	—	2,392	1,647	2,829	1,875
Itaú Corpbanca Colombia SA	Bank loan	2021	27,41% E.A.	COP	18	18	—	—	—	—
		2035	IBR + 2.98%		81,237	56,676	—	—	—	—

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					2020		2019		2018		
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount	
Banco BBVA	Bank loan	2018	3.55%	S/	—	—	—	—	—	—	
		2019	3.73%		—	—	—	—	9,331	9,005	
		2020	DTF + 4.00%		—	—	283	278	—	—	—
			DTF + 4.29%		—	—	95	94	—	—	—
			2.85%	COP	—	—	15,145	15,008	—	—	—
2021	2.85%		—	—	15,145	15,008	—	—	—		
		DTF + 3.20%		—	—	569	545	1,166	1,014		
Banco de Crédito del Perú	Bank loan	2020	2.94%	S/	—	—	2,005	2,001	—	—	
			2.94%		—	—	3,015	3,002	—	—	
			2.94%		—	—	3,007	3,002	—	—	
BD Capital Sociedad Administradora de Fondos de Inversión S.A.C.	Bank loan	2023	8.00%	S/	—	—	37,265	30,150	43,156	33,536	
Scotiabank Perú S.A.A.	Bank loan (b)	2019	3.89%		—	—	—	—	4,780	4,601	
		2020	2.90%		—	—	7,135	7,025	—	—	
			2.90%		—	—	8,156	8,029	—	—	
			2.80%		—	—	8,150	8,005	—	—	
			2.75%	S/	—	—	20,367	20,023	—	—	
	2023	2.80%		—	—	7,099	7,004	—	—		
		2.80%		—	—	6,028	6,015	—	—		
Other financing	2027	8.00%		—	—	168,282	133,939	195,165	148,578		
		2027	6.30%		45,552	36,330	—	—	—		
Banco Nacional de México S.A.	Syndicated loan (a)	2020	LIBOR 3M + 1.30%	US\$	—	—	—	—	—	—	
		2023	LIBOR 3M + 1.40%		—	—	227,076	206,168	210,959	183,518	
Banco Santander S.A.	Syndicated loan (a)	2023	LIBOR 3M + 2.90%	US\$	—	—	133,910	116,424	222,133	183,562	
Secured bonds issues	Senior notes	2025	6.50%	US\$	1,147,844	1,082,107	—	—	—	—	
Banco Financiero	Finance lease	2022	8.50%	S/	—	—	—	—	4,084	3,529	
		2019	8.25%		—	—	—	—	5,102	4,904	
Banco Interamericano de Finanzas	Finance lease	2020	7.75%		—	—	—	—	4,391	4,079	
			7.50%		—	—	—	—	8,653	8,056	
		2021	8.35%	S/	—	—	—	—	—	3,991	3,575
			7.15%		—	—	—	—	—	4,233	3,855
		2022	7.15%		—	—	—	—	—	1,571	3,587
2022	8.35%		—	—	—	—	—	4,023	1,314		
Banco Santander S.A.	Finance lease	2022	8.15%	S/	—	—	—	—	2,791	2,425	

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<i>In thousands of soles</i>	Type of obligation	Maturity	Interest rate	Currency	Outstanding balances					
					2020		2019		2018	
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
		2019	6.24%		—	—	—	—	12	12
			3.75%		—	—	—	—	205	197
		2020	3.75%		—	—	—	—	168	161
			3.75%		—	—	—	—	114	111
			3.75%		—	—	—	—	167	161
			4.95%		—	—	—	—	293	273
Banco BBVA Colombia	Finance lease	2021	4.95%	COP	—	—	—	—	73	68
			4.46%		—	—	—	—	445	415
			4.48%		—	—	—	—	507	471
			4.60%		—	—	—	—	619	571
		2022	5.22%		—	—	—	—	711	642
			5.00%		—	—	—	—	45	41
			5.02%		—	—	—	—	261	236
			4.35%		—	—	—	—	170	158
Banco de Bogotá	Finance lease	2029	6.00%	COP	—	—	—	—	16,414	11,612
Banco de Occidente	Finance lease	2020	7.96%	COP	—	—	—	—	485	448
		2029	6.00%		—	—	—	—	21,155	14,960
		2019	12.70%		—	—	—	—	3	3
			10.43%		—	—	—	—	7	7
		2020	DTF + 3.70%		—	—	—	—	36	34
		2021	9.32%		—	—	—	—	388	327
			3.70%		—	—	—	—	55	52
			4.17%		—	—	—	—	87	80
		2022	4.17%		—	—	—	—	247	228
			4.17%		—	—	—	—	331	306
			9.55%		—	—	—	—	258	210
		2023	4.00%		—	—	—	—	60	55
			4.84%	COP	—	—	—	—	801	718
			5.50%		—	—	—	—	11,336	8,207
Bancolombia	Finance lease		3.50%		—	—	—	—	677	549
			3.80%		—	—	—	—	192	153
			4.00%		—	—	—	—	108	86
			4.50%		—	—	—	—	241	186
			4.50%		—	—	—	—	177	137
			3.95%		—	—	—	—	585	465
			3.95%		—	—	—	—	251	200
		2029	4.20%		—	—	—	—	211	166
			3.90%		—	—	—	—	1,438	1,147
			4.30%		—	—	—	—	259	203
			3.70%		—	—	—	—	687	554
			3.70%		—	—	—	—	155	125
			3.70%		—	—	—	—	1,891	1,525
			3.70%		—	—	—	—	357	288
			5.95%		—	—	—	—	351	249
			5.85%		—	—	—	—	1,362	959
			5.85%		—	—	—	—	2,011	1,417
Banco Davivienda	Finance lease	2022	10.43%	COP	—	—	—	—	115	114

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					2020		2019		2018	
					Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
Leasing Perú	Finance lease	2018	7.00%	US\$	—	—	—	—	—	—
Roca	Other financing	2018	6.00%	US\$	—	—	—	—	—	—
			6.79%		—	—	—	—	3,893	3,355
Scotiabank Perú S.A.A.	Finance lease	2022	6.79%	S/	—	—	—	—	1,314	1,133
			5.75%		—	—	—	—	1,455	1,373
			6.79%		—	—	—	—	2,734	2,356
<b>Total</b>					<b>1,312,365</b>	<b>1,208,669</b>	<b>738,408</b>	<b>637,743</b>	<b>895,774</b>	<b>725,389</b>
<b>Current</b>						<b>18,444</b>		<b>172,992</b>		<b>108,931</b>
<b>Non-current</b>						<b>1,190,225</b>		<b>464,751</b>		<b>616,458</b>

DTF: Term deposit rate

IBR: Bank reference indicator

- (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. (note 1.C). 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 income and other comprehensive income (note 25).

***Commitments related to the loans for the acquisition of PMLA (note 31)***

- 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.

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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 income 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 and 2018, 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 and 2018, 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 and 2018, the Group is in compliance with the covenants above indicated. As of December 31, 2020, the financial covenants does not applicable due these credit agreements was 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 income and other comprehensive income (note 25).

***Bancolombia***

As of December 31, 2019 and 2018, 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.

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***Bancoomeva***

As of December 31, 2019 and 2018, 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 and 2018, 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.

On June and July 2020, Colombian subsidiaries, PMLA and Instituto de Cancerología, received government guaranteed loans for S/ 12,861 thousand and S/ 4,147 thousand respectively, with annual interest rates of IBR + 1.50%. These loans were recognized at fair values with market interest annual rate for IBR + 4.56% and IBR + 4.0% respectively. The government guaranteed loans received were recorded in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The commitments related to the government guaranteed loans are subject to the funds being used for working capital. As of December 31, 2020, the Group is in compliance with the commitments above indicated.

***Banco de Bogotá***

As of December 31, 2019 and 2018, 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.

***Banco de Occidente***

As of December 31, 2019 and 2018, 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.

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As of December 31, 2019 and 2018, 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, 2019 and 2018, the Group complies with the quantitative and qualitative terms of the following covenants:

- EBITDA margin: maximum 12.5%
- Financial liabilities / EBITDA: maximum 13.5
- EBITDA / financial expense: minimum 1.5
- Free cash flow / long-term debt service: minimum 1.1
- Capex investments: maximum COP 9,133 million
- EBITDA / debt service: minimum 1.1

The main guarantees granted in favor of these Colombian banks are described in note 32.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, 2020, the senior notes has qualitative and quantitative covenants calculated based on the consolidated financial statements of Auna S.A. and Subsidiaries. As of December 31, 2020, the Group complies with the qualitative and quantitative terms of the following covenants:

- 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.

***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 "Clínica Chiclayo". As of December 31, 2020, the credit line used net of the transaction cost amounted to S/ 36,330 thousand. 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.

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- 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, 3.5x during 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.

(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:

<i>In thousands of soles</i>	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
Balances as of December 31, 2019	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
Recognition of lease liabilities on initial application of IFRS 16	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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
<b>Changes in cash flows from financing</b>														
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
<b>Total changes from financing cash flows</b>	<b>369,336</b>	<b>—</b>	<b>(90,229)</b>	<b>(4,302)</b>	<b>—</b>	<b>(5,296)</b>	<b>(2,189)</b>	<b>6,438</b>	<b>—</b>	<b>(10,000)</b>	<b>3,120</b>	<b>—</b>	<b>5,824</b>	<b>272,702</b>
<b>Effect of changes in foreign exchange rates</b>	<b>47,317</b>	<b>—</b>	<b>6,595</b>	<b>1,345</b>	<b>—</b>	<b>(720)</b>	<b>(27)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(63)</b>	<b>—</b>	<b>54,448</b>
<b>Refinancing of commercial debt to financial debt</b>	<b>4,239</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,239</b>
<b>Changes arising from obtaining control of subsidiary Portoazul</b>	<b>102,837</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>35,755</b>	<b>138,592</b>
<b>Changes in fair value</b>	<b>(5,608)</b>	<b>5,608</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,281</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,281</b>
<b>Total equity-related other changes</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(19,867)</b>	<b>—</b>	<b>—</b>	<b>7,060</b>	<b>(12,807)</b>

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<i>In thousands of soles</i>	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
<b>Other changes</b>														
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
<b>Balance as of December 31, 2020</b>	<b>1,208,669</b>	<b>1,211</b>	<b>146,168</b>	<b>—</b>	<b>35,845</b>	<b>—</b>	<b>2,407</b>	<b>—</b>	<b>622,592</b>	<b>(12,623)</b>	<b>(79,764)</b>	<b>(1,148)</b>	<b>51,140</b>	<b>1,974,497</b>

<i>In thousands of soles</i>	Financial loan	Lease liabilities (*)	Call spread premiums payable	Interest rate swap contracts used for hedging liabilities	Commissions for derivatives	Account payables to third parties	Trust funds	Share capital/premium	Retained earnings (losses)	Merge reserve	Advance payments	Non-controlling interest	Total
Balances as of December 31, 2018	632,561	92,828	21,134	1,015	—	8,494	(5,751)	622,591	(38,170)	(85,296)	—	15,727	1,265,133
Recognition of lease liabilities on initial application of IFRS 16	—	33,475	—	—	—	—	—	—	3,063	—	—	—	36,538
Balance as of January 1, 2019	632,561	126,303	21,134	1,015	—	8,494	(5,751)	622,591	(35,107)	(85,296)	—	15,727	1,301,671
<b>Changes in cash flows from financing</b>													
Proceeds from capital contribution	—	—	—	—	—	—	—	1	—	—	—	—	1
Proceeds from loans and borrowings	215,901	—	—	—	—	—	—	—	—	—	—	—	215,901
Contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—
Payment for borrowings from financial obligations	(200,899)	—	—	—	—	—	—	—	—	—	—	—	(200,899)
Payment of lease liabilities	—	(39,328)	—	—	—	—	—	—	—	—	—	—	(39,328)
Dividends paid	—	—	—	—	—	—	—	—	(10,000)	—	—	—	(10,000)
Interest paid	(37,359)	—	—	—	—	(472)	—	—	—	—	—	—	(37,831)
Trust funds	—	—	—	—	—	—	(687)	—	—	—	—	—	(687)
Payment of commissions for derivatives	—	—	—	—	(2,474)	—	—	—	—	—	—	—	(2,474)
Payment for other financing of third party	—	—	—	—	—	(3,928)	—	—	—	—	—	—	(3,928)
Payment for call spread premiums	—	—	(5,907)	—	—	—	—	—	—	—	—	—	(5,907)
Payment for settlement of derivatives	—	—	—	(1,566)	—	—	—	—	—	—	—	—	(1,566)

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<i>In thousands of soles</i>	Financial loan	Lease liabilities (*)	Call spread premiums payable	Interest rate swap contracts used for hedging liabilities	Commissions for derivatives	Account payables to third parties	Trust funds	Share capital/premium	Retained earnings (losses)	Merge reserve	Advance payments	Non-controlling interest	Total
Advance payment for purchase of non-controlling interest	—	—	—	—	—	—	—	—	—	—	(12,756)	—	(12,756)
<b>Total changes from financing cash flows</b>	<b><u>(22,357)</u></b>	<b><u>(39,328)</u></b>	<b><u>(5,907)</u></b>	<b><u>(1,566)</u></b>	<b><u>(2,474)</u></b>	<b><u>(4,400)</u></b>	<b><u>(687)</u></b>	<b><u>1</u></b>	<b><u>(10,000)</u></b>	<b><u>—</u></b>	<b><u>(12,756)</u></b>	<b><u>—</u></b>	<b><u>(99,474)</u></b>
Effect of changes in foreign exchange rates	<u>(10,156)</u>	<u>(3,480)</u>	<u>(347)</u>	<u>(261)</u>	<u>—</u>	<u>(224)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(14,468)</u>
Changes in fair value	—	—	1,047	14,724	—	—	—	—	—	—	—	—	15,771
<b>Total equity-related other changes</b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>62,351</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>811</u></b>	<b><u>63,162</u></b>
<b>Other changes</b>													
Assets acquired through new leases	—	83,883	—	—	—	—	—	—	—	—	—	—	83,883
Cash flow hedges settlement	—	—	—	1,566	—	—	—	—	—	—	—	—	1,566
Commissions for derivatives	—	—	—	—	2,474	—	—	—	—	—	—	—	2,474
Interest expense	37,695	11,706	—	—	—	472	—	—	—	—	—	—	49,873
<b>Balance as of December 31, 2019</b>	<b><u>637,743</u></b>	<b><u>179,084</u></b>	<b><u>15,927</u></b>	<b><u>15,478</u></b>	<b><u>—</u></b>	<b><u>4,342</u></b>	<b><u>(6,438)</u></b>	<b><u>622,592</u></b>	<b><u>17,244</u></b>	<b><u>(85,296)</u></b>	<b><u>(12,756)</u></b>	<b><u>16,538</u></b>	<b><u>1,404,458</u></b>

<i>In thousands of soles</i>	Financial loan	Finance lease	Other financing	Call spread premiums payable	Interest rate swap contracts used for hedging liabilities	Account payables to third parties	Trust funds	Share capital/premium	Merge reserve	Retained earnings	Non-controlling interest	Total
Balance as of January 1, 2018	179,871	64,808	35	—	—	10,382	(7,357)	380,477	(85,804)	(58,473)	1,361	485,300
<b>Changes in cash flows from financing</b>												
Proceeds from capital contribution	—	—	—	—	—	—	—	242,114	—	—	—	242,114
Proceeds from loans and borrowings	650,276	—	—	—	—	—	—	—	—	—	—	650,276

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<b>In thousands of soles</b>	<b>Financial loan</b>	<b>Finance lease</b>	<b>Other financing</b>	<b>Call spread premiums payable</b>	<b>Interest rate swap contracts used for hedging liabilities</b>	<b>Account payables to third parties</b>	<b>Trust funds</b>	<b>Share capital / premium</b>	<b>Merge reserve</b>	<b>Retained earnings</b>	<b>Non-controlling interest</b>	<b>Total</b>
Contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	170	170
Payment for borrowings from financial obligations	(273,135)	(25,571)	(35)	—	—	—	—	—	—	—	—	(298,741)
Dividends paid	—	—	—	—	—	—	—	—	—	(10,000)	—	(10,000)
Interest paid	(17,004)	(4,300)	—	—	—	(178)	—	—	—	—	—	(21,482)
Trust funds	—	—	—	—	—	—	1,606	—	—	—	—	1,606
Payment for other financing of third party	—	—	—	—	—	(10,382)	—	—	—	—	—	(10,382)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	508	—	(1,454)	(946)
<b>Total changes from financing cash flows</b>	<b>360,137</b>	<b>(29,871)</b>	<b>(35)</b>	<b>—</b>	<b>—</b>	<b>(10,560)</b>	<b>1,606</b>	<b>242,114</b>	<b>508</b>	<b>(10,000)</b>	<b>(1,284)</b>	<b>552,615</b>
<b>Changes arising from obtaining control of subsidiary PMLA</b>	<b>69,135</b>	<b>49,286</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8,494</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,193</b>	<b>142,108</b>
<b>Changes in fair value</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,015</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,015</b>
<b>Total equity-related other changes</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30,303</b>	<b>457</b>	<b>30,760</b>
<b>Other changes</b>												
Assets acquired through finance lease and other financing	—	2,360	—	—	—	—	—	—	—	—	—	2,360
Refinancing of commercial debt to financial debt	—	1,945	—	—	—	—	—	—	—	—	—	1,945
Acquisition of derivative call spread with premiums financing	—	—	—	21,134	—	—	—	—	—	—	—	21,134
Interest expense	17,117	4,300	—	—	—	178	—	—	—	—	—	21,595
Effect of changes in exchange rates	6,301	—	—	—	—	—	—	—	—	—	—	6,301
<b>Balance as of December 31, 2018</b>	<b>632,561</b>	<b>92,828</b>	<b>—</b>	<b>21,134</b>	<b>1,015</b>	<b>8,494</b>	<b>(5,751)</b>	<b>622,591</b>	<b>(85,296)</b>	<b>(38,170)</b>	<b>15,727</b>	<b>1,265,133</b>

**16. Trade Accounts Payable**

As of December 31, the trade accounts payable of the Group are stated in the following currencies:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Soles	175,970	133,837	118,833
US dollars	24,901	12,659	13,765
COP	155,158	107,703	110,258
	<b>356,029</b>	<b>254,199</b>	<b>242,856</b>
<b>Current</b>	<b>351,247</b>	<b>254,199</b>	<b>242,856</b>
<b>Non-current</b>	<b>4,782</b>	<b>—</b>	<b>—</b>

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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, 2020, 2019 and 2018, they include: i) medical fees payable by the Peruvian and Colombian subsidiaries amounting to S/ 23,336 thousand, S/ 18,368 thousand and S/ 12,226 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/ 13,647 thousand, S/ 5,526 thousand and S/ 5,858 thousand, respectively. They are stated in soles and COP and have current maturity.

Likewise, the Group participates in a supply chain finance programme under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable 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 at a later date. The principal purpose of this programme 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 derecognised 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, 2020, the amount related to supplier factoring facility is S/ 37,215 thousand. The payments to a supplier by the bank are considered non-cash transactions and amount to S/ 45,201 thousand in 2020.

As of December 31, 2020 the non-current portion corresponds to payments agreements with suppliers of the Colombian subsidiaries with maturities between 24 and 36 months.

**17. Other Accounts Payable**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Current</b>			
Compensation and other benefits payable to personnel	51,593	34,320	28,797
Taxes payable	21,061	8,597	11,098
Call spread premiums payable (a)	—	5,215	5,778
Derivatives Fx premiums and accounts payable for "unwind" (e)	11,631	—	—
Constructions in progress and medical equipment payable	11,614	5,481	5,105
Deposits in guarantee	2,404	263	60
Commissions payable (b)	5,584	5,774	3,847
Account payables to third parties (c)	2,407	2,276	4,191
Other accounts payable	3,490	2,818	3,320
	<b><u>109,784</u></b>	<b><u>64,744</u></b>	<b><u>62,196</u></b>
<b>Non-current</b>			
Call spread premiums payable (a)	—	10,712	15,356
Derivatives Fx premiums and accounts payable for "unwind" (e)	24,214	—	—
Account payables to third parties (c)	—	2,066	4,303
Other accounts payable (d)	—	98	4,364
	<b><u>24,214</u></b>	<b><u>12,876</u></b>	<b><u>24,023</u></b>

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(a) Call spread premiums financing.

As of December 31, 2019 and 2018, the balance corresponds to the liabilities payable of the premiums of the “call spread” agreements (note 9).

<i>In thousands of soles</i>	<u>Maturity</u>	<u>Currency of origin</u>	<u>Annual nominal interest rate</u>	<u>Current portion</u>	<u>Non-current portion</u>	<u>December 31, 2019</u>
Citibank N.A.	2023	US\$	1.90%	2,212	4,545	6,757
Citibank N.A.	2023	US\$	1.40%	3,003	6,167	9,170
				<u>5,215</u>	<u>10,712</u>	<u>15,927</u>

<i>In thousands of soles</i>	<u>Maturity</u>	<u>Currency of origin</u>	<u>Annual nominal interest rate</u>	<u>Current portion</u>	<u>Non-current portion</u>	<u>December 31, 2018</u>
Citibank N.A.	2023	US\$	1.90%	3,326	8,842	12,168
Citibank N.A.	2023	US\$	1.40%	2,452	6,514	8,966
				<u>5,778</u>	<u>15,356</u>	<u>21,134</u>

(b) Corresponds to the sales commissions payable for the sales of corporate and individual oncologic healthcare plans.

(c) 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 and S/ 7,274 thousand as of December 2019 and 2018, respectively).

(d) As of December 31, 2018, non-current portion corresponds to a provision of S/ 4,345 thousand, for lease agreement payable by virtue of the surface right agreement signed between the Group and Peruvian Red Cross Society due to the variable lease payment with annual increases of 1.5% as from the twenty month.

(e) Derivatives premiums financing

As of December 31, 2020, the balance corresponds to the liabilities payable of the premiums of the “purchase collar and long forward” agreements with semi-annual equal payments (note 9).

<i>In thousands of soles</i>	<u>Maturity</u>	<u>Currency of origin</u>	<u>Annual nominal interest rate</u>	<u>Current portion</u>	<u>Non-current portion</u>	<u>December 31, 2020</u>
Goldman Sachs Bank	2023	S/	3.52%	4,603	9,582	14,185
				<u>4,603</u>	<u>9,582</u>	<u>14,185</u>

Accounts payable for novation of the old derivatives.

As of December 31, 2020, the outstanding balance corresponds to the liabilities payable to Goldman Sachs Bank as a consequence of the transfer for novation of the old derivatives call spread and swaps agreements with semi-annual equal payments (note 9).

<i>In thousands of soles</i>	<u>Maturity</u>	<u>Currency of origin</u>	<u>Annual nominal interest rate</u>	<u>Current portion</u>	<u>Non-current portion</u>	<u>December 31, 2020</u>
Goldman Sachs Bank	2023	S/	3.52%	7,028	14,632	21,660
				<u>7,028</u>	<u>14,632</u>	<u>21,660</u>

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**18. Provisions**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>IBNR (i)</b>	<b>Outstanding claims reserve (i)</b>	<b>Other provisions</b>	<b>Total</b>
As of January 1, 2018	984	1,119	705	2,808
Annual provision	2,118	3	487	2,608
Paid during the year	(1,205)	—	(425)	(1,630)
Business combination balances	—	—	3,269	3,269
<b>As of December 31, 2018</b>	<b><u>1,897</u></b>	<b><u>1,122</u></b>	<b><u>4,036</u></b>	<b><u>7,055</u></b>
As of January 1, 2019	1,897	1,122	4,036	7,055
Annual provision	2,028	33	2,436	4,497
Paid during the year	(2,039)	—	(1,409)	(3,448)
Exchange difference	—	—	(84)	(84)
<b>As of December 31, 2019</b>	<b><u>1,886</u></b>	<b><u>1,155</u></b>	<b><u>4,979</u></b>	<b><u>8,020</u></b>
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	—	—	1,225	1,225
Exchange difference	—	—	332	332
<b>As of December 31, 2020</b>	<b><u>1,514</u></b>	<b><u>141</u></b>	<b><u>6,277</u></b>	<b><u>7,932</u></b>

(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. See note 4.M.

• **Insurance provisions and expenses**

**Incurred but not reported (IBNR)**

These provisions include the reserve for events incurred but not reported (IBNR) to the consolidated financial statement date (note 4.M.i). As of December 31, 2020, 2019 and 2018, reserves were determined using the Chain Ladder methodology, whereby the key assumptions include the weighted average past claims' development, which are projected into the future, amounting to S/ 1,163 thousand, S/ 1,518 thousand and S/ 1,835 thousand, respectively.

**Outstanding claims reserve**

These provisions include unsettled events based on the notices of claims received up to the consolidated financial statement date.

**Insurance expenses**

The insurance expenses incurred by Oncosalud S.A.C., the Company's insurance subsidiary and presented in its separate financial statements for the years ended December 31, 2020, 2019 and 2018 were considered to perform the liability adequacy test in accordance with IFRS 4 "Insurance Contracts" (note 4.M.ii).

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The insurance expenses incurred by Oncosalud S.A.C. follow:

<i>In thousands of soles</i>	<b>Cost of sales and services (i)</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Medicines	142,532	130,620	121,859
Room service for inpatients	16,015	24,019	33,183
Medical consultation fees	20,502	23,236	21,485
Auxiliary services and clinical laboratory	50,763	72,881	51,055
Surgery fees	11,227	14,806	10,904
Technical reserves for healthcare services	1,514	2,029	1,911
	<b>242,553</b>	<b>267,591</b>	<b>240,397</b>

- (i) These expenses are included in the cost of sales and services in our consolidated statement of income and other comprehensive income after deducting the margin mark-up. For the years ended December 31, 2020, 2019 and 2018, 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 11%, 24% and 19%, respectively.

The lower margin in 2020 vs 2019, corresponds mainly to patients who had postponed their oncology treatment due the pandemic situation of COVID-19, this reduces the revenues of the clinics, however, their fixed costs were flat and also the increase use of personal protective equipments (PPE) generate cost overruns in the clinics.

Due to the vertical integration of the Group's companies, these insurance expenses incurred by Oncosalud S.A.C. and the corresponding trade and other accounts payable are eliminated with the transactions performed with Oncocenter Perú S.A.C. and the Company's healthcare services subsidiaries. See note 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, 2020, 2019 and 2018 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, 2020, comprise mainly the estimate of provision for present obligation amounting to S/ 5,150 thousand of Colombian subsidiaries provisions from civil and labor and S/ 1,127 thousand from Peruvian subsidiaries. As of December 31, 2019, comprised mainly the estimate of provision for present obligation amounting to S/ 3,761 thousand, of PMLA's provisions from civil and labor and S/ 1,595 thousand, from Peruvian subsidiaries. As of December 31, 2018, comprised mainly the estimate of provision for present obligation amounting to S/ 3,269 thousand, of PMLA's provisions from civil and labor and S/ 1,144 thousand, from Peruvian subsidiaries.

#### **19. Unearned Premiums Reserve**

As of December 31, 2020, the Company maintain a portion of payment received that relates to risks that have not yet expired as of the date of the consolidated statement of financial position for S/ 60,245 thousand (S/ 58,210 thousand and S/ 54,478 thousand at December 31, 2019 and 2018).

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**20. Equity****A. Share capital**

As of December 31, 2020 and 2019, 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 (236,545,679 ordinary shares as of December 31, 2018).

On December 20, 2019, the General Shareholder’s Meeting approved: i) convert the ordinary shares into class “A” (236,545,679 ordinary shares) ii) issue a new class of share denominated class “B” and iii) increase in the capital by S/ 1 thousand equivalent to 1,000 ordinary shares class “B” through cash contributions received from Enfoca and Ventura with a par value of S/ 1.00 per share. On December 20, 2018, through cash contributions received from Enfoca Group of S/ 32,184 thousand, share capital was increased to S/ 236,546 thousand. This amount has been paid and is registered during 2019.

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.

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, 2020, the new share capital structure is as follows:

<u>Range of shareholding percentage</u>	<u>Number of shareholders</u>	<u>Participation Percentage</u>
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
	<u>15</u>	<u>100.00</u>

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As of December 31, 2019 and 2018, the share capital structure is as follows:

<u>Individual shareholding percentage</u>	<u>Number of shareholders</u>	<u>Participation Percentage</u>
From 0.01 to 0.74	1	0.74
From 0.75 to 3.01	1	3.01
From 3.02 to 8.60	3	19.06
From 8.61 to 41.84	2	77.19
	<u>7</u>	<u>100.00</u>

**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, 2020, the Group allocated S/ 12,763 thousand to a legal reserve (S/ 10,334 thousand and S/ 5,881 thousand at December 31, 2019 and 2018).

**D. Translation reserve**

Translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign operations. As of December 31, 2020, 2019 and 2018, the Group recognizes the translation differences of the consolidated financial statements of the subsidiary Auna Colombia in translation reserve of the consolidated statement of income 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 contract. It is initially recognised 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.

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**G. Merger reserve**

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 include 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.

**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.

The Annual General Shareholders' Meeting, held on April 30, 2019, approved the distribution of dividends for S/ 10,000 thousand (S/ 1 per common share).

The Annual General Shareholders' Meeting, held on April 30, 2018, approved the distribution of dividends for S/ 7,256 thousand (S/ 1 per common share).

The Annual General Shareholders' Meeting, held on May 25, 2018, approved the payment of dividends for S/ 2,744 thousand (S/ 1 per common share).

**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.

<i>In thousands of soles</i> <b>December 31, 2020</b>	<b>Clínica Vallesur</b>	<b>Clínica Miraflores</b>	<b>PMLA</b>	<b>Clínica Portoazul</b>	<b>Total</b>
NCI percentage	11.77%	5.83%	0.23%	39.00%	
<b>Net assets</b>	<b>2,234</b>	<b>(86)</b>	<b>686,957</b>	<b>126,415</b>	<b>815,520</b>
<b>Net assets attributable to NCI</b>	<b>263</b>	<b>(5)</b>	<b>1,580</b>	<b>49,302</b>	<b>51,140</b>
Profit (loss)	(5,333)	(1,816)	16,670	6,210	15,731
Other Comprehensive Income (OCI)	—	—	17,422	13,574	30,996
<b>Total comprehensive income</b>	<b>(5,333)</b>	<b>(1,816)</b>	<b>34,092</b>	<b>19,784</b>	<b>46,727</b>
Profit allocated to NCI	(628)	(106)	38	2,422	1,726
OCI allocated to NCI	—	—	40	5,294	5,334
<b>Total comprehensive income allocated to NCI</b>	<b>(628)</b>	<b>(106)</b>	<b>78</b>	<b>7,716</b>	<b>7,060</b>

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<i>In thousands of soles</i> <b>December 31, 2019</b>	<b>Clinica Vallesur</b>	<b>Clinica Miraflores</b>	<b>PMLA</b>	<b>Total</b>
NCI percentage	11.77%	5.83%	2.68%	
<b>Net assets</b>	<b>7,579</b>	<b>1,750</b>	<b>579,995</b>	<b>589,324</b>
<b>Net assets attributable to NCI</b>	<b>892</b>	<b>102</b>	<b>15,544</b>	<b>16,538</b>
Profit (loss)	4,468	(999)	26,858	30,327
OCI	—	—	(14,072)	(14,072)
<b>Total comprehensive income</b>	<b>4,468</b>	<b>(999)</b>	<b>12,786</b>	<b>16,255</b>
Profit allocated to NCI	526	(58)	720	1,188
OCI allocated to NCI	—	—	(377)	(377)
<b>Total comprehensive income allocated to NCI</b>	<b>526</b>	<b>(58)</b>	<b>343</b>	<b>811</b>

<i>In thousands of soles</i> <b>December 31, 2018</b>	<b>Clinica Vallesur</b>	<b>Clinica Miraflores</b>	<b>PMLA</b>	<b>Total</b>
NCI percentage	11.77%	5.83%	2.68%	
<b>Net assets</b>	<b>3,107</b>	<b>2,745</b>	<b>566,888</b>	<b>572,740</b>
Net assets attributable to NCI	366	160	15,201	15,727
Profit (loss)	4,363	(1,123)	304	3,544
<b>Total comprehensive income</b>	<b>4,363</b>	<b>(1,123)</b>	<b>304</b>	<b>3,544</b>
Profit (loss) allocated to NCI	514	(65)	8	457

In December 2017, the Group acquired an additional 10.49% interest in Clínica Miraflores S.A., increasing its ownership from 83.68% to 94.17%. A cash consideration of S/ 2,041 thousand was paid to the non-controlling shareholders. The carrying amount of non controlling interest acquired on the date of the acquisition was S/ 1,246 thousand.

In June and July 2018, the Group acquired an additional 6.9% interest in Clínica Vallesur S.A.C., increasing its ownership from 81.33% to 88.23%. A cash consideration of S/ 946 thousand was paid to the non-controlling shareholders. The carrying amount of non controlling interest acquired on the date of the acquisition was S/ 1,454 thousand.

In March 2018, the non-controlling shareholders of Clínica Vallesur S.A.C. acquired 2,209 ordinary shares of this entity for a cash consideration of S/ 170 thousand.

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 acquired 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'. Management expect to collect this amount in 2021.

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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%.

**21. Revenue**

**A. Revenue streams**

The Group generates revenue primarily from the sale of oncologic healthcare plans and healthcare services to its customers.

This caption comprises the following:

<i>In thousands of soles</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Revenue from contracts with customers</b>			
Healthcare services (i)	703,544	658,699	229,368
Sale of medicines	173,698	201,348	164,039
Loyalty program	182	182	204
<b>Total revenue from contracts with customers</b>	<b><u>877,424</u></b>	<b><u>860,229</u></b>	<b><u>393,611</u></b>
<b>Premiums earned</b>	<b><u>566,358</u></b>	<b><u>522,337</u></b>	<b><u>467,616</u></b>
<b>Total revenue</b>	<b><u>1,443,782</u></b>	<b><u>1,382,566</u></b>	<b><u>861,227</u></b>

Premiums earned comprises the following:

<i>In thousands of soles</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Oncology plans	560,086	521,142	467,616
General healthcare services plans	6,272	1,195	—
<b>Total premiums earned</b>	<b><u>566,358</u></b>	<b><u>522,337</u></b>	<b><u>467,616</u></b>

<i>In thousands of soles</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Timing of revenue recognition</b>			
Products transferred at a point in time	173,698	201,359	164,039
Products and services transferred over time	703,726	658,870	229,572
<b>Total revenue from contracts with customers</b>	<b><u>877,424</u></b>	<b><u>860,229</u></b>	<b><u>393,611</u></b>

- (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.

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**B. Disaggregation of revenue from contracts with customers**

This caption comprises the following:

<i>In thousands of soles</i>	<u>Reportable segments</u>		<u>Total</u>
	<u>Oncosalud Peru</u>	<u>Healthcare services</u>	
<b>For the year ended December 31, 2020</b>			
<b>Primary geographical markets</b>			
Peru	640,480	383,922	1,024,402
Colombia	—	419,380	419,380
<b>For the year ended December 31, 2019</b>			
<b>Primary geographical markets</b>			
Peru	578,167	394,961	973,128
Colombia	—	409,438	409,438
<b>For the year ended December 31, 2018</b>			
<b>Primary geographical markets</b>			
Peru	517,470	338,989	856,459
Colombia	—	4,768	4,768

**C. Contract balances**

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

<i>In thousands of soles</i>	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Receivables, which are included in “trade accounts receivable”	6	371,010	285,601	238,116
Contract liabilities, which are included in “trade accounts payable”	16	(14,124)	(5,526)	(5,858)

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. As of December 31, 2020 included the trade accounts receivable from Clínica Portoazul and for December 31, 2019 and 2018, included the trade accounts receivable from PMLA (note 1.C).

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.

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**22. Cost of Sales and Services, Selling Expenses and Administrative Expenses**

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	<b>Cost of sales and services</b>			<b>Selling expenses</b>			<b>Administrative expenses</b>			<b>Total</b>		
		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Medicines		383,106	354,248	197,318	—	—	—	—	—	—	383,106	354,248	197,318
Auxiliary services and clinical laboratory		17,821	16,379	15,071	—	—	—	—	—	—	17,821	16,379	15,071
Room service for inpatients		17,108	19,316	18,958	—	—	—	—	—	—	17,108	19,316	18,958
Surgery fees		57,609	60,521	37,847	—	—	—	—	—	—	57,609	60,521	37,847
Medical consultation fees		39,366	73,615	52,962	—	—	—	—	—	—	39,366	73,615	52,962
Technical reserves for healthcare services		1,514	2,028	1,911	—	—	—	—	—	—	1,514	2,028	1,911
Personnel expenses (a)		292,962	238,343	123,490	46,596	46,698	39,714	142,412	115,257	70,608	481,970	400,298	233,812
Services provided by third parties (b)		49,668	32,034	22,304	82,196	79,790	76,682	84,945	85,831	65,927	216,809	197,655	164,913
Depreciation	<i>11 &amp; 13</i>	46,068	40,793	24,766	29	74	—	11,324	9,582	4,184	57,421	50,449	28,950
Amortization	<i>12</i>	1,625	1,333	905	—	—	—	5,653	4,966	2,181	7,278	6,299	3,086
Other management charges		7,354	5,535	1,187	4,200	5,950	4,331	16,335	16,143	8,000	27,889	27,628	13,518
Tax expenses		153	374	1,070	35	32	11	12,692	4,685	3,542	12,880	5,091	4,623
		<b><u>914,354</u></b>	<b><u>844,519</u></b>	<b><u>497,789</u></b>	<b><u>133,056</u></b>	<b><u>132,544</u></b>	<b><u>120,738</u></b>	<b><u>273,361</u></b>	<b><u>236,464</u></b>	<b><u>154,442</u></b>	<b><u>1,320,771</u></b>	<b><u>1,213,527</u></b>	<b><u>772,969</u></b>

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(a) Personnel expenses comprise the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Remunerations	304,140	253,589	145,002
Legal bonuses	39,165	32,426	23,740
Health insurance for employees	49,871	40,615	20,510
Bonuses	14,762	10,970	6,697
Severance payment	26,673	22,231	14,155
Vacations	22,700	19,936	12,083
Employees' profit sharing	8,086	4,724	3,413
Board of Directors' remuneration	2,770	3,185	1,498
Compensation to personnel	2,338	1,896	1,640
Training	436	1,735	1,077
Other benefits	11,029	8,991	3,997
	<b><u>481,970</u></b>	<b><u>400,298</u></b>	<b><u>233,812</u></b>

(b) Services provided by third parties include the following:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Sales commission (i)	51,334	51,205	48,204
Advisory and consulting fees	34,173	31,110	32,901
Leases	14,479	12,659	12,496
Credit card commission	16,548	15,782	13,581
Service and repair	27,783	25,609	11,575
Custodial and cleaning services	20,621	12,522	9,587
Advertisement	13,642	12,111	9,447
Utilities	15,893	14,095	8,733
Hosting	5,265	4,739	4,959
Collection expenses	1,247	1,317	1,029
Travel and entertainment expenses	626	1,765	651
Others	15,198	14,741	11,750
	<b><u>216,809</u></b>	<b><u>197,655</u></b>	<b><u>164,913</u></b>

(i) For the years ended December 31, 2020, 2019 and 2018, Sales commission, recognized in Selling Expenses, include amortization of deferred acquisitions costs for S/ 11,495 thousand, S/ 12,507 thousand and S/ 14,130 thousand, respectively (note 7.1)

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**23. Other Income**

This caption comprises the following:

<i>In thousands of soles</i>	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gain on bargain purchase of subsidiary	<i>I.C</i>	4,495	—	—
Income for parking (a)		1,589	2,381	2,749
Indemnization for claims		629	—	690
Investment property rentals		1,045	1,330	—
Increase in fair value of investment property		—	75	—
Tax recoveries		205	107	549
Gain on sale of property, furniture and equipment		174	—	—
Debt Forgiveness and donations received		1,992	—	—
Others		1,960	1,635	1,345
		<u>12,089</u>	<u>5,528</u>	<u>5,333</u>

- (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.

**24. Other Expenses**

<i>In thousands of soles</i>	<u>2020</u>	<u>2019</u>
Change in fair value of assets held for sale	—	527
Loss on sale of investments in associates	—	919
Loss on disposal of right-of-use assets net of leases	321	—
	<u>321</u>	<u>1,446</u>

**25. Finance Costs**

This caption comprises the following:

<i>In thousands of soles</i>	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Finance income</b>				
Cash flow hedges settlement – call spread		1,670	—	—
Interest income under the effective interest		1,074	—	79
Interest on term deposits		1,014	1,532	551
Others		15	—	—
		<u>3,773</u>	<u>1,532</u>	<u>630</u>
<b>Finance cost</b>				
Financial liabilities measured at amortized cost – interest expense		44,774	38,167	17,117
Interest from leases liabilities (2018: Interest from finance liabilities)		12,107	11,706	4,300
Financial assets at FVTPL – net change in fair value: Derivative assets mandatorily measured at FVTPL	<i>9, 17.a</i>	—	(319)	8,026
Commissions for derivatives		—	2,474	—

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<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Exchange difference (a)		45,545	772	7,260
Cash flow hedges – reclassified from OCI for costs of hedging reserve		1,540	—	—
Cash flow hedges – reclassified from OCI for hedging reserve		906	617	—
Cash flow hedges settlement – interest rate swaps	9	5,296	1,566	—
Unwind of derivative financial instruments measured at FVOCI		21,517	—	—
Financial debt prepayment penalty		3,400	—	—
Others		1,651	1,070	1,473
		<b><u>136,736</u></b>	<b><u>56,053</u></b>	<b><u>38,176</u></b>

- (a) The exchange difference was generated mainly from the loans in US dollars related to the acquisition of PMLA, due the high increase in average in the exchange rate for 18% in Colombia. These loans were pre-paid by the Group in November 2020 (note 15). Also, its include an effect for S/ 14,100 thousand for the cash flow hedges reclassified from OCI (note 9.a).

## 26. Earnings per Share

The net earnings per ordinary share were determined based on the net income attributable to shareholders of the Group and weighted-average number of class A shares outstanding as follows:

<i>In thousands of soles</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net (loss) profit for the year attributable to owners of the Company	(7,104)	72,685	36,184
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	236,545,709	205,331,550
<b>Basic and diluted earnings per share</b>	<b><u>(0.03)</u></b>	<b><u>0.31</u></b>	<b><u>0.18</u></b>

The earnings per share calculated include only class “A” shares because the net profit for the year ended December 31, 2020 and 2019, does not exceed the limited of US\$ 1 billion to distribute dividends to class “B” shares (note 20.A).

The Group has no dilutive potential ordinary shares as of December 31, 2020, 2019 and 2018.

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.

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The following summary describes the operations of each reportable segment.

<u>Reportable segments</u>	<u>Operations</u>
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.

<i>In thousands of soles</i>	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
<b>2020</b>						
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)	—
<b>Segment revenue</b>	<b>659,097</b>	<b>476,403</b>	<b>419,583</b>	<b>1,555,083</b>	<b>(111,301)</b>	<b>1,443,782</b>
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	—
<b>Segment cost of service</b>	<b>(312,194)</b>	<b>(392,913)</b>	<b>(317,538)</b>	<b>(1,022,645)</b>	<b>108,291</b>	<b>(914,354)</b>
<b>Gross profit</b>	<b>346,903</b>	<b>83,490</b>	<b>102,045</b>	<b>532,438</b>	<b>(3,010)</b>	<b>529,428</b>
External selling expenses	(120,149)	(7,136)	(2,815)	(130,100)	(2,956)	(133,056)
<b>Segment selling expenses</b>	<b>(120,149)</b>	<b>(7,136)</b>	<b>(2,815)</b>	<b>(130,100)</b>	<b>(2,956)</b>	<b>(133,056)</b>
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)
<b>Segment administrative expenses</b>	<b>(119,381)</b>	<b>(96,639)</b>	<b>(79,056)</b>	<b>(295,076)</b>	<b>21,715</b>	<b>(273,361)</b>
<b>Impairment losses on trade receivables</b>	<b>(2,843)</b>	<b>(8,095)</b>	<b>(5,420)</b>	<b>(16,358)</b>	<b>—</b>	<b>(16,358)</b>
<b>Other expenses</b>	<b>40</b>	<b>7</b>	<b>—</b>	<b>47</b>	<b>(368)</b>	<b>(321)</b>
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)	—
<b>Other income</b>	<b>4,458</b>	<b>12,977</b>	<b>9,447</b>	<b>26,882</b>	<b>(14,793)</b>	<b>12,089</b>
<b>Segment operating profit (loss)</b>	<b>109,028</b>	<b>(15,396)</b>	<b>24,201</b>	<b>117,833</b>	<b>588</b>	<b>118,421</b>

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	Reportable segments				Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia	Total reportable segments		
<i>In thousands of soles</i>						
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)
<b>Segment profit (loss) before tax</b>	<b>87,048</b>	<b>(27,049)</b>	<b>(56,900)</b>	<b>3,099</b>	<b>(16,321)</b>	<b>(13,222)</b>
<b>Other disclosures</b>						
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)
<b>Segment assets</b>	<b>2,517,989</b>	<b>626,962</b>	<b>1,322,190</b>	<b>4,467,141</b>	<b>(1,816,070)</b>	<b>2,651,071</b>
<b>Segment liabilities</b>	<b>1,406,476</b>	<b>346,705</b>	<b>504,126</b>	<b>2,257,307</b>	<b>(258,307)</b>	<b>1,999,000</b>

	Reportable segments				Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia	Total reportable segments		
<i>In thousands of soles</i>						
<b>2019</b>						
External revenues	578,167	394,961	409,438	1,382,566	—	1,382,566
Inter-segment revenue (i)	13,755	74,910	—	88,665	(88,665)	—
<b>Segment revenue</b>	<b>591,922</b>	<b>469,871</b>	<b>409,438</b>	<b>1,471,231</b>	<b>(88,665)</b>	<b>1,382,566</b>
External cost of service	(199,112)	(344,701)	(297,963)	(841,776)	(2,743)	(844,519)
Inter-segment cost of service (i)	(75,167)	(13,248)	—	(88,415)	88,415	—
<b>Segment cost of service</b>	<b>(274,279)</b>	<b>(357,949)</b>	<b>(297,963)</b>	<b>(930,191)</b>	<b>85,672</b>	<b>(844,519)</b>
<b>Gross profit</b>	<b>317,643</b>	<b>111,922</b>	<b>111,475</b>	<b>541,040</b>	<b>(2,993)</b>	<b>538,047</b>
External selling expenses	(119,067)	(8,678)	(3,270)	(131,015)	(1,529)	(132,544)
<b>Segment selling expenses</b>	<b>(119,067)</b>	<b>(8,678)</b>	<b>(3,270)</b>	<b>(131,015)</b>	<b>(1,529)</b>	<b>(132,544)</b>
External administrative expenses	(48,086)	(45,310)	(63,521)	(156,917)	559	(156,358)
Inter-segment administrative expenses	(408)	(1,216)	—	(1,624)	1,624	—
Corporate expenses	(43,695)	(35,684)	—	(79,379)	(727)	(80,106)
<b>Segment administrative expenses</b>	<b>(92,189)</b>	<b>(82,210)</b>	<b>(63,521)</b>	<b>(237,920)</b>	<b>1,456</b>	<b>(236,464)</b>
<b>Impairment losses on trade receivables</b>	<b>(930)</b>	<b>(1,999)</b>	<b>(2,956)</b>	<b>(5,885)</b>	<b>(102)</b>	<b>(5,987)</b>
<b>Other expenses</b>	<b>—</b>	<b>—</b>	<b>(1,446)</b>	<b>(1,446)</b>	<b>—</b>	<b>(1,446)</b>
Other income	405	2,627	2,169	5,201	327	5,528
Inter-segment other income	924	682	—	1,606	(1,606)	—
<b>Other income</b>	<b>1,329</b>	<b>3,309</b>	<b>2,169</b>	<b>6,807</b>	<b>(1,279)</b>	<b>5,528</b>
<b>Segment operating profit (loss)</b>	<b>106,786</b>	<b>22,344</b>	<b>42,451</b>	<b>171,581</b>	<b>(4,447)</b>	<b>167,134</b>

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	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
<i>In thousands of soles</i>						
Share of profit of equity accounted investees, net of taxes	1,004	—	1,434	2,438	—	2,438
Exchange difference, net	1,670	214	(2,813)	(929)	157	(772)
Interest expense, net	(12,425)	(7,499)	(29,627)	(49,551)	(4,198)	(53,749)
<b>Segment profit (loss) before tax</b>	<b>97,035</b>	<b>15,059</b>	<b>11,445</b>	<b>123,539</b>	<b>(8,488)</b>	<b>115,051</b>
<b>Other disclosures</b>						—
Depreciation and amortization	(13,733)	(21,516)	(14,480)	(49,729)	(7,019)	(56,748)
Capital expenditure	(109,712)	(38,934)	(32,047)	(180,693)	(29,543)	(210,236)
<b>Segment assets</b>	<b>1,119,818</b>	<b>547,834</b>	<b>940,381</b>	<b>2,608,033</b>	<b>(716,736)</b>	<b>1,891,297</b>
<b>Segment liabilities</b>	<b>548,803</b>	<b>235,236</b>	<b>653,032</b>	<b>1,437,071</b>	<b>(124,592)</b>	<b>1,312,479</b>

	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
<i>In thousands of soles</i>						
<b>2018</b>						
External revenues	517,470	338,989	4,768	861,227	—	861,227
Inter-segment revenue (i)	13,117	66,283	—	79,400	(79,400)	—
<b>Segment revenue</b>	<b>530,587</b>	<b>405,272</b>	<b>4,768</b>	<b>940,627</b>	<b>(79,400)</b>	<b>861,227</b>
External cost of service	(192,361)	(296,679)	(3,507)	(492,547)	(5,242)	(497,789)
Inter-segment cost of service (i)	(66,270)	(16,841)	—	(83,111)	83,111	—
<b>Segment cost of service</b>	<b>(258,631)</b>	<b>(313,520)</b>	<b>(3,507)</b>	<b>(575,658)</b>	<b>77,869</b>	<b>(497,789)</b>
<b>Gross profit</b>	<b>271,956</b>	<b>91,752</b>	<b>1,261</b>	<b>364,969</b>	<b>(1,531)</b>	<b>363,438</b>
External selling expenses	(113,908)	(8,509)	(33)	(122,450)	1,712	(120,738)
<b>Segment selling expenses</b>	<b>(113,908)</b>	<b>(8,509)</b>	<b>(33)</b>	<b>(122,450)</b>	<b>1,712</b>	<b>(120,738)</b>
External administrative expenses	(45,155)	(41,851)	(1,954)	(88,960)	785	(88,175)
Inter-segment administrative expenses	(360)	(1,018)	—	(1,378)	1,378	—
Corporate expenses	(39,614)	(26,231)	—	(65,845)	(422)	(66,267)
<b>Segment administrative expenses</b>	<b>(85,129)</b>	<b>(69,100)</b>	<b>(1,954)</b>	<b>(156,183)</b>	<b>1,741</b>	<b>(154,442)</b>
<b>Impairment losses on trade receivables</b>	<b>(585)</b>	<b>(1,960)</b>	<b>(281)</b>	<b>(2,826)</b>	—	<b>(2,826)</b>
Other income	1,080	3,820	406	5,306	27	5,333
Inter-segment other Income	4,968	379	—	5,347	(5,347)	—
<b>Other income</b>	<b>6,048</b>	<b>4,199</b>	<b>406</b>	<b>10,653</b>	<b>(5,320)</b>	<b>5,333</b>
<b>Segment operating profit (loss)</b>	<b>78,382</b>	<b>16,382</b>	<b>(601)</b>	<b>94,163</b>	<b>(3,398)</b>	<b>90,765</b>

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<i>In thousands of soles</i>	Reportable segments			Total reportable segments	Holding and eliminations	Total
	Oncosalud Peru	Healthcare services in Peru	Healthcare services in Colombia			
Share of profit of equity accounted investees, net of taxes	960	—	—	960	—	960
Exchange difference, net	(167)	(628)	(6,387)	(7,182)	(80)	(7,262)
Interest expense, net	(18,947)	(3,821)	(385)	(23,153)	(7,131)	(30,284)
<b>Segment profit (loss) before tax</b>	<b>60,228</b>	<b>11,933</b>	<b>(7,373)</b>	<b>64,788</b>	<b>(10,609)</b>	<b>54,179</b>
<b>Other disclosures</b>						
Depreciation and amortization	(11,643)	(15,518)	(139)	(27,300)	(4,736)	(32,036)
Capital expenditure	25,028	23,884	—	48,912	4,959	53,871
<b>Segment assets</b>	<b>955,425</b>	<b>377,640</b>	<b>965,006</b>	<b>2,298,071</b>	<b>(557,900)</b>	<b>1,740,171</b>
<b>Segment liabilities</b>	<b>437,687</b>	<b>154,288</b>	<b>715,871</b>	<b>1,307,846</b>	<b>(101,010)</b>	<b>1,206,836</b>

- (i) Inter-segment cost of service (claims expense) from the Oncosalud Peru segment and intersegment revenue from our Healthcare Services in Peru segment are presented on a gross basis by adding the corresponding profit margin markup by our Healthcare Services in Peru segment and vice versa. Likewise, our Oncosalud Peru segment consolidates Oncocenter Perú S.A.C., a subsidiary providing healthcare services related to the exclusive treatment of cancer. In the separate financial statements of Oncocenter Perú S.A.C., the revenue mainly consists of the insurance claims expense recorded as cost of sales in the separate financial statements of Oncosalud S.A.C., our insurance subsidiary that is also consolidated in Oncosalud Peru segment. In the segment consolidation process the related revenues from such healthcare services are eliminated with the corresponding claims expense of our insurance subsidiary Oncosalud S.A.C., while the external cost (third parties) of services incurred by Oncocenter Perú S.A.C. remains.

**C. Geographic information**

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

<i>In thousands of soles</i>	2020	2019	2018
<b>Revenue</b>			
Peru	1,024,402	973,128	856,459
Colombia	419,380	409,438	4,768
	<b>1,443,782</b>	<b>1,382,566</b>	<b>861,227</b>
<i>In thousands of soles</i>	2020	2019	2018
<b>Non-current assets (*)</b>			
Peru	775,880	698,189	526,394
Colombia	948,524	710,103	719,002
	<b>1,724,404</b>	<b>1,408,292</b>	<b>1,245,396</b>

(\*) Non-current assets exclude deferred tax assets and derivatives.

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**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, 2020, 2019 and 2018.

**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 and Colombian current legal legislation, the income tax is paid based on the statutory financial statements and tax losses, additions, and deductions established.

***Tax rates***

- B. The Group is subject to Peruvian and Colombian Tax Regime as of December 31, 2020, 2019 and 2018.

The current income tax rates are 29.5% in Peru and 32% in Colombia, calculated based on the taxable income. The income tax rate applicable to Colombian legal entities will be 31% for year 2021, and 30% 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 2020, 2019 and 2018, 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, 2020, 2019 and 2018, and determined current income tax for S/ 56,186 thousand, S/ 38,611 thousand and S/ 19,573 thousand, respectively.

Income tax expense comprises:

<i>In thousands of soles</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Current		56,186	38,611	19,573
Deferred	14	(64,030)	2,567	(2,035)
<b>Income tax</b>		<b><u>(7,844)</u></b>	<b><u>41,178</u></b>	<b><u>17,538</u></b>

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Reconciliation of the income tax effective rate to the tax rate is presented as follows:

<i>In thousands of soles</i>	2020		2019		2018	
<b>(Loss) profit before income tax</b>	<b>(13,222)</b>	<b>100.00%</b>	<b>115,051</b>	<b>100.00%</b>	<b>54,179</b>	<b>100.00%</b>
Calculated theoretical tax (a)	(3,900)	29.50%	33,940	29.50%	15,982	29.50%
Effect of tax rates of a subsidiary abroad	(2,418)	18.29%	285	0.25%	(282)	(0.52%)
Non deductible expenses	2,204	(16.67%)	7,108	6.18%	1,686	3.11%
Tax losses for which deferred tax asset was not recognized	3,847	(29.10%)	577	0.50%	170	0.32%
Recognition of previously unrecognized tax losses	(3,881)	29.35%	(3,319)	(2.88%)	—	—
Changes in estimates related to prior years	(3,696)	27.95%	2,587	2.25%	(18)	(0.04%)
<b>Income tax</b>	<b>(7,844)</b>	<b>59.33%</b>	<b>41,178</b>	<b>35.80%</b>	<b>17,538</b>	<b>32.37%</b>

**Tax losses carried forward**

- D. The Group has recognized a deferred income tax asset related to the tax-loss carryforward of those companies 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, 2020, the Group recognized deferred tax assets net for S/ 132,501 thousand (S/ 53,845 thousand and S/ 52,858 thousand as of December 31, 2019 and 2018, respectively) related to tax losses carried forward of the Group.

Deferred tax assets recognized for tax losses expire as follows:

<i>In thousands of soles</i>	2020	Expiry date	2019	Expiry date	2018	Expiry date
Expire	46,228	2021-2032	2,045	2020-2022	3,218	2019-2022
Never expire	86,273	—	51,800	—	49,640	—
<b>Income tax</b>	<b>132,501</b>	<b>—</b>	<b>53,845</b>	<b>—</b>	<b>52,858</b>	<b>—</b>

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.

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***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.

	2020		2019		2018	
<i>In thousands of soles</i>	Gross amount	Tax effect	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	13,041	3,847	15,775	4,654	13,819	4,077
	<b>13,041</b>	<b>3,847</b>	<b>15,775</b>	<b>4,654</b>	<b>13,819</b>	<b>4,077</b>

***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, 2020 the Group recognized S/ 2,820 thousand in Other assets (S/ 1,997 thousand as of December 31, 2019). See note 7.

***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 and Colombia will not arise as of December 31, 2020, 2019 and 2018.

***Review of tax administration***

- H. The Peruvian and Colombian 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 and sales tax returns for the years 2016 through 2020 are open for review by the Peruvian and Colombian tax authority.

***Value Added Tax (VAT)***

- I. For Peruvian and Colombian companies, the value added tax (VAT) is 18% and 19% respectively.

***Uncertainty over income tax treatments***

- J. 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.

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**29. Group Structure**

The following table shows the companies that are part of the Group as of December 31, 2020, 2019 and 2018. All subsidiaries have been included in the consolidation:

<i>In thousands of soles</i>	Percentage of common shares held by the head office (%)	Percentage of common shares held by the Group (%)			Percentage of common shares held by the non-controlling interest		
		2020	2019	2018	2020	2019	2018
<b>Operating companies</b>							
Oncosalud S.A.C. (a)	—	99.99	99.99	99.99	—	—	0.01
Oncocenter Perú S.A.C. (b)	—	99.99	99.99	99.99	—	—	0.01
Servimédicos S.A.C. (b)	—	99.99	99.99	99.99	—	—	0.01
Clínica Bellavista S.A.C. (b)	—	99.99	99.99	99.99	—	—	0.01
Laboratorio Clínica Inmunológico Cantella S.A.C. (b)	—	99.99	99.99	99.99	—	—	0.01
Clínica Miraflores S.A. (b)	—	94.17	94.17	94.17	5.83	5.83	5.83
R&R Patólogos Asociados S.A.C. (b)	—	99.80	99.80	99.80	0.20	0.20	0.20
Clínica Vallesur S.A. (b)	—	88.23	88.23	88.23	11.77	11.77	11.77
GSP Trujillo S.A.C. (Clínica Camino Real) (b)	—	99.99	99.99	99.99	0.01	0.01	0.01
Medicser S.A.C. (Clínica Delgado) (b)	—	99.99	99.99	99.99	0.01	0.01	0.01
<b>Operating companies abroad</b>							
Clínica Portoazul S.A. (b)	—	61.00	—	—	39.00	—	—
Promotora Médica Las Américas S.A. (b)	—	99.77	97.32	97.32	0.23	2.68	2.68
Laboratorio Médico Las Américas Ltda. (b).	—	100.00	100.00	100.00	—	—	—
Instituto de Cancerología S.A. (a)	—	100.00	100.00	100.00	—	—	—
Patología Las Américas S.A.S. (f)	—	—	100.00	100.00	—	—	—
Salud Oral Especializada S.A. (f)	—	—	100.00	100.00	—	—	—
Clínica del Sur S.A.S. (b)	—	100.00	100.00	100.00	—	—	—
Las Américas Farma Store S.A.S. (e)	—	100.00	100.00	100.00	—	—	—
<b>Pre-operating companies</b>							
Consorcio Trecca S.A.C. (b)	89.40	99.99	99.99	99.99	0.01	0.01	0.01
<b>Non-operating companies</b>							
Inversiones Mercurio S.A.C. (b)	—	94.15	94.15	94.15	5.83	5.83	5.83
<b>Holdings</b>							
Auna Colombia S.A.S. (c)	—	100.00	100.00	100.00	—	—	—
Auna Salud S.A.C. (c)	99.99	99.99	99.99	99.99	0.01	0.01	0.01
GSP Inversiones S.A.C. (c)	—	99.99	99.99	99.99	0.01	0.01	0.01
Operador Estratégico S.A.C. (c)	99.99	99.99	99.99	99.99	0.01	0.01	0.01
<b>Other subsidiaries</b>							
GSP Servicios Generales S.A.C. (d)	—	99.99	99.99	99.99	0.01	0.01	0.01
GSP Servicios Comerciales S.A.C. (d)	—	99.99	99.99	99.99	0.01	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.  
(d) Mainly dedicated to providing the Group with internal administrative, commercial and management services.

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- (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, 2020, the total non-controlling interest amounts to S/ 51,140 thousand (S/ 16,538 thousand and S/ 15,727 thousand as of December 31, 2019 and 2018, respectively).

**30. Financial Risk and Insurance Management**

Due to its business line, the Group assumes the risks inherent to its activities related to the insurance business, market, credit, liquidity and foreign currency.

Management is responsible for monitoring these risks, based on various measurement, analysis and control techniques to minimize potential effects, although the use of these mechanisms does not completely eliminate the inherent risk factors to which the Group is exposed.

Management is exposed to risks as a result of: i) the use of financial instruments and ii) the risks associated with the healthcare business. These risks have been categorized taking into consideration their nature and scope, as well as management, which are described below.

**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 in 2020, 2019 and 2018. It also shows a sensitivity analysis for the most relevant variables affecting this cost: the frequency (number of patients / number of plan members) and the average cost per patient.

<i>In thousands of soles</i>		<u>Frequency</u>	<u>Frequency</u>	<u>Average cost per patient</u>	<u>Average cost per patient</u>	<u>Combined</u>	<u>Combined</u>
<b>2020</b>							
Change %		+5%	+10%	+5%	+10%	+5%	+10%
<b>Cost of segment Oncosalud Peru</b>	<b>312,194</b>	<b>327,804</b>	<b>343,413</b>	<b>327,804</b>	<b>343,413</b>	<b>344,194</b>	<b>377,755</b>
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	<u>830,643</u>	<u>830,643</u>	<u>830,643</u>	<u>830,643</u>	<u>830,643</u>	<u>830,643</u>	<u>830,643</u>

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<i>In thousands of soles</i>		<u>Frequency</u>	<u>Frequency</u>	<u>Average cost per patient</u>	<u>Average cost per patient</u>	<u>Combined</u>	<u>Combined</u>
<b>2019</b>							
Change %		+5%	+10%	+5%	+10%	+5%	+10%
<b>Cost of segment Oncosalud Peru</b>	<b>274,279</b>	<b>287,993</b>	<b>301,707</b>	<b>287,993</b>	<b>301,707</b>	<b>302,393</b>	<b>331,878</b>
Frequency	1.35%	1.42%	1.48%	1.35%	1.35%	1.42%	1.48%
Average cost per patient	21.71	21.71	21.71	22.80	23.89	22.80	23.89
#plan members	<u>936,335</u>	<u>936,335</u>	<u>936,335</u>	<u>936,335</u>	<u>936,335</u>	<u>936,335</u>	<u>936,335</u>

<i>In thousands of soles</i>		<u>Frequency</u>	<u>Frequency</u>	<u>Average cost per patient</u>	<u>Average cost per patient</u>	<u>Combined</u>	<u>Combined</u>
<b>2018</b>							
Change %		+5%	+10%	+5%	+10%	+5%	+10%
<b>Cost of segment Oncosalud Peru</b>	<b>258,631</b>	<b>271,563</b>	<b>284,494</b>	<b>271,563</b>	<b>284,494</b>	<b>285,141</b>	<b>312,944</b>
Frequency	1.35%	1.42%	1.48%	1.35%	1.35%	1.42%	1.48%
Average cost per patient	21.40	21.40	21.40	22.47	23.54	22.47	23.54
#plan members	<u>896,838</u>	<u>896,838</u>	<u>896,838</u>	<u>896,838</u>	<u>896,838</u>	<u>896,838</u>	<u>896,838</u>

As of December 31, 2020, 2019 and 2018, a reasonably possible changes in the most relevant variable in 5% and 10% could affect profit or loss by amounts shown below:

<i>In thousands of soles</i>	<u>Fluctuations in variables (%)</u>	<u>2020 Profit for the year</u>	<u>2019 Profit for the year</u>	<u>2018 Profit for the year</u>
Frequency	5	(15,610)	(13,714)	(12,932)
Frequency	10	(31,219)	(27,428)	(25,863)
Average cost per patient	5	(15,610)	(13,714)	(12,932)
Average cost per patient	10	(31,219)	(27,428)	(25,863)
Combined	5	(32,000)	(28,114)	(26,510)
Combined	<u>10</u>	<u>(65,561)</u>	<u>(57,599)</u>	<u>(54,313)</u>

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.

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Within the Group, the type of product is an oncologic healthcare insurance contract, renewable annually. This enables the Group to review fees that respond fairly and quickly to the changes in service experience. The new fees are automatically applied at each renewal date; however, the client could not accept the increase, which would lead to the contract cancellation. This is a factor that significantly mitigates price risk. The Group does not enter into fixed premium contracts for a period longer than 12 months from the original date or the renewal date of the respective contracts.

Control risk of the cost of providing benefits (treatment and preventive care) is monitored through i) pre-authorization of the service; ii) use of a certain network of clinics and “agreed-upon” fees; and iii) monitoring adherence 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, 2020, 2019 and 2018, the Group used derivative financial instruments to hedge the exposure to the exchange rate risk, for more than 90% of its financial obligations.

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In November 2020, the Group established a fx 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.

In December 2018, the Group established two call spreads with Banco Citibank N.A. for a total amount of US\$ 108,000 thousand (note 9) in order to hedge exchange rate variations. These instruments cover exchange rate variations from S/ 3.383 to the limit of S/ 3.733 per US\$ 1. The fair value effect of the financial instrument arising from the call spread is recognized in 'finance costs' in the consolidated statement of income and other comprehensive income. In November 2020, the Group transferred by novation these call spread agreements to Goldman Sachs Bank, with which the Group released its respective rights and obligations of these financial instruments.

The fair value effect for year 2019 was an income of S/ 319 thousand (2018: loss of S/ 8,026 thousand) note 25.

As of December 31, the Group has the following assets and liabilities stated in U.S. dollars and COP:

<i>In thousands of</i>	2020		2019		2018	
	US\$	COP	US\$	COP	US\$	COP
<b>Assets</b>						
Cash and cash equivalents	59,777	74,974,299	168	10,968,821	1,555	57,091,405
Trade accounts receivable	1,789	213,677,770	1,705	177,524,144	151	218,966,427
Other assets	573	20,049,685	1,508	23,633,356	521	9,090,975
Derivative financial instruments	3,236	—	2,644	—	3,890	—
	<b>65,375</b>	<b>308,701,754</b>	<b>6,025</b>	<b>212,126,321</b>	<b>6,117</b>	<b>285,148,807</b>
<b>Liabilities</b>						
Loans and borrowings	(305,762)	(181,268,539)	(97,761)	(56,571,179)	(108,654)	(113,878,134)
Lease liabilities	(23,322)	(12,531,994)	(919)	(47,765,312)	—	—
Trade accounts payable	(6,879)	(145,688,408)	(3,741)	(106,280,500)	(4,375)	(105,242,375)
Other accounts payable	(612)	(45,199,536)	(4,734)	(20,207,429)	(6,441)	(8,652,733)
Derivative financial instruments	(9,270)	—	(4,690)	—	(301)	—
	<b>(345,845)</b>	<b>(384,688,477)</b>	<b>(111,845)</b>	<b>(230,824,420)</b>	<b>(119,771)</b>	<b>(227,773,242)</b>
<b>Liability position, net</b>	<b>(280,470)</b>	<b>(75,986,723)</b>	<b>(105,820)</b>	<b>(18,698,099)</b>	<b>(113,654)</b>	<b>57,375,565</b>

As of December 31, the exchange rate, used by the Group to translate the balances of assets and liabilities into foreign currency, has been published by the Peruvian Banking, Insurance and Pension Plan Agency (SBS), as follows:

<i>In soles</i>	2020	2019	2018
US\$ 1—Exchange rate—Buy (assets)	3.618	3.311	3.369
US\$ 1—Exchange rate—Sale (liabilities)	3.624	3.317	3.379
COP 1—Exchange rate	0.001065	0.001007	0.001039

The Group recorded losses for exchange difference, net amounting to S/ 45,545 thousand, S/ 772 thousand and S/ 7,260 thousand, respectively, in 2020, 2019 and 2018.

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As of December 31, 2020, 2019 and 2018, a reasonably possible strengthening (weakening) of the U.S. dollar against the Peruvian Sol and COP 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:

<i>In thousands of soles</i>	Fluctuations in exchange rates (%)	2020		2019		2018	
		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	49,161	1,677	16,774	778	19,154	51
Weakening	10	98,322	3,354	33,548	1,556	38,308	102
Strengthening	5	(49,161)	(1,677)	(16,774)	(778)	(19,154)	(51)
Strengthening	10	(98,322)	(3,354)	(33,548)	(1,556)	(38,308)	(102)

**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 partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. As of December 31, 2020, the Group does not have any borrowing at a floating rate.

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, 2020, the Group does not have any financial derivative instrument in order to cover interest rate.

**C. Credit risk**

The Group's financial assets are exposed to credit risk concentrations mainly comprising bank deposits and trade accounts receivable. Regarding bank deposits, the Group reduces the likelihood of credit risk concentrations because it keeps its deposits and places its cash investments at first-class financial entities (according to Apoyo & Asociados, a partner of Fitch Ratings) and limits the amount of exposure to credit risk in any of such financial entities.

Regarding trade accounts receivable, the significant credit risk concentrations, individual or group, are mitigated since the Group's policy is to monitor the payment behavior of customers and their financial position to comply with the respective payments on a regular basis (note 6).

As of December 31, the exposure to credit risk of trade accounts receivable was the following:

<i>In thousands of soles</i>	2020	2019	2018
Peru	173,395	125,994	101,512
Colombia	236,155	181,935	153,636
	<u>409,550</u>	<u>307,929</u>	<u>255,148</u>

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**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).
- In addition, Auna has revolving credit lines of S/ 388,144 thousand to use in case of cash flow needs. As of December 31, 2020, we had S/ 58,396 thousand drawn and S/ 329,749 thousand of availability under the revolving credit facility. As of December 31, 2019, we had S/ 100,142 thousand drawn and S/ 188,950 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/ 64,000 thousand; Banbif: S/ 28,992 thousand; BBVA: S/ 36,240 thousand; BCP: S/ 21,744 thousand; Interbank: S/ 14,496 thousand, Citibank: S/ 90,564 thousand; Santander S/ 36,240 thousand and Pichincha S/ 19,932 thousand. The available credit lines in Colombia are around S/ 75,937 thousand.

In addition, the Group monitors its liquidity risk based on the plans and guidelines established by the Management.

In December 2018, the Group signed an addendum with Banco Scotiabank by virtue of which it renegotiated the balance of the original debt amounting to S/ 185,000 thousand, extended the maturity term up to 2023, and reduced the interest rate from 9.50% to 8.00% (note 15).

Furthermore, the accumulated interest corresponding to the loan with Scotiabank Perú S.A.A. is paid on a quarterly basis, as well as the principal when installments are due. In addition, the Group monitors its liquidity risk based on the plans and guidelines established by the Management.

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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.

<i>In thousands of soles</i>	Carrying amount	Contractual cash flows	Less than 1 year	From 1 to 2 years	From 3 to 5 years	More than 5 years
<b>2020</b>						
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	—
	<b><u>1,805,804</u></b>	<b><u>2,253,221</u></b>	<b><u>502,877</u></b>	<b><u>126,853</u></b>	<b><u>1,469,771</u></b>	<b><u>153,720</u></b>
<b>2019</b>						
Trade accounts payable	254,199	254,199	254,199	—	—	—
Other accounts payable (*)	34,703	35,138	21,873	6,637	6,628	—
Loans and borrowings (**)	637,743	745,122	206,842	97,240	417,160	23,880
Lease liabilities (**)	179,084	245,804	37,618	30,103	70,835	107,248
Derivative financial instruments	15,478	15,478	3,952	4,796	6,730	—
	<b><u>1,121,207</u></b>	<b><u>1,295,741</u></b>	<b><u>524,484</u></b>	<b><u>138,776</u></b>	<b><u>501,353</u></b>	<b><u>131,128</u></b>
<b>2018</b>						
Trade accounts payable	242,856	242,856	242,856	—	—	—
Other accounts payable (*)	46,324	47,378	22,301	9,557	11,175	4,345
Loans and borrowings (**)	725,389	894,695	151,065	128,895	231,890	382,845
Derivative financial instruments	1,015	—	—	—	—	—
	<b><u>1,015,584</u></b>	<b><u>1,184,929</u></b>	<b><u>416,222</u></b>	<b><u>138,452</u></b>	<b><u>243,065</u></b>	<b><u>387,190</u></b>

(\*) 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 2020, 2019 and 2018, the Group has credit lines for working capital that have not been used or used partiality, 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.

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During the year ended December 31, 2020, 2019 and 2018, the Group's strategy was to maintain a leverage ratio not higher than one. Based on this strategy, the Group maintains a leverage ratio of 0.57 in 2020 (0.51 and 0.54 in 2019 and 2018, respectively) as shown below:

<i>In thousands of soles</i>	2020	2019	2018
Total loans and borrowings	1,208,669	637,743	725,389
Less: Cash and cash equivalents	(343,454)	(36,084)	(110,871)
<b>Net debt (A)</b>	<b>865,215</b>	<b>601,659</b>	<b>614,518</b>
<b>Plus: Total equity</b>	<b>652,071</b>	<b>578,818</b>	<b>533,335</b>
<b>Total adjusted equity (B)</b>	<b>1,517,286</b>	<b>1,180,477</b>	<b>1,147,853</b>
<b>Leverage ratio (A)/(B)</b>	<b>0.57</b>	<b>0.51</b>	<b>0.54</b>

**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.

<i>In thousands of soles</i>	Carrying amount			Fair value		
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<b>As of December 31, 2020</b>						
<b>Financial assets measured at fair value</b>						
Derivative financial instruments	11,707	—	—	11,707	11,707	11,707
	<b>11,707</b>	—	—	<b>11,707</b>	<b>11,707</b>	<b>11,707</b>
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	—	343,454	—	343,454	—	—
Trade accounts receivable	—	371,010	—	371,010	—	—
Other assets (*)	—	24,632	—	24,632	—	—
	—	<b>739,096</b>	—	<b>739,096</b>	—	—
<b>Financial liabilities measured at fair value</b>						
Derivative financial instruments	33,594	—	—	33,594	33,594	33,594
	<b>33,594</b>	—	—	<b>33,594</b>	<b>33,594</b>	<b>33,594</b>
<b>Financial liabilities not measured at fair value</b>						
Loans and borrowings	—	—	1,208,669	1,208,669	1,270,557	1,270,557
Lease liabilities	—	—	146,168	146,168	146,168	146,168
Trade accounts payable	—	—	356,029	356,029	—	—
Other accounts payable (**)	—	—	61,344	61,344	—	—
	—	—	<b>1,772,210</b>	<b>1,772,210</b>	<b>1,416,725</b>	<b>1,416,725</b>

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

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

	Carrying amount				Fair value	
	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<i>In thousands of soles</i>						
<b>As of December 31, 2019</b>						
<b>Financial assets measured at fair value</b>						
Derivative financial instruments	8,769	—	—	8,769	8,769	8,769
	<b>8,769</b>	<b>—</b>	<b>—</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	—	36,084	—	36,084	—	—
Trade accounts receivable	—	285,601	—	285,601	—	—
Other assets (*)	—	31,406	—	31,406	—	—
	<b>—</b>	<b>353,091</b>	<b>—</b>	<b>353,091</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities measured at fair value</b>						
Derivative financial instruments	15,478	—	—	15,478	15,478	15,478
	<b>15,478</b>	<b>—</b>	<b>—</b>	<b>15,478</b>	<b>15,478</b>	<b>15,478</b>
<b>Financial liabilities not measured at fair value</b>						
Loans and borrowings	—	—	637,743	637,743	638,857	638,857
Lease liabilities	—	—	179,084	179,084	179,084	179,084
Trade accounts payable	—	—	254,199	254,199	—	—
Other accounts payable (**)	—	—	34,703	34,703	—	—
	<b>—</b>	<b>—</b>	<b>1,105,729</b>	<b>1,105,729</b>	<b>817,941</b>	<b>817,941</b>

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

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

	Carrying amount				Fair value		
	Mandatorily at FVTPL- Others	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<i>In thousands of soles</i>							
<b>As of December 31, 2018</b>							
<b>Financial assets measured at fair value</b>							
Derivative financial instruments	13,108	—	—	—	13,108	13,108	13,108
	<b>13,108</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13,108</b>	<b>13,108</b>	<b>13,108</b>

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	Carrying amount				Fair value		
	Mandatorily at FVTPL- Others	Fair value hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<i>In thousands of soles</i>							
<b>Financial assets not measured at fair value</b>							
Cash and cash equivalents	—	—	110,871	—	110,871	—	—
Trade accounts receivable	—	—	238,116	—	238,116	—	—
Other assets (*)	—	—	22,333	—	22,333	—	—
	<u>—</u>	<u>—</u>	<u>371,320</u>	<u>—</u>	<u>371,320</u>	<u>—</u>	<u>—</u>
<b>Financial liabilities measured at fair value</b>							
Derivative financial instruments	—	1,015	—	—	1,015	1,015	1,015
	<u>—</u>	<u>1,015</u>	<u>—</u>	<u>—</u>	<u>1,015</u>	<u>1,015</u>	<u>1,015</u>
<b>Financial liabilities not measured at fair value</b>							
Loans and borrowings	—	—	—	725,389	725,389	729,372	729,372
Trade accounts payable	—	—	—	242,856	242,856	—	—
Other accounts payable (**)	—	—	—	46,324	46,324	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,014,569</u>	<u>1,014,569</u>	<u>729,372</u>	<u>729,372</u>

**i. Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 fair values at December 31, 2020, 2019 and 2018 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
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 the long forward Interest rate parity: It consists of estimating the present value of the future profit (loss) generated by the forward contract. The gain or loss is calculated as the difference between the forward exchange rate estimated according to the market and the strike.	Not applicable	Not applicable

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<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value</u>
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

**31. COVID-19**

In light of the increased spread of the COVID-19 pandemic, a mandatory lockdown comprised of compulsory social isolation measures (a “quarantine period” or “quarantine”) was established in Peru and Colombia on March 16, 2020 and March 25, 2020, respectively, until September 30, 2020 (note 34). The quarantine period effectively restricted nearly all economic activity in both countries and established a schedule to open the economy gradually. This significantly impacting both the financial and operating performance of our segments. In order to accelerate the recovery of our operations, the main strategy was the implementation of outpatient consultations on-line and delivery services of medicines and laboratory procedures. In terms of costs, the Company is working in an efficiency plan to reduce fixed costs and operating expenses.

As for Healthcare Services in the Peru segment, all non-essential services in our hospitals and clinics were ordered to close (elective surgeries, non-emergency procedures and outpatient consultations), allowing patients only to attend Emergency Care when the quarantine started in March. From June to September, as restrictions started to decrease, the number of patients visits began to recover slowly. In the last quarter of the year, the hospitals in the segment had already recover the level of operations they had before COVID-19. Despite the negative effect that COVID had during the second and third quarter of the year, the Healthcare Services in the Peru segment had a 1.4% Year-over-Year (“YoY”) increase in revenue during 2020. The operating costs registered a significant increase due to the purchase and use of personal protective equipment (PPE) for all medical and administrative staff who are in direct patient care. In addition, the Company granted special bonuses to the medical staff directly caring for patients with COVID-19. As such, gross profit in 2020 decreased by 25.4%, versus 2019.

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Likewise, Healthcare Services in the Colombia segment experienced similar conditions as did the Healthcare Services in the Peru segment, been forced to restrict its activities only allowing Emergency Care to open. Despite the situation in the first three quarters of 2020, the hospitals in the segment recovered the level of activity during the last quarter, situation that led to 2.4% Year-over-Year (“YoY”) increase in revenue during 2020. Costs also registered a significant increase due to the purchase and use of personal protective equipment. As a result, the gross profit in 2020 decreased by 8.6%, compared to 2019.

During 2020, the Group secured a total of S/ 63,410 thousand of government-backed loans to counter the major economic recession and providing liquidity to the healthcare sector caused by the COVID-19 pandemic (note 15). Also, in November 2020, the Group pre-paid S/ 47,500 thousand corresponding to Peruvian government guaranteed loans. The government guaranteed loans received were recorded in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The commitments related to the government guaranteed loans are subject to the funds being used for working capital. As of December 31, 2020, the difference is recognized as deferred income for S/ 1,211 thousand.

As for the Oncosalud Peru segment, it registered a decline in sales in our prepaid oncology plans due to limitations in our sales force from working from home, coupled with the shutdown of the other sales channels due to the quarantine and the economic recession. This disruption led to a spike in the number of affiliates canceling their oncologic plans. This situation led to a decrease in our number of plan members of 10.0%, from 922,945 in 2019 to 830,643 in 2020. Despite these negative trends, revenue for the Oncosalud Peru segment during 2020 increased by 11.3%, compared to 2019, due to 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. In addition, the restriction of services in our hospitals and clinics reduced the number of patients attending the segment, as well as reducing the number of outpatient consultation and preventive check-ups for plan members. These effects led to an overall decrease in the costs of sales of the segment and the increase in the gross profit in 2020 of 9.2%, compared to 2019.

The subsidiaries domiciliated in Peru received a grant for S/ 293 thousand and the subsidiaries domiciliated in Colombian received a grant for S/ 2,142 thousand. The government grant was awarded for the purpose of giving immediate financial support in order to preserve the employment during the period of quarantine to the Group.

According to the most up-to-date estimations that the Management has, the effects of COVID-19 will not cause significant variations for the Group’s operations in the medium and long term, because health services are basic needs and most of its patients have insurance coverage or can access credit lines to finance their treatments. The evaluation of indicators as of December 31, 2020 has not identified additional CGUs in order to be evaluated for impairment and the discounted flow projections to determine the use values of those CGUs for which the evaluation is mandatory, do not show significant variations after the year 2021 according to the projected flows at the end of 2021. Regarding the discount rate for the calculation of the use value, Management estimates that it will not have significant variations to the ones that were used in previous years.

Because of COVID-19, multiple Group companies began renegotiating contracts for the leasing of offices and service premises, the use level and occupancy of which had been affected by the confinement measures and the reduced attendance of clients. In cases in which an agreement has already been reached, the Group applied the amendment to IFRS 16 issued by the IASB in May 2020 due to the pandemic, making adjustments to results for the period due to the consequences of the renegotiation (waivers and fee reductions), just as if they were variable lease components. According to the contracts that are still under renegotiation with the lessors, Management will apply the same treatment, estimating that its effect will not be significant.

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There was an increase in the number of days of our cash collection cycle due to payments processes in our clients because of the restrictions of lock down. This caused an increase in the loss for impairment of trade receivables of corporate customers of S/ 3.6 millions. In addition, there was an increase due to a provision of S/ 3.0 million from patients with COVID-19 that could not pay for the service received.

**32. Commitments, Guarantees, and Contingencies**

**A. Commitments**

As of December 31, 2020, 2019 and 2018, no commitments to be reported have been identified.

**B. Guarantees**

As of December 31, 2020, December 31, 2019 and December 31, 2018 the Group has the following guarantees:

- Guarantee letters in financial institutions for S/ 12,379 thousand in favor of third parties in order to ensure compliance with providing healthcare services (2019: S/ 12,816 thousand and 2018: S/ 9,576 thousand);
- Guarantee of shares on Auna Colombia for S/ 843,149 thousand in favor of Scotiabank Perú S.A.A. (2019: S/ 771,723 thousand and 2018: S/ 783,821 thousand).
- Guarantee to cover a financial loan for S/ 337,240 thousand in favor of Scotiabank Perú S.A.A., S/ 40,774 thousand in favor of Banco Interamericano de Finanzas and one dollar in favor of Banco Pichincha (2019: S/ 250,000 thousand for Scotiabank S.A.A. and S/ 833 thousand for Banco Interamericano de Finanzas and 2018: S/ 343,511 thousand for Scotiabank S.A.A. and S/ 846 thousand for Banco Interamericano de Finanzas);
- The Group maintains properties in mortgage in favor of Scotiabank Perú S.A.A. for S/ 460,335 thousand related to loans received (S/ 394,105 thousand as of December 31, 2019 and S/ 455,172 thousand as of December 31, 2018) and Colombia maintains guarantee trust for S/ 143,010 thousand to guarantee compliance with the proceeds of their sale (2019: S/ 45,378 thousand and 2018 S/ 51,365 thousand).

**C. Contingencies liabilities**

As of December 31, 2020, 2019 and 2018, 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/ 27,573 thousand, S/ 18,128 thousand and S/ 8,884 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 (note 1.C).

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. The management and legal advisor have evaluated 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 (note 1.C).

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020, 2019 and 2018**

**33. Related Parties**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Transaction value			Outstanding balances		
		2020	2019	2018	2020	2019	2018
<b>Sales of oncologic healthcare services</b>							
Joint ventures		117	498	49	42	588	39
Associates		—	—	—	—	17	—
Others		—	—	—	12	2	227
		<u>117</u>	<u>498</u>	<u>49</u>	<u>54</u>	<u>607</u>	<u>266</u>
<b>Cost of sales of oncologic healthcare services</b>							
Joint ventures		5,916	6,402	5,450	1,863	883	790
Associates		3,565	3,675	—	691	678	1,161
Others		—	—	—	24	254	191
		<u>9,481</u>	<u>10,077</u>	<u>5,450</u>	<u>2,578</u>	<u>1,815</u>	<u>2,142</u>
<b>Administrative expenses</b>							
Services provided by related parties (iv)		2,433	2,163	2,219	251	173	427
		<u>2,433</u>	<u>2,163</u>	<u>2,219</u>	<u>251</u>	<u>173</u>	<u>427</u>
<b>Selling expenses</b>							
Services provided by related parties (v)		697	—	—	—	—	—
		<u>697</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Loans</b>							
Others	<i>17.C</i>	—	—	178	—	—	—
		<u>—</u>	<u>—</u>	<u>178</u>	<u>—</u>	<u>—</u>	<u>—</u>

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, 2020, 2019 and 2018, the compensation paid to the key management of the companies located in Peru amounts to S/ 77,272 thousand, S/ 59,852 thousand and S/ 48,193 thousand, respectively, in Colombian companies the amount is S/ 9,269 thousand at December 31, 2020 (S/ 5,983 thousand as of December 31, 2019 and S/ 4 thousand as of December 31, 2018). The Group does not grant long-term benefits to its key management personnel.

(ii) Compensation to directors

As of December 31, 2020, 2019 and 2018, the compensation paid to the board of directors of the companies located in Peru amounts to S/ 2,770 thousand, S/ 3,185 thousand and S/ 1,498 thousand, respectively.

**Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020, 2019 and 2018**

(iii) Medical services

As of December 31, 2020, 2019 and 2018, 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, 2020, 2019 and 2018, corresponded to administrative expenses provided by Enfoca to the Group mainly to management services for S/ 2,259 thousand, S/ 2,081 thousand and S/ 1,909 thousand, respectively; and reimbursements related to consultant fees and travel expenses for S/ 174 thousand, S/ 82 thousand and S/ 310 thousand, respectively.

(v) Selling expenses

As of December 31, 2020 corresponded to selling expenses provided to the Group by companies related with shareholders mainly to sales commission for S/ 697 thousand.

**34. Subsequent Events**

On January 26, 2021, the Peruvian Government through Decreto Supremo No. 008-2021-PCM announced new measures within the framework of the State of National Emergency due to the second wave of COVID-19, which will be in force from January 31 for an initial period of 15 days, which was later extended until February 28, 2021 by Supreme Decree No. 023-2021-PCM. After that date, the measures were later extended until August 31, 2021 by Decreto Supremo No. 131-2021-PCM. These measures must be adopted according to the classification by the levels with which each department of Peru has been assigned: high, very high and extreme. Among the measures are: targeted immobilization, limitation of activities that imply displacement, suspension of interprovincial land trips and curfew by schedules. The Group's activities are mainly carried out in the department of Lima, Peru whose classification was Extreme and was later classified as High. On February 19, 2021, Decreto Supremo No. 009-2021-SA was published in the Diario Oficial El Peruano, through which the State of Sanitary Emergency was extended until September 2, 2021. After that date, in August 2021, the Peruvian Government announced an extension of the State of Sanitary Emergency until March 1, 2022, by Decreto Supremo No. 025-2021-SA.

On February 2021, the Peruvian Government announced that in the provinces with an extreme risk level there will only be mandatory and strict social immobilization at specific times and on Sundays as of March 1, 2021 and for 14 days.

Based on the foregoing, the Group does not anticipate that these measures will have a significant impact on its operations.

Between January 1, 2021 and until the date of issuance of this report (August 24, 2021), 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, 2020.

## American Depositary Shares

Representing

Class A Shares



**Auna S.A.A.**

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**PRELIMINARY  
PROSPECTUS**

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**Morgan Stanley**

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, 2021

Through and including \_\_\_\_\_, 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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**PART II**

**INFORMATION NOT REQUIRED IN THE PROSPECTUS**

**Item 6. Indemnification of Directors and Officers**

According to the Registrant's by-laws, the directors and executive officers of the company shall be indemnified by the company for any reasonable expenses incurred and for any loss or damage suffered in connection with any action, lawsuit or proceeding to which they have been a party as a result of their position as director or executive officer, to the extent such action, lawsuit or proceeding is not attributable to them. We maintain liability insurance which insure our directors and officers against liability which he or she may incur in his or her capacity as such.

**Item 7. Recent Sales of Unregistered Securities**

None.

**Item 8. Exhibits**

(a) The following documents are filed as part of this registration statement:

- 1.1\* Form of Underwriting Agreement.
- 3.1\*\* [English translation of By-laws of the Registrant.](#)
- 4.1\* Registrant's Form of American Depositary Receipt (included in Exhibit 4.2).
- 4.2\* Form of Deposit Agreement among the Registrant, Citibank, N.A., as depository, and the holders from time to time of American depository shares issued thereunder.
- 5.1\* Opinion of Rodrigo, Elias & Medrano Abogados, Peruvian counsel to the Registrant, as to the validity of the class A shares.
- 8.1\*\* [Opinion of Davis Polk & Wardwell LLP, U.S. counsel to the Registrant, regarding certain U.S. tax matters.](#)
- 8.2\* Opinion of Rodrigo, Elias & Medrano Abogados regarding certain Peruvian tax matters.
- 10.1\*\*† [English translation of Surface Rights Agreement dated as of July 9, 2009 among Medic Ser S.A.C. and the Peruvian Red Cross Society.](#)
- 10.2\*\* [English translation of the Public Deed of the First Amendment dated as of January 26, 2010 to the Surface Rights Agreement.](#)
- 10.3\*\* [English translation of Torre Trecca Concession Agreement dated as of August 27, 2010 among Consorcio Trecca S.A.C. and the Social Health Insurance of Peru.](#)
- 10.4\*\* [English translation of the First Addendum dated as of April 19, 2011 to the Torre Trecca Concession Agreement.](#)
- 10.5\*\*† [English translation of Lease Agreement dated as of June 27, 2019 among Oncocenter Perú S.A.C. and Promotora Asistencial S.A.C. Clínica Limatambo.](#)
- 10.6\*\* [English translation of Financing Agreement dated as of January 29, 2010 among Promotora Médica Las Américas, as borrower, Fiduciaria de Occidente S.A., as administrative agent and the lenders party thereto.](#)

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- 10.7\*\* [English translation of First Amendment dated as of October 13, 2010 to the Financing Agreement among Promotora Médica Las Américas, as borrower, Fiduciaria de Occidente S.A., as administrative agent and the lenders party thereto.](#)
- 10.8\*\* [English translation of Second Amendment dated as of May 25, 2017 to the Financing Agreement among Promotora Médica Las Américas, as borrower, Fiduciaria de Occidente S.A., as administrative agent and the lenders party thereto.](#)
- 10.9\*\* [English translation of Third Amendment dated as of July 17, 2017 to the Financing Agreement among Promotora Médica Las Américas, as borrower, Fiduciaria de Occidente S.A., as administrative agent and the lenders party thereto.](#)
- 10.10\*\* [English translation of Fourth Amendment dated as of February 20, 2018 to the Financing Agreement among Promotora Médica Las Américas, as borrower, Fiduciaria de Occidente S.A., as administrative agent and the lenders party thereto.](#)
- 10.11\*\* [Intercreditor and Collateral Agency Agreement dated as of December 26, 2018 among Auna Colombia S.A.S., as USD borrower, Oncosalud S.A.C., as PEN borrower, Citibank del Peru, S.A., as USD administrative agent, Scotiabank Perú S.A.A., as PEN administrative agent and collateral agent, and the guarantors party thereto.](#)
- 10.12\*\* [Form of Indemnification Agreement with directors and officers.](#)
- 10.13\* Form of Registration Rights Agreement among the Registrant and certain shareholders of the Registrant.
- 10.14 [English translation of Lease Agreement dated as of February 3, 2020 among Oncosalud S.A.C. and Scotiabank Perú S.A.A. \(referred to herein as the Chiclayo Hospital Financing Agreement\).](#)
- 10.15 [English translation of Amendment dated as of July 21, 2020 to Lease Agreement among Oncosalud S.A.C. and Scotiabank Perú S.A.A. \(referred to herein as the Chiclayo Hospital Financing Agreement\).](#)
- 10.16 [Indenture dated as of November 20, 2020 among the Registrant, as issuer, the guarantors party thereto and Citibank N.A., as trustee, paying agent, registrar and transfer agent.](#)
- 14.1\* English translation of the Code of Ethics of the Registrant.
- 21.1\*\* [List of subsidiaries.](#)
- 23.1 [Consent of Caipo y Asociados Sociedad Civil de Responsabilidad Limitada.](#)
- 23.2\* Consent of Rodrigo, Elias & Medrano Abogados, Peruvian counsel of the Registrant (included in Exhibit 5.1).
- 23.3\*\* [Consent of Davis Polk & Wardwell LLP, U.S. counsel of the Registrant \(included in Exhibit 8.1\).](#)
- 24.1\*\* [Powers of attorney \(included on signature page to the registration statement\).](#)

\* To be filed by amendment.

\*\* Previously filed.

† Portions of this exhibit (indicated by asterisks) have been omitted as the registrant has determined that (i) the omitted information is not material and (ii) the omitted information would likely cause competitive harm to the registrant if publicly disclosed.

(b) Financial Statement Schedules:

None.

**Item 9. Undertakings**

The undersigned hereby undertakes:

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Lima, Perú on August 25, 2021.

Auna S.A.A.

By:           /s/ Luis Felipe Pinillos Casabonne            
Name: Luis Felipe Pinillos Casabonne  
Title: Chief Executive Officer

By:           /s/ Pedro Castillo            
Name: Pedro Castillo  
Title: Chief Financial Officer

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Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on August 25, 2021 in the capacities indicated:

<u>Name</u>	<u>Title</u>
* _____ Luis Felipe Pinillos Casabonne	Chief Executive Officer (principal executive officer) / Director
/s/ Pedro Castillo _____ Pedro Castillo	Chief Financial Officer (principal financial officer and principal accounting officer)
* _____ Mauricio Balbi	General Counsel (principal legal officer)
* _____ Jesús Zamora León	Director
* _____ Jorge Basadre Brazzini	Director
* _____ Leonardo Bacherer Fastoni	Director
* _____ Robert Oberrender	Director
* _____ Andrew Soussloff	Director
* _____ John Wilton	Director
* _____ Colleen A. De Vries	Senior Vice-President on behalf of Cogency Global Inc. Authorized Representative in the United States

By: /s/ Pedro Castillo  
\_\_\_\_\_  
Pedro Castillo  
*Attorney-in-Fact*

[logo:] Scotiabank

[stamp:] NOTARIA PAINO Av.  
 Aramburu 668 - Surquillo No. 4228811  
 KARDEX ENTRY TEL No.: 6185151

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Chiclayo Financial Lease

Notary:

Please issue in your Register of Public Deeds, one for Financial Lease, which in accordance with Legislative Decree No. 299, its Regulations, amending rules and the provisions of this agreement, in entered into by, on the one hand, **SCOTIABANK PERU S.A.A.**, with RUC (Registro Único de Contribuyentes [Unique Taxpayer Registry]) No. 20100043140, a company registered in the Record 11008578 of the Book of Companies of the Registry of Legal Entities of Lima, duly represented by the proxies listed in Annex I, empowered with the powers registered in the Record 11008578 of the same Registry, with address in Av. Dionisio Derteano No. 102, San Isidro, hereinafter referred to as THE LESSOR; and, on the other hand, THE LESSEE, the data of which are set out in Annex I to this agreement, under the following terms and conditions.

***FIRST.- OF THE DEFINITIONS USED***

Without prejudice to the other capitalized definitions used in the text of this agreement, the parties agree that the following definitions shall have the following meanings:

- 1.1 FINAL ACCEPTANCE CERTIFICATE: It is the document by which THE LESSEE agrees with and accepts the WORKS received from the CONSTRUCTOR, which will be issued in accordance with the provisions of Clause 5.1 of the FINANCIAL LEASE AGREEMENT.
- 1.2 AFFILIATED: It is, with respect to a legal entity, any PERSON exercising EFFECTIVE CONTROL over it and the other PERSONS on whom the legal entity also exercises an EFFECTIVE CONTROL.
- 1.3 AUNA: It is Grupo de Salud del Perú S.A.C.
- 1.4 GOVERNMENT AUTHORITY: It is any entity that exercises executive, legislative, regulatory or administrative functions that correspond to government functions and exercise jurisdiction over the persons or matters in question.
- 1.5 CHANGE IN CONTROL: means any event or series of events by which: (a) Enfoca SAFI no longer exercises for any reason, directly or indirectly, the EFFECTIVE CONTROL over AUNA; or (b) AUNA no longer controls, directly or indirectly, 66.6% of the voting rights at the general meeting of shareholders of Oncosalud S.A.C. Upon termination of the INTERNATIONAL LOAN AGREEMENT, there will be a CHANGE IN CONTROL in the case (b) that AUNA no longer controls for any reason, directly or indirectly 51% of the voting rights at the general meeting of shareholders of Oncosalud S.A.C.
- 1.6 CERTIFICATE OF FINAL COMPLETION: It is the document that will be issued by the WORKS SUPERVISOR, within ten (10) calendar days of having validated the completion of the WORKS, under which he or she declares in favor of THE LESSOR, that (i) the WORKS has been correctly constructed, in accordance with the WORK SPECIFICATIONS and the CONSTRUCTION CONTRACT; and, (ii) that the funds granted under this FINANCIAL LEASE AGREEMENT have been duly channeled as established in Annex I to this document.
- 1.7 CLINIC: They are, together, the civil works that will be built within the framework of the WORKS financed by this FINANCIAL LEASE AGREEMENT, as well as the acquisition and implementation of the MEDICAL EQUIPMENT under the EQUIPMENT FINANCIAL LEASE AGREEMENT, in order to be able to operate as an establishment dedicated to the provision of general health services.
- 1.8 STRUCTURING FEE: It is the fee that THE LESSEE must pay to THE LESSOR on the CLOSING DATE, equivalent to 1.00% (one percent) of the AMOUNT OF CAPITAL FINANCED.
- 1.9 PREPAYMENT FEE: It is the fee that THE LESSEE will pay to THE LESSOR equivalent to 2.00% (two percent) on the amount to be prepaid, in addition to the cost of breach in funding, if applicable.
- 1.10 FINANCIAL LEASE AGREEMENT: It is this contract signed between THE LESSOR and THE LESSEE.
- 1.11 EQUIPMENT FINANCIAL LEASE AGREEMENT: It is the financial lease agreement that will be signed between THE LESSOR and THE LESSEE, through which, THE LESSOR undertakes to acquire the MEDICAL EQUIPMENT and lease them in favor of THE LESSEE.
- 1.12 ASSIGNMENT AGREEMENT: It is the assignment agreement signed between THE LESSOR and THE LESSEE, on the same date on which this FINANCIAL LEASE AGREEMENT is signed, by means of which THE LESSEE assigns in favor of THE LESSOR thirty percent (30%) of the COLLECTION RIGHTS, in order to guarantee the due and faithful fulfillment of the obligations assumed by THE LESSEE under the FINANCING DOCUMENTS. Likewise, THE LESSEE, through such ASSIGNMENT OF RIGHTS, undertakes to comply with a minimum Debt Coverage Ratio of 1.00x in the years 2021 and 2022 and 1.20x in the years 2023 to 2027, as established in the ASSIGNMENT AGREEMENT.

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[signatures]

[stamp:] TREASURY ANALYST  
 APPROVED BY Sebastian  
 Menacho

[stamp:] GSP SERVICIOS GENERALES  
 S.A.C. LEGAL MANAGEMENT  
 APPROVED BY ANNEMY JURGENS

- 1.13 **PARKING SPACE MORTGAGE AGREEMENT:** It is the mortgage agreement signed between THE LESSOR and THE LESSEE, on the same date on which this FINANCIAL LEASE AGREEMENT is signed, by means of which THE LESSEE grants first and preferential mortgage guarantee on the PARKING SPACES in favor of THE LESSOR, in order to guarantee the due and faithful fulfillment of the obligations assumed by THE LESSEE under the FINANCIAL LEASE AGREEMENT.
- 1.14 **LAND MORTGAGE AGREEMENT:** It is the mortgage agreement signed between THE LESSOR and THE LESSEE, on the same date on which this FINANCIAL LEASE AGREEMENT is signed, by means of which THE LESSEE grants first and preferential mortgage guarantee on the LAND in favor of THE LESSOR, in order to guarantee the due and faithful fulfillment of the obligations assumed by THE LESSEE under the FINANCIAL LEASE AGREEMENT.
- 1.15 **MORTGAGE AGREEMENTS:** They are, together, the PARKING SPACE MORTGAGE AGREEMENT and the LAND MORTGAGE AGREEMENT.
- 1.16 **CONSTRUCTION CONTRACT:** It is the contract entered into by and between THE LESSEE and the CONSTRUCTOR for the construction of the WORKS, as well as its first, second and third addendum signed simultaneously to this document, by means of which THE LESSEE assigns in favor of THE LESSOR certain rights and obligations under said contract.
- 1.17 **SURFACE USE AGREEMENT:** It is the contract of incorporation of a surface right signed between THE LESSOR and THE LESSEE, on the same date on which this FINANCIAL LEASE AGREEMENT is signed, by means of which THE LESSEE constitutes a real right to use a surface on the LAND in favor of THE LESSOR.
- 1.18 **GUARANTOR AGREEMENTS:** They are, together, the MORTGAGE AGREEMENTS and the ASSIGNMENT AGREEMENT.
- 1.19 **EFFECTIVE CONTROL:** It is the control exercised by a PERSON over a person or legal entity: (a) when, through direct or indirect ownership of shares or holdings, usufruct, pledge, collateral pledge, trust agreements or the like, agreements with other shareholders or partners or other acts of any nature, he or she can exercise more than fifty per cent (50%) of the voting rights at the general meeting of shareholders or partners; or, (b) when without having more than fifty per cent (50%) of the voting rights at the general meeting of shareholders or partners, he or she may designate or remove most members of its board, or if there is no board, its principal manager or executive.
- 1.20 **CONSTRUCTOR:** It is Estremadoyro y Fassioli Contratistas Generales S.A. identified with RUC (Registro Único de Contribuyentes [Unique Taxpayer Registry]) No. 20100348501, contractor chosen by THE LESSEE, who will be in charge of the construction of the WORKS that will be owned by THE LESSOR.
- 1.21 **INTERNATIONAL LOAN AGREEMENT:** It is the loan agreement dated December 21, 2018, signed by Auna Colombia S.A.S., under which it has assumed monetary obligations with Citibank N.A. and Banco Santander, S.A. for up to the sum of USD 110,000,000.00 (One hundred ten million and 00/100 Dollars).
- 1.22 **PAYMENT SCHEDULE:** It is the schedule describing the amount of each of the FEES, as well as the BALLOON FEE, which must be paid by THE LESSEE on each PAYMENT DATE and which is included as Annex II to this FINANCIAL LEASE AGREEMENT. The PAYMENT SCHEDULE listed as Annex II is a reference, since it has been prepared considering the total DISBURSEMENT of the AMOUNT OF CAPITAL FINANCED, and can be modified by THE LESSOR on the DATE OF ACTIVATION. In the event that the DATE OF ACTIVATION occurs before the expiration of the GRACE PERIOD, the PAYMENT SCHEDULE must reflect said GRACE PERIOD.
- 1.23 **FEE:** It is each of the sixty (60) equal and consecutive monthly fees, as well as the BALLOON FEE, which must be paid by THE LESSEE in favor of THE LESSOR, as consideration for the financial lease of the WORKS, on each DATE OF PAYMENT.
- 1.24 **BALLOON FEE:** It is the equivalent to thirty percent (30%) of the AMOUNT OF CAPITAL FINANCED, which will be paid by THE LESSEE to THE LESSOR on the DATE OF PAYMENT of the last FEE.
- 1.25 **COLLECTION RIGHTS:** These are the collection rights held by THE LESSEE over 100% (one hundred per cent) of the revenue generated by the CLINIC, once it starts its operations.

[signatures] [stamp:] TREASURY ANALYST  
 APPROVED BY Sebastian  
 Menacho

[stamp:] GSP SERVICIOS GENERALES  
 S.A.C. LEGAL MANAGEMENT  
 APPROVED BY ANNEMY JURGENS

- 1.26 **DISBURSEMENT:** It is any sum actually paid by THE LESSOR in favor of THE LESSEE, including any payment related to the construction of the WORKS, in execution of this FINANCIAL LEASE AGREEMENT. The total sum of DISBURSEMENTS may in no case be greater than the AMOUNT OF CAPITAL FINANCED.
- 1.27 **BUSINESS DAY:** It is each of the five (5) days of the week, which start on Monday and end on Friday, except holidays or non-working days, in which all banks operating in the city of Lima are open, assisting the general public, in their main offices.
- 1.28 **FINANCING DOCUMENTS:** They are, together (i) the FINANCIAL LEASE AGREEMENT, (ii) the EQUIPMENT FINANCIAL LEASE AGREEMENT; (iii) the MORTGAGE AGREEMENTS; (iv) the ASSIGNMENT AGREEMENT; and (v) the SURFACE USE AGREEMENT.
- 1.29 **SUBSTANTIALLY ADVERSE EFFECT:** It is any act, fact or circumstance that, in the reasonable opinion of THE LESSOR, generates an adverse effect or impairment that substantially affects: (a) the business, operations, financial condition, ability to pay or assets of THE LESSEE or of its SUBSIDIARIES, including but not limited to, filing disputes, legal, arbitral, administrative actions, precautionary measures or foreclosures on any of its assets and to the notification of any action, investigation or judicial, arbitral or administrative proceedings against it; or, (b) the legality, validity, duration, claimability or enforceability of this FINANCIAL LEASE AGREEMENT or the other FINANCING DOCUMENTS, or the obligations generated therefrom, or the rights or actions of THE LESSOR.
- 1.30 **EVENT OF DEFAULT:** It has the meaning given to said term in the Twenty-Fifth Clause of the FINANCIAL LEASE AGREEMENT.
- 1.31 **SUBSTANTIALLY ADVERSE EVENT:** It is any fact or circumstance that, in the reasonable opinion of THE LESSOR, substantially changes in an adverse manner the conditions of the national or international capital and/or financial market and/or financial conditions, the political, economic, legal, foreign exchange, local and/or international banking conditions and/or the political and/or economic situation of the Republic of Peru, in such a way that it affects the capacity and/or modifies the financial conditions of THE LESSEE to obtain the necessary funds to meet its obligations under this financial lease in the terms set out in the FINANCING DOCUMENTS.
- 1.32 **MEDICAL EQUIPMENT:** It shall have the meaning given to such term in the EQUIPMENT LEASE AGREEMENT.
- 1.33 **PARKING SPACES:** It is the property located in Avenida Mariscal Nieto No. 480, Campodónico Corner, District and Province of Chiclayo; Department of Lambayeque, which is registered in Electronic Record No. 11099471 of the Real Estate Registry Office of the Registration District No. II—Chiclayo Headquarters—Registration Office of Chiclayo, in which the parking spaces of the CLINIC will be located.
- 1.34 **DATE OF ACTIVATION:** It will be the date on which (i) all the DISBURSEMENTS for the construction of the WORKS are consolidated; (ii) the AVAILABILITY PERIOD has ended; (iii) THE LESSEE has granted the FINAL ACCEPTANCE CERTIFICATE to THE LESSOR; and/or (iv) the WORKS SUPERVISOR has issued the CERTIFICATE OF FINAL COMPLETION. The DATE OF ACTIVATION will occur, even if the conditions set out above have not been met, on the expiration date of the twenty-four (24) month term counted as from the CLOSING DATE.
- 1.35 **CLOSING DATE:** This is the date on which the FINANCING DOCUMENTS have been signed.
- 1.36 **DATES OF DISBURSEMENT:** These are the dates on which THE LESSOR makes the DISBURSEMENTS in favor of THE LESSEE.
- 1.37 **PAYMENT DATES:** These are the dates on which THE LESSEE must pay each of the FEES and any other amounts owed under this FINANCIAL LEASE AGREEMENT in favor of THE LESSOR.
- 1.38 **WORKS PROGRESS REPORT:** It is the document issued by the WORKS SUPERVISOR, on a monthly basis for the purpose of certifying that: (i) there is correspondence between the amounts disbursed by THE LESSOR to THE LESSEE and the amount actually invested for the execution of the WORKS; (ii) the construction of the WORKS is progressing in accordance with the provisions of the WORK SPECIFICATIONS and the CONSTRUCTION CONTRACT; and, (iii) there are no overruns in the WORKS. The WORKS PROGRESS REPORT must be issued within seven (7) calendar days following the respective REQUEST FOR WORK PROGRESS APPRAISAL.

[signatures] [stamp:] TREASURY ANALYST  
 APPROVED BY Sebastian  
 Menacho

[stamp:] GSP SERVICIOS GENERALES  
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 APPROVED BY ANNEMY JURGENS

- 1.39 INTEREST: These are the interest, fees, expenses and any sum or expenditure in addition to the AMOUNT OF CAPITAL FINANCED included in the fess of the financial lease.
- 1.40 LEASING VALLESUR: It is (i) the financial lease agreement to be signed between THE LESSEE and THE LESSOR for the construction of the towers of the Vallesur clinic; and, (ii) the medical equipment financial lease agreement in order to equip the Vallesur clinic in the department of Arequipa, Peru.
- 1.41 APPLICABLE LAWS: They are the laws, decrees, legal rules of any rank, hierarchy and nature applicable in the Republic of Peru, or decisions of any GOVERNMENT AUTHORITY, as they may be interpreted or modified in the future.
- 1.42 WORK SPECIFICATIONS: It is the document containing the description of the WORKS that will be built in accordance with the CONSTRUCTION CONTRACT, the execution of which will be carried out by the CONSTRUCTOR. The WORK SPECIFICATIONS are included as Annex VI to this AGREEMENT.
- 1.43 AMOUNT OF CAPITAL FINANCED: This is the approved amount of financing under this FINANCIAL LEASE AGREEMENT of up to S/ 70,000,000.00 (Seventy Million and 00/100 SOLES). The AMOUNT OF FINANCED CAPITAL will be effectively determined on the DATE OF ACTIVATION, depending on the VALUE OF THE WORKS.
- 1.44 WORKS: It is the civil construction to be built on the LAND, the characteristics of which are described in the WORK SPECIFICATIONS that is inserted as part of Annex VI.
- 1.45 PARTIES: They are, together, THE LESSOR and THE LESSEE.
- 1.46 AVAILABILITY PERIOD: It is the period during which THE LESSEE may request DISBURSEMENTS from THE LESSOR, which will be fifteen (15) months from the CLOSING DATE. In the case that the AVAILABILITY PERIOD is extended by THE LESSOR, the GRACE PERIOD will be reduced proportionately.
- 1.47 GRACE PERIOD: This is the term during which THE LESSEE shall not make capital payments, which shall be nine (9) months counted as from the expiration of the AVAILABILITY PERIOD. The AVAILABILITY PERIOD and the GRACE PERIOD may not exceed, together, the term of twenty-four (24) months counted as from the CLOSING DATE.
- 1.48 ALL-RISK INSURANCE POLICY: it is the all-risk insurance policy that must be contracted by THE LESSEE in accordance with the provisions of section number 21.4 of this FINANCIAL LEASE AGREEMENT.
- 1.49 CAR INSURANCE POLICY: it is the *Construction All Risk* policy that must be contracted by THE LESSEE for the entire term of the WORKS, in order to insure material damages and civil liability in the WORKS.
- 1.50 INSURANCE POLICIES: These are: (i) the ALL-RISK INSURANCE POLICY; and (ii) the CAR INSURANCE POLICY. The INSURANCE POLICIES may be contracted by THE LESSEE in order to keep the WORKS insured during construction and subsequent to the conclusion thereof, as established in the Twenty-First Clause of the FINANCIAL LEASE AGREEMENT.
- 1.51 TERM: It has the meaning attributed to it in section number 3.4 of this FINANCIAL LEASE AGREEMENT.
- 1.52 SOLES: It is the legal tender in the Republic of Peru.
- 1.53 REQUEST FOR DISBURSEMENT: It is the request for disbursement to be made by THE LESSEE to THE LESSOR for the realization of the DISBURSEMENTS, in accordance with the rules and requirements of this FINANCIAL LEASE AGREEMENT, according to the form included as Annex IV.
- 1.54 REQUEST FOR WORK PROGRESS APPRAISAL: It is the request that THE LESSEE will submit to the WORKS SUPERVISOR for the issuance of the respective WORKS PROGRESS REPORT.
- 1.55 SUBSIDIARY: It is, with respect to a legal entity: (i) any legal entity which shares representing the share capital or equity interest are owned by the legal entity in a percentage greater than 50% (fifty per cent), either directly or through another SUBSIDIARY; and, (ii) any legal entity over which it exercises EFFECTIVE CONTROL, as well as its SUBSIDIARIES.
- 1.56 WORKS SUPERVISOR: It is the Engineer Fidel Ortiz Zapata, or the individual or company that replaces him, after authorization of THE LESSOR, who will carry out the supervision and appraisal of the WORKS, as well as the use of the DISBURSEMENTS, for the benefit of THE LESSOR as indicated in this FINANCIAL LEASE AGREEMENT. It is established that the functions of the WORKS SUPERVISOR as set out in this AGREEMENT are independent of the other functions of supervision of the WORKS that will be maintained under the responsibility of the supervisor appointed by THE LESSEE, that is, Thiessen Dirección de Proyectos.

[signatures] [stamp:] TREASURY ANALYST  
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- 1.57 LAND: It is the land located on the corner of Avenida Mariscal Nieto No. 480, Campodónico Corner, District and Province of Chiclayo; Department of Lambayeque, which is registered in Electronic Record No. 11099472 of the Real Estate Registry Office of the Registration District No. II—Chiclayo Headquarters—Registration Office of Chiclayo, owned by THE LESSEE, where the WORKS will be built.
- 1.58 VALUE OF THE WORKS: It is the value of the WORKS, including all expenses incurred by THE LESSOR in connection with its construction and availability, net of the General Sales Tax, determined by the sum of all DISBURSEMENTS made as of the DATE OF ACTIVATION.

Unless expressly stated otherwise or the context so requires, the following rules shall be observed in the interpretation of this FINANCIAL LEASE AGREEMENT:

- (i) The singular includes the plural and vice versa.
- (ii) Reference to any gender includes the other gender.
- (iii) Reference to any agreement (including this FINANCIAL LEASE AGREEMENT and its Annexes), document or instrument is understood to be made to such contract, document or instrument, as may be amended or regulated from time to time, in accordance with the terms contained in each of them and, if applicable, in accordance with the terms contained in this FINANCIAL LEASE AGREEMENT.
- (iv) Unless the context requires an interpretation to the contrary, the reference to any Clause, Section or Annex means that Clause, Section or Annex to this FINANCIAL LEASE AGREEMENT.
- (v) “Including” (and consequently “includes”, “included” or “even”) means that it involves everything indicated immediately after, without limiting the generality of the description preceding the use of such term.
- (vi) Titles that head the Clauses of the Agreement are only as a reference and will not be taken into account for the interpretation of its content and scopes.
- (vii) Any reference to “PARTY” or “PARTIES” in this FINANCIAL LEASE AGREEMENT shall be understood as made to a party or the parties to this FINANCIAL LEASE AGREEMENT, as the case may be.
- (viii) Any enumeration or list of concepts where the disjunctive conjunction “or” exists includes some or all the elements of such enumeration or list; and any enumeration or list of concepts where the coordinating conjunction “and” exists includes each and every element of such enumeration.

**SECOND.- OF THE BACKGROUND**

- 2.1 THE LESSEE is a closely held corporation incorporated and in force in accordance with the APPLICABLE LAWS, whose corporate purpose is the provision of general health services, which requires financing for the construction of the WORKS.
- 2.2 THE LESSEE declares to be the owner of the LAND, and that there are no liens and encumbrances of any kind on it, except for the surface right and the mortgage constituted in favor of THE LESSOR under the SURFACE USE AGREEMENT and the MORTGAGE AGREEMENT, respectively.
- 2.3 Through Public Deed signed simultaneously to that originated herein, THE LESSEE and THE LESSOR entered into the SURFACE USE AGREEMENT, through which, THE LESSEE establishes the surface right on the LAND in favor of THE LESSOR., in order to sign this FINANCIAL LEASE AGREEMENT.
- 2.4 By express instructions from THE LESSEE, the construction of the WORKS, which consists of various civil works, installations, building finishing and other constructions on the LAND, as described in the WORK SPECIFICATIONS and the WORK CONTRACT, has been contracted to the CONSTRUCTOR.
- 2.5 As a result of the above, THE LESSOR will acquire the WORKS, to give it to THE LESSEE on financial lease, under the conditions and stipulations contained in this FINANCIAL LEASE AGREEMENT. In this way, the WORKS will be the exclusive property of THE LESSOR. The WORKS does not include the LAND on which it will be built, which remains owned by THE LESSEE, and on which THE LESSEE has granted in favor of THE LESSOR a surface right under the SURFACE USE AGREEMENT, as well as a mortgage as established in the LAND MORTGAGE AGREEMENT.

[signatures]	[stamp:] TREASURY ANALYST APPROVED BY Sebastian Menacho	[stamp:] GSP SERVICIOS GENERALES S.A.C. LEGAL MANAGEMENT APPROVED BY ANNEMY JURGENS
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***THIRD.- FINANCIAL LEASE***

- 3.1 THE LESSOR, in accordance with its by-laws and the APPLICABLE LAWS, is authorized to enter into this FINANCIAL LEASE AGREEMENT, at the request of THE LESSEE, for the construction of the WORKS and its subsequent financial lease in favor of THE LESSEE.
- 3.2 This FINANCIAL LEASE AGREEMENT is concluded in accordance with Legislative Decree No. 299, Supreme Decree No. 559-84-EFC, Law No. 27394, Legislative Decree No. 915 and the other APPLICABLE LAWS.
- 3.3 THE LESSEE has requested THE LESSOR the financial lease of the WORKS to be built by the CONSTRUCTOR selected and chosen by THE LESSEE, which will be intended to be used as a clinic dedicated to the provision of health services in general. Based on the foregoing, THE LESSOR grants in financial lease and THE LESSEE takes in such condition, the WORKS.  
  
The characteristics, details appraisal, period of execution and other of the WORKS, are described in the WORK SPECIFICATIONS and/or the CONSTRUCTION CONTRACT. It is stated for the record that the goods to be supplied by third parties that will be included as integral parts of the WORKS are also object of the FINANCIAL LEASE AGREEMENT.
- 3.4 The TERM of the financial lease subject matter of this FINANCIAL LEASE AGREEMENT is of up to seven (7) years counted for both PARTIES. The term indicated above will start on the date on which THE LESSOR makes the first DISBURSEMENT and will end on the date corresponding to the payment of the last FEE, as stated in the PAYMENT SCHEDULE.
- 3.5 THE LESSEE grants the GUARANTOR AGREEMENTS in favor of THE LESSOR, in order to guarantee the due and faithful fulfillment of each and every one of the obligations assumed by THE LESSEE to THE LESSOR under the FINANCING DOCUMENTS.

***FOURTH.- OF THE CHOICE, LICENSES AND PERMITS FOR THE WORKS***

- 4.1 THE LESSEE, in exercise of the inalienable right established in Article 5 of Legislative Decree No. 299, has identified the WORKS as the good it wishes to receive from THE LESSOR on financial lease, also declaring that it meets the desired specifications and characteristics. Accordingly, it is the sole responsibility of THE LESSEE that the WORKS is suitable for the use that it intends to give thereto established in Clause 3.3 of this document.
- 4.2 Likewise, THE LESSEE declares (i) its full consent and conformity on the terms and conditions of the CONSTRUCTION CONTRACT and the WORK SPECIFICATIONS, as well as its acceptance with respect to the specifications established in Annex I to this document; and, (ii) its acceptance that the WORKS is to be built by the CONSTRUCTOR in favor of THE LESSOR, so that in turn the latter can give it on financial lease to THE LESSEE.

Without prejudice to the foregoing, the PARTIES hereby state for the record that it is the intention of THE LESSEE to make a change in the facade of the WORKS, which will imply a modification of the WORK SPECIFICATIONS. In this case, it will be necessary to enter into an addendum to the WORK CONTRACT in order to make the necessary modifications to the WORK SPECIFICATIONS, to the satisfaction of THE LESSOR. In addition, THE LESSEE may request from THE LESSOR the necessary funds to make such change of facade, which will be granted by THE LESSEE provided that (i) according to the partial appraisals made of the WORKS, the VALUE OF THE WORKS does not exceed the AMOUNT OF CAPITAL FINANCED; and, (ii) the total number of DISBURSEMENTS granted to THE LESSEE under this FINANCIAL LEASE AGREEMENT (including the DISBURSEMENT requested to make the facade change) do not jointly exceed the AMOUNT OF CAPITAL FINANCED. The PARTIES agree that, if the conditions set out in the preceding paragraph are not met, the expenses will be borne by THE LESSEE, and a security deposit must be made to the BANK for the total amount that such additional expenses represent.

- 4.3 Pursuant to the provisions of the preceding paragraphs, THE LESSOR grants the WORKS on financial lease in favor of THE LESSEE, which specifications have been indicated to it in the WORK SPECIFICATIONS and in the CONSTRUCTION CONTRACT.
- 4.4 By virtue of the constitution of the surface right granted by THE LESSEE in favor of THE LESSOR, in accordance with the terms of the SURFACE USE AGREEMENT, THE LESSOR is entitled to hold ownership over the WORKS, so that there may be an owner of the WORKS other than the owner of the LAND, as provided for in Article 1030 of the Civil Code.

In this way, when this FINANCIAL LEASE AGREEMENT refers to the WORKS, said term is understood to refer only to the construction that will be the exclusive property of THE LESSOR on or under the LAND, excluding the LAND, which remains owned by THE LESSEE.

THE LESSEE expresses its full consent and agreement on the terms of acquisition and execution of the WORKS, as well as with the description, characteristics and specifications of the WORKS set out in this FINANCIAL LEASE AGREEMENT.

[signatures]	[stamp:] TREASURY ANALYST APPROVED BY Sebastian Menacho	[stamp:] GSP SERVICIOS GENERALES S.A.C. LEGAL MANAGEMENT APPROVED BY ANNEMY JURGENS
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- 4.5 THE LESSEE irrevocably undertakes before THE LESSOR, jointly and severally with the CONSTRUCTOR, to regularize and obtain all the licenses, authorizations, permits and other documents necessary before the corresponding authorities for the construction of the WORKS, including without limitation, the licenses, authorizations and permits listed in Annex VII of this document, which it declares to have obtained as of the date of this document.
- 4.6 In addition, THE LESSEE irrevocably undertakes, together with the CONSTRUCTOR, to carry out all the relevant formalities for the purpose of delivering to THE LESSOR, at the end of the execution of the works, the Public Deed of Construction Declaration of the WORKS issued in the name of THE LESSOR, within the term of one hundred eighty (180) calendar days from the issuance of the CERTIFICATE OF FINAL COMPLETION, in the name of THE LESSOR, and the respective Proof of Registration of the Construction Declaration in the Land Registry (formerly the Real Estate Registry Office), within ninety (90) calendar days of obtaining the Construction Declaration. Such terms may be extended for similar additional terms in the event that the competent authorities have submitted observations that are in the process of being corrected, prior approval of THE LESSOR, which may not be unreasonably denied and provided that THE LESSEE has made its best efforts and there is no cause attributable to THE LESSEE with respect to the delay in obtaining the Construction Declaration.
- 4.7 Without prejudice to the provisions of the preceding paragraph, both parties undertake to sign all public and private documents, as well as affidavits and requests, which are necessary for the processing, renewal and/or obtaining of any permit or license before the respective District or Metropolitan Municipality, as well as before any governmental body, or administrative entity for the granting of the Construction Declaration, in favor of THE LESSOR.

**FIFTH.- OF THE DELIVERY OF THE WORKS**

- 5.1 The parties declare that the WORKS will be understood to be delivered to THE LESSEE, on the date on which the CONSTRUCTOR completes the construction thereof, according to the schedule included in the CONSTRUCTION CONTRACT, at which time, THE LESSEE will sign, if it accepts the works that the CONSTRUCTOR intends to deliver, the corresponding FINAL ACCEPTANCE CERTIFICATE. Within five (5) BUSINESS DAYS following the signing of the FINAL ACCEPTANCE CERTIFICATE, THE LESSEE will forward a copy of it to THE LESSOR. If THE LESSEE fails to deliver a copy of the FINAL ACCEPTANCE CERTIFICATE to THE LESSOR within the indicated term, it will be understood that the WORKS has been received at the complete satisfaction of THE LESSEE. THE LESSEE declares that the WORKS must be delivered by the CONSTRUCTOR no later than on the DATE OF ACTIVATION. Also, on the DATE OF ACTIVATION, THE LESSOR must have received from the WORKS SUPERVISOR the CERTIFICATE OF FINAL COMPLETION.
- 5.2 Without prejudice to the provisions of section number 5.1 above, as from the signing of this FINANCIAL LEASE AGREEMENT, THE LESSEE assumes sole responsibility for the costs and risks of the delivery and construction of the WORKS subject matter of this contract, even if it has not signed the CERTIFICATE OF FINAL COMPLETION. From time to time, THE LESSEE assumes responsibility for the suitability of THE WORKS, its operating conditions and technical qualities for the uses and purposes it pursues, expressly and unequivocally holding THE LESSOR harmless from all liability for such concepts, therefore, it waives its right to the actions and/or defenses that could be enforced against THE LESSOR, such as warranty of title and right of possession. Likewise, THE LESSEE holds THE LESSOR harmless from all liability in the case that for any reason or circumstance the title of acquisition of the LAND or THE WORKS is harmed, whatever the cause. The verifications and control of the construction of the WORKS will be carried out by THE LESSEE, through the WORKS SUPERVISOR, who assumes the responsibility of verifying that the WORKS has the progress scheduled and its delivery by the CONSTRUCTOR is made in accordance with its indications, according to the internal supporting documentation.

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5.3 Likewise, THE LESSEE undertakes, as from the signing of this instrument, to preserve the peaceful possession of the WORKS that is owned by THE LESSOR.

**SIXTH.- OF THE DELAY IN DELIVERING THE WORKS**

6.1 If any cause of non-conformity is alleged or if there is for any reason a delay or failure to comply with the delivery of the WORKS attributable to the CONSTRUCTOR or to third parties, THE LESSEE may exercise against them all those actions and/or rights that would correspond to THE LESSOR, such as applying penalties, executing the performance bond, using the guarantee fund, performing interventions, and other actions as described in the CONSTRUCTION CONTRACT, provided that it has the prior written authorization of THE LESSOR, which cannot be unreasonably denied. THE LESSOR will have a term of five (5) BUSINESS DAYS to issue its pronouncement, otherwise THE LESSEE may proceed as requested. THE LESSEE undertakes to inform THE LESSOR of the actions taken and the result thereof by virtue of the approval received. THE LESSEE may not terminate the WORK CONTRACT, if it does not have the express prior written authorization of THE LESSOR.

The delay in the delivery of the WORKS will not delay the entry into force of the DATE OF ACTIVATION, nor will it release THE LESSEE from the payment of the FEES of the FINANCIAL LEASE AGREEMENT, in accordance with the provisions of the PAYMENT SCHEDULE.

6.2 If a period of more than thirty (30) calendar days elapsed since the DATE OF ACTIVATION, without complying with the delivery of the WORKS, or if for any reason the delivery of the WORKS turns to be impossible, THE LESSOR is entitled to unilaterally terminate this FINANCIAL LEASE AGREEMENT, resolving it automatically and without the need for prior judicial declaration, notifying THE LESSEE of such a decision by means of a notice given by a Notary Public.

6.3 Upon receipt of the notary’s communication of termination of the FINANCIAL LEASE CONTRACT executed by THE LESSOR, THE LESSEE will proceed to:

- Reimburse THE LESSOR all those DISBURSEMENTS that it has made for the construction of the WORKS, plus the interest accrued, as well as all expenses incurred up to the date of the termination of the FINANCIAL LEASE AGREEMENT.
- Hold THE LESSOR harmless from all the obligations that as a result of the CONSTRUCTION CONTRACT or its termination, THE LESSOR had or came to have with the CONSTRUCTOR or third parties, reimbursing, immediately, THE LESSOR all payments, expenses, interest, disbursements or compensation that it had paid or that may be obliged to pay in order to terminate its relationship with the CONSTRUCTOR, and where appropriate, to subrogate to all the rights and obligations that correspond to THE LESSOR against the CONSTRUCTOR if applicable, THE LESSEE being exclusively responsible for the operation and the costs and expenses that its judicial or extrajudicial defense entail.
- In the event of termination of the FINANCIAL LEASE AGREEMENT and having THE LESSEE reimbursed all the amounts paid by THE LESSOR and expenses mentioned in the previous points, the transfer of ownership of everything built or the WORKS will automatically apply, in the case of completion thereof, in favor of THE LESSEE, automatically terminating the SURFACE USE AGREEMENT concluded simultaneously to this instrument.

6.4 In no case will THE LESSOR be responding to THE LESSEE for the failure to comply or delay in delivering the WORKS, or for the qualities or characteristics of the works executed, THE LESSEE waiving as from now on its right to any judicial or extrajudicial action -and the terms to raise them- that it could file against THE LESSOR.

**SEVENTH.- OF THE TITLE OF OWNERSHIP OF THE WORKS**

7.1 It is understood that THE LESSEE exclusively assumes the responsibility for the study of the titles of ownership of the LAND on which the surface right is granted and the WORKS subject matter of this contract will be built, therefore, THE LESSEE holds THE LESSOR harmless from all responsibility arising out of the establishment of the surface right and the construction of the WORKS that it will perform as mentioned in this FINANCIAL LEASE AGREEMENT. Consequently, THE LESSOR shall not incur any liability whatsoever to THE LESSEE in the event that the titles of ownership of the LAND, the WORKS and the surface right are null, void, or if for any reason they are terminated, resolved or become insufficient or ineffective, or if the surface right is not registered.

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7.2 THE LESSEE also holds THE LESSOR harmless from all responsibility for the stipulations of the CONSTRUCTION CONTRACT, as well as for the plans, projects, characteristics and qualities of the WORKS established in the WORK SPECIFICATIONS, the CONSTRUCTION CONTRACT and/or any other document, and for any possible problems that may arise from obtaining the permits, licenses or authorizations that could be necessary for the construction of the WORKS, including but not limited to, the permits, licenses or authorizations listed in Annex VII to this FINANCIAL LEASE AGREEMENT.

Likewise, THE LESSEE declares that THE LESSOR will not incur any liability whatsoever to THE LESSEE for the registration of the Construction Declaration in favor of THE LESSOR.

7.3 In addition, THE LESSEE waives its rights before THE LESSOR to the actions of warranty of title and right of possession, having been THE LESSEE who has identified and chosen the characteristics of the WORKS on its own initiative as the object of this FINANCIAL LEASE AGREEMENT. THE LESSEE also waives the right to request the refund of the consideration in accordance with the provisions of Articles 1497 and 1519 of the Civil Code. Consequently, in the event of a case of warranty of title and right of possession, THE LESSEE will have its expedited right to demand the warranty corresponding to THE CONSTRUCTOR if applicable, THE LESSOR not responding for the construction flaws that the WORKS may have.

7.4 THE LESSOR is not responsible for any damages or losses that may be caused to THE LESSEE or to third parties, as a result of the defects of the WORKS. Consequently, THE LESSEE exclusively assumes the corresponding risks. Likewise, THE LESSEE undertakes to compensate THE LESSOR for any damages and losses that it may suffer as a result of deficiencies in the titles of ownership of the WORKS.

7.5 Without prejudice to the foregoing, THE LESSOR is entitled to exercise the actions it deems appropriate to protect its interests against THE LESSEE, the CONSTRUCTOR or third parties.

***EIGHTH.- OF THE USE, MAINTENANCE AND RESPONSIBILITY FOR THE WORKS***

8.1 THE LESSEE states that it will give the WORKS exclusively the use indicated in Annex I to this document.

8.2 It is the sole responsibility of THE LESSEE that the use of the WORKS is the one indicated in Annex I, holding THE LESSOR harmless from all responsibility in case the administrative, municipal authorities or any other competent entity does not allow the use of the WORKS for the purposes pursued, keeping THE LESSOR informed of the use that is given to it.

8.3 In particular, it is expressly stated that THE LESSEE guarantees THE LESSOR, without prejudice to the other obligations it assumes in this agreement, that it will hold it financially harmless from any contingency, complaint, claim, action and/or request that any authorities and/or third parties can initiate or pursue against THE LESSOR, in its capacity as owner of the WORKS, as a result of the use given to it by THE LESSEE.

8.4 All the repairs, maintenance tasks and the proper conservation that may be required or necessary or convenient to carry out in the WORKS are borne by THE LESSEE. Any repair, whatever its nature, importance or urgency, will be on the account, cost and charge of THE LESSEE, without the right to reimbursement or compensation whatsoever by THE LESSOR.

8.5 THE LESSEE assumes responsibility before THE LESSOR for the damages, destruction, loss and/or harm that the WORKS may suffer, including those arising out of act of God or force majeure. In the event that any of the aforementioned events occur, it is understood that the obligation of THE LESSEE to pay THE LESSOR all the FEES of the financial lease will survive, at the opportunities set out in the PAYMENT SCHEDULE.

8.6 If the repairs are structural in nature or by defect of construction or manufacture of the materials used, THE LESSEE must inform THE LESSOR of the magnitude of the repair, within the BUSINESS DAY after having become aware of it.

8.7 THE LESSEE undertakes not to make any kind of modifications, alterations, additions or improvements to the WORKS without the prior written consent of THE LESSOR, which cannot be unreasonably denied. THE LESSOR will have a term of five (5) BUSINESS DAYS to issue its pronouncement, otherwise THE LESSEE may proceed as requested. THE LESSEE undertakes to inform THE LESSOR of the result of the modifications, alterations, additions or improvements to the WORKS by virtue of its approval. Without prejudice to this, THE LESSEE may carry out improvements or repairs that are considered necessary for up to the sum of USD 50,000.00 (Fifty thousand and 00/100 DOLLARS), without the prior written consent of THE LESSOR, and in this case THE LESSEE must inform of such necessary improvement or repair to THE LESSOR, within the BUSINESS DAY following the day of performing it. Any modification, alteration or improvement that THE LESSEE makes in the WORKS, in any case, will be the property of THE LESSOR, without prejudice to the responsibility applicable for the breach of THE LESSEE.,

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In the event that THE LESSEE requires additional purchases to make additions to the WORKS or other jobs that are part of the WORK SPECIFICATIONS, it may ask THE LESSOR for the necessary funds to make such additional purchases, which will be granted to it by THE LESSEE provided that (i) according to the partial appraisals made of the WORKS, the VALUE OF THE WORKS does not exceed the AMOUNT OF CAPITAL FINANCED; and, (ii) all the DISBURSEMENTS granted to THE LESSEE under this FINANCIAL LEASE AGREEMENT (including the DISBURSEMENT requested to make additional purchases) do not jointly exceed the AMOUNT OF CAPITAL FINANCED. The PARTIES agree that any additional purchases required by THE LESSEE that do not comply with the conditions set out in the preceding paragraph shall be assumed by THE LESSEE, and must make a deposit in escrow in the BANK for the total amount that such additional purchases represent.

In addition, the PARTIES hereby state for the record that, in the event that the additions to the WORKS involve a modification to the WORK SPECIFICATIONS, it will be necessary to enter into an addendum to the WORK CONTRACT in order to formalize such modification.

8.8 THE LESSEE will have full operational control over the WORKS, being able to conclude with third parties and related companies all the contracts and acts that it deems necessary for this purpose and include all the terms and conditions therein that it deems appropriate for the proper management and operation of the CLINIC, according to the purposes set out in Annex I of this document, the authorization of THE LESSOR not being necessary to do so, provided that this does not generate or could generate an EVENT OF DEFAULT. Likewise, THE LESSEE will make, without the need for authorization of THE LESSOR, all the commercial decisions that it deems appropriate for the proper management and operation of the CLINIC, provided that it does not generate or could generate an EVENT OF DEFAULT.

8.9 In the event of any of the following acts, THE LESSEE must give immediate notice to THE LESSOR, without prejudice to initiating the corresponding actions:

- (i) When a third party takes over or takes possession of the WORKS or the goods that form the WORKS, without the consent of THE LESSEE, or adopts measures of any nature on the WORKS or the goods that form it without the consent of THE LESSEE.
- (ii) When the WORKS or the goods that will form the WORKS have been affected by an act of God or force majeure event that would have caused significant material damage, serious injury or the death of persons.
- (iii) When the WORKS or the goods that will form the WORKS are seized, levied, affected or in any way, the property of THE LESSOR or the possession of THE LESSEE is altered for actions or acts of persons.

In these cases, THE LESSOR may require THE LESSEE to take measures and/or actions that it deems appropriate to recover free possession over the WORKS, and THE LESSEE must bear the costs arising out of such measures or actions. In the event that THE LESSOR has to make any payment to recover the free possession of the WORKS, the DISBURSEMENTS it makes will be charged to THE LESSEE, in accordance with the provisions of the Fourteenth Clause of this FINANCIAL LEASE AGREEMENT.

8.10 THE LESSEE undertakes to pay on time for all the services provided to the WORKS, including but not limited to services for drinking water, electricity, telephone, etc., as well as to obtain and maintain in force the permits, licenses and registrations necessary for the use of the WORKS, including but not limited to the permits, licenses and authorizations established in Annex VII of the FINANCIAL LEASE AGREEMENT.

**NINTH.- OF INSPECTIONS**

9.1 THE LESSOR has the right to inspect the WORKS at least once a year during the term of this FINANCIAL LEASE AGREEMENT, in order to verify that THE LESSEE makes the correct use of it. On the other hand, THE LESSEE undertakes to facilitate such inspections upon communication to THE LESSEE no less than three (3) BUSINESS DAYS in advance. THE LESSOR may carry out the inspection and verification referred to in the presence of a Notary Public appointed by it.

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- 9.2 During the term between the date on which THE LESSOR makes the first DISBURSEMENT and the DATE OF ACTIVATION, THE LESSOR shall have the right to request two (2) appraisals of the WORKS per each calendar month to be carried out by the WORKS SUPERVISOR. Once the DATE OF ACTIVATION has occurred, THE LESSOR may request an independent expert to evaluate the WORKS annually in application of what is regulated by the Superintendency of Banking, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y AFP).
- 9.3 It is expressly stated for the record that the costs of inspections and appraisals of the WORKS as indicated in section numbers 9.1 and 9.2 above, will be at the expense and risk of THE LESSEE, the latter having to reimburse such expenses to THE LESSOR, in accordance with the provisions of the Thirteenth Clause. Likewise, in the case that THE LESSEE has incurred in an EVENT OF DEFAULT, the costs of inspection and appraisal of the WORKS, if applicable, will be borne exclusively by THE LESSEE. Finally, it is established that only in the event that any competent authority in the performance of its functions requires THE LESSOR an additional inspection or appraisal of the WORKS before the annual term established here is due, THE LESSOR will notify of it to THE LESSEE, who will be obliged to comply with such request.

**TENTH.- OF THE CONSERVATION OF THE ENVIRONMENT**

- 10.1 THE LESSEE declares that it complies with the APPLICABLE LAWS regarding the environment.
- 10.2 Likewise, THE LESSEE undertakes to send to THE LESSOR, whenever requested, a declaration signed by its legal representative or, alternatively, but at most two (2) times a year, an independent expert certification, with respect to compliance with the obligations in environmental matters that may be imposed by the APPLICABLE LAWS.
- 10.3 Without prejudice to the foregoing, THE LESSEE authorizes THE LESSOR, its representative or the persons it appoints, to verify the compliance by THE LESSEE with the environmental obligations, during the term of this FINANCIAL LEASE AGREEMENT, undertaking to provide the necessary facilities for such verification.
- 10.4 It is expressly stated for the record that the cost involved, in one case or another, will be at the cost and expense of THE LESSEE.

**ELEVENTH.- OF THE VALIDITY AND TERM OF THE AGREEMENT**

- 11.1 The obligations referred to in this agreement shall enter into force on the date on which THE LESSOR makes the first DISBURSEMENT for the construction of the WORKS and shall come to an end after the payment of the last FEE of financial lease provided for in the PAYMENT SCHEDULE included as Annex II to this document.
- 11.2 If the requirements established for the DATE OF ACTIVATION to occur are not met (except for the course of the term of twenty-four (24) months from the CLOSING DATE), THE LESSOR may request THE LESSEE to cancel in favor of THE LESSOR all those disbursement that have been made or charges that are generated in connection with this FINANCIAL LEASE AGREEMENT or its preparation, within 48 hours of receipt of the request made for this purpose by THE LESSOR, in which it will detail the concepts and amounts to be canceled.

**TWELFTH.- OF THE AMOUNT OF CAPITAL FINANCED**

- 12.1 The AMOUNT OF CAPITAL FINANCED (or VALUE OF THE WORKS) is described in Annex I. This value is a reference and will only become final when THE LESSOR has made the total DISBURSEMENT for the construction and availability of the WORKS (the PURCHASE PRICE OF THE WORKS). In case the VALUE OF THE WORKS is different from the reference value for any reason, THE LESSOR will send to THE LESSEE a communication detailing all the DISBURSEMENTS made, as well as the final figure of the AMOUNT OF CAPITAL FINANCED and the new PAYMENT SCHEDULE, which will start to govern automatically as from the DATE OF ACTIVATION. Notwithstanding the above, THE LESSEE undertakes to sign the minutes and public deed of modification of Annex I, within three (3) BUSINESS DAYS of being notified with such request. The costs and expenses resulting from the modification will be borne by THE LESSEE.

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- 12.2 It is expressly stated for the record that any other expense that are not contemplated within the AMOUNT OF CAPITAL FINANCED, such as fees, arrears, fines, taxes and other disbursements that have to be made for the purpose of obtaining the qualification and warranty of the WORKS, will be assumed in its entirety by THE LESSEE; in this regard, the parties specify that, in the event that the aforementioned disbursements have to be made by THE LESSOR, this will charge THE LESSEE such DISBURSEMENTS, by reimbursement, as agreed in the Fourteenth Clause.
- 12.3 Since in order to sign this FINANCIAL LEASE AGREEMENT the PARTIES have agreed that the payments made by THE LESSEE to THE LESSOR have to be in the currency indicated in Annex I, the AMOUNT OF CAPITAL FINANCED and the INTEREST have been calculated in said currency.
- 12.4 In the event that any DISBURSEMENT made by THE LESSOR for the acquisition of the WORKS would have been made in a currency other than that stipulated in Annex I, THE LESSOR will convert it into such currency. The value of conversion of the other currency into the currency indicated in Annex I shall be that corresponding to the exchange rate in force on the day of each DISBURSEMENT, for foreign currency transactions published by THE LESSOR.

**THIRTEENTH.- CONDITIONS PRECEDENT**

**13.1 Conditions precedent to all DISBURSEMENTS:**

The following are conditions precedent to all DISBURSEMENTS (including the first DISBURSEMENT):

- (i) No Event of default.- That no EVENT OF DEFAULT has occurred.
- (ii) Request for Disbursement.- That THE LESSEE sends the REQUEST FOR DISBURSEMENT no less than five (5) BUSINESS DAYS in advance to the proposed DISBURSEMENT DATE and that the proposed DISBURSEMENT DATE is within the AVAILABILITY PERIOD.
- (iii) Fulfillment of obligations.- That THE LESSEE is in compliance with all its obligations under the FINANCING DOCUMENTS and that the FINANCING DOCUMENTS remain in force and valid.
- (iv) Validity of statements and assertions.- That the statements and assertions granted by THE LESSEE in this LEASE AGREEMENT remain in force and certain, for which it will submit, attached to the APPLICATION FOR DISBURSEMENT an affidavit signed by the general manager of THE LESSEE according to the model set out in Annex IV. The affidavit shall include the calculation certifying compliance with the financial safeguards set out in Clause 23.3 of this document.
- (v) Permits, authorizations and licenses.- That the permits, authorizations and licenses required for the construction of the WORKS listed in ANNEX VII remain in force, depending on the state in which the WORKS is on the date on which the disbursement is requested.
- (vi) MORTGAGE AGREEMENTS.- That THE LESSEE has obtained the registration of the MORTGAGE AGREEMENTS in the corresponding Public Registries (except for the first DISBURSEMENT).
- (vii) Insurance.- That the INSURANCE POLICIES remain in effect, as appropriate.
- (viii) Works Progress.- That THE LESSOR had received the latest PROGRESS REPORT OF WORKS issued by the WORKS SUPERVISOR.

**13.2 Conditions precedent to the first DISBURSEMENT:**

Conditions precedent to the first DISBURSEMENT are those indicated in section number 13.1 above, as well as the following:

- (i) No Processes or Litigation.- That THE LESSEE does not have pending litigation, investigation or judicial or administrative procedure, whether pending or imminent, before any Government Authority, administrative tribunal, the Judiciary or arbitral tribunal or any other kind that could, in the reasonable opinion of THE LESSOR: (a) directly affect the possibility of complying with its obligations under the FINANCING DOCUMENTS; and/or, (b) affect the validity, legality or enforceability of any of the FINANCING DOCUMENTS.
- (ii) Permits, authorizations and licenses.- That THE LESSEE has obtained the permits, authorizations and licenses required for the construction of the WORKS.

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- (iii) FINANCING DOCUMENTS and powers.- That THE LESSEE has signed all THE FINANCING DOCUMENTS to the satisfaction of THE LESSOR, and the existence and validity of the powers of the legal representatives is proven, as well as the registration of those powers in the Public Registries, which must be kept fully in force and valid at the time of the DISBURSEMENTS.
- (iv) GUARANTOR AGREEMENTS—That THE LESSEE has submitted the GUARANTOR AGREEMENTS to the corresponding Public Registries and that they are held in the process of registration.
- (v) Financial information.- That THE LESSEE has delivered the consolidated audited financial statements of AUNA and its SUBSIDIARIES as of December 31, 2018 and their unaudited consolidated financial statements as of September 30, 2019.
- (vi) Payment of expenses and fees.- That THE LESSEE has canceled the STRUCTURING FEE on the CLOSING DATE and has paid or reimbursed any expenses or fees that it may have outstanding with THE LESSOR, in connection with this transaction, including those of legal advice where applicable.
- (vii) Insurance.- That the CAR INSURANCE POLICY has been contracted and that it has been endorsed in favor of THE LESSOR, if applicable, in accordance with the terms indicated in the Twenty-First Clause of the FINANCIAL LEASE AGREEMENT.
- (viii) Subordination Agreement.- That the current creditors of THE LESSEE detailed in Annex IX, have signed the corresponding Subordination Agreements under the terms and conditions indicated in Annex VIII to this FINANCIAL LEASE AGREEMENT.

**FOURTEENTH.- OF ADDITIONAL DISBURSEMENTS**

- 14.1 Once THE LESSOR has set the AMOUNT OF CAPITAL FINANCED on the DATE OF ACTIVATION, in all those cases that THE LESSOR would have had or has to make an additional DISBURSEMENT for any of the concepts indicated in this FINANCIAL LEASE AGREEMENT, these will be transferred to THE LESSEE for reimbursement in accordance with the procedure indicated in the following section number.
- 14.2 Unless THE LESSOR has arranged the modification of the AMOUNT OF CAPITAL FINANCED in accordance with section number 12.1, the DISBURSEMENTS indicated in section number 14.1 above will be reimbursed by THE LESSEE to THE LESSOR within ten (10) BUSINESS DAYS following receipt of the notice by the latter. In any case, the amount of the refund will be added the corresponding General Sales Tax, if applicable, and any other taxes that may in the future levy the financial lease or the WORKS. It is established that the provisions of this numeral apply to all cases in which a refund is appropriate as a result of taxes, fines, costs, expenses and in general any other concept in which THE LESSOR has incurred under this FINANCIAL LEASE AGREEMENT, except for the INSURANCE POLICIES, the reimbursement procedure of which is set out in the Twenty-First Clause. In the event that the DISBURSEMENT carried out by THE LESSOR has not been made in the currency indicated in Annex I, but in another currency, the same procedure specified in section number 12.4 will be used, to determine exactly the amount to be reimbursed by THE LESSEE to THE LESSOR.
- 14.3 THE LESSEE authorizes as of now THE LESSOR to debit from any of the accounts held by THE LESSEE in THE LESSOR the amounts generated as a result of the reimbursements, even those that are generated after the termination of this FINANCIAL LEASE AGREEMENT provided that they are duly supported, THE LESSOR being able to overdraw the account of THE LESSEE in case it does not have sufficient funds. If THE LESSEE maintained overdue obligations to THE LESSOR for other financing under any modality, THE LESSOR shall be entitled to allocate the existing funds in the accounts of THE LESSEE in the first place to the cancellation of such overdue obligations, without being held liable due to this. THE LESSOR shall have the same decision-making power with respect to the allocation in the event that overdue obligations arising out of this instrument and other credit products coexist.

**FIFTEENTH.- OF THE FINANCIAL LEASE FEES**

- 15.1 The FEES of the financial lease are those listed in the PAYMENT SCHEDULE attached as Annex II. To the purposes of the provisions of Legislative Decree No. 915, in the PAYMENT SCHEDULE, the amount of each of the fees has been broken down into capital and interest.

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- 15.2 By means of this document, the parties agree that the PAYMENT SCHEDULE shall begin to govern as from the DATE OF ACTIVATION. For this purpose, once the total DISBURSEMENT has been made for the construction of THE WORKS, THE LESSOR will send to THE LESSEE, a communication to the contractual address indicated in Annex I, detailing the DISBURSEMENTS made, the final PAYMENT SCHEDULE, and the exact PAYMENT DATES.
- 15.3 The PARTIES declare to know that when the final PAYMENT SCHEDULE is issued and the exact PAYMENT DATES are determined, their interest may vary depending on the PAYMENT DATE of the FEES, therefore, THE LESSEE accepts that the final amount of the FEES will be the one specified in the final PAYMENT SCHEDULE that THE LESSOR sends to THE LESSEE to the contractual address indicated in Annex I.

**SIXTEENTH.- INDEXATION OF FEES**

16.1 The FEES of the financial lease may be indexed, if due to a Change in Law any of the following events took place (each of the above, an “Event”, or jointly the “Events”): (a) any increase in the costs of money affecting THE LESSOR to grant or maintain the leasing; (b) any requirement for higher regulatory capital, and the amount of such capital is increased in or based on the existence of the outstanding balance of this FINANCIAL LEASE AGREEMENT; or, (c) a reduction in the effective rate of return on the capital of THE LESSOR as a result of changes in the tax legislation applicable to THE LESSOR. For this purpose, THE LESSOR must send a written communication to THE LESSEE: (i) with a description of the Event reasonably described and supported, along with the date of effectiveness thereof; (ii) the cost that such Event generates for THE LESSOR; (iv) the calculation of the amount by which THE LESSOR must be compensated for the cost of such Event and the modification to the Payment Schedule. The PARTIES agree that the new PAYMENT SCHEDULE shall take effect thirty (30) days from the date of the above-mentioned communication.

Within the term previously mentioned, THE LESSEE will have the right to prepay the total amount due (including, but not limited to, the higher cost already generated as a result of the Event) as of that date, and the PREPAYMENT FEE shall not apply. In case of accepting the new Payment Schedule, THE LESSEE must cancel in favor of THE LESSOR a fee for the modification of said PAYMENT SCHEDULE reaching the amount of USD 500.00 (Five hundred and 00/100 DOLLARS) plus the corresponding General Sales Tax, within the term of thirty (30) days indicated above.

For the purposes of this clause, “Change in Law” is understood as the entry into force of a legal rule including laws, regulations, rulings, directives, recommendations or decisions, or their amendment, replacement, or interpretation by any Government Authority. In addition, “Government Authority” is understood as the Government of Peru and any other national government, as well as their respective jurisdictions, political divisions, whether provincial, state, territorial or local, and any agency, authority, institution, supervisory body, court, central bank, or any entity exercising executive, legislative, judicial, tax, supervisory or administrative powers, or functions related to the government.

**SEVENTEENTH.- OF THE MEANS OF PAYMENT**

- 17.1 As from now on, THE LESSEE authorizes THE LESSOR to debit from any of the accounts held by the first one in its institution, the necessary amounts in order to comply with each of the obligations it maintains by virtue of this FINANCIAL LEASE AGREEMENT.
- 17.2 Any payment made by THE LESSEE shall be applied in the following order of preference: accrued costs and expenses, penalties, default interest, compensatory interest, to the amortization of capital of the overdue FEE(s), and finally to the amortization of capital of the closest FEE due.
- 17.3 The PARTIES declare that all payments of the FEES made by THE LESSEE to THE LESSOR, arising out of this contract, must be made in the currency indicated in Annex I.
- 17.4 The PARTIES agree that, if THE LESSEE does not make the payments, in the PAYMENT DATES established in the PAYMENT SCHEDULE, THE LESSEE will automatically incur in default, as provided for in section number 1 of Article 1333 of the Civil Code and will assume all the costs and expenses arising out of the judicial and/or extrajudicial collection, including attorneys’ fees, therefore, it will not be necessary to notify the debtor in order for the arrears to exist. The default interest is detailed in Annex I.

The Default Interest Rate applies for the entire period in which the corresponding EVENT OF DEFAULT remains in effect. In the case of failure to pay a monetary obligation, the Default Interest Rate will be applied to the outstanding amount. Where the failure is non-monetary, the Default Interest Rate will be applied to the amount of the closest FEE to be due.

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17.5 In the event that THE LESSEE has entered into other financial lease agreements with THE LESSOR, and THE LESSEE makes a payment under one of these agreements, THE LESSOR may allocate such payment to any of the financial lease agreements concluded under which overdue obligations are maintained by THE LESSEE, within thirty (30) calendar days of making such payment, without THE LESSEE being able to object to such allocation. For this purpose, the allocation shall first be applied to cover the costs and expenses incurred, then to interest and finally to the amortization of the unpaid fees of each and every financial lease agreement.

**EIGHTEENTH.- ADVANCE PAYMENT**

- 18.1 In the event that THE LESSEE prepays in whole or in part the financial lease, THE LESSOR will charge THE LESSEE the PREPAYMENT FEE, applicable on the amount of the principal to be prepaid. For these purposes, THE LESSEE must comply with the following conditions:
  - a) That the prepayment is for a minimum amount of S/ 4,000,000.00 (Four Million and 00/100 SOLES) and/or multiples of that sum, except when the balance of the outstanding amount is less than that figure or in the case of the total prepayment of the financial lease, in which case a single prepayment will be made;
  - b) That THE LESSEE notifies THE LESSOR in writing five (5) BUSINESS DAYS in advance of the date on which the partial or total prepayment of the financial lease is to be made; and,
  - c) That THE LESSEE has complied with paying the PREPAYMENT FEE.
- 18.2 The BANK will apply the amount of the prepayments to amortize the capital portions of the FEES in reverse order to their respective PAYMENT DATES, communicating within five (5) BUSINESS DAYS to THE LESSEE the new PAYMENT SCHEDULE, which, for all purposes, will replace Annex II. In this sense, it is expressly established that the prepayments will initially be intended to amortize the BALLOON FEE in accordance with the indications in the PAYMENT SCHEDULE.
- 18.3 The PREPAYMENT FEE shall not apply in the event that (i) the amount to be prepaid comes from financing or issuance on the capital market in which THE LESSOR (or any of its respective AFFILIATES) has had the role of structurer placer, or any other similar one.

**NINETEENTH.- OF THE CALL OPTION**

- 19.1 THE LESSOR grants CALL OPTION to THE LESSEE on the WORKS for the sum indicated in Annex I, Amount to which any taxes affecting the sale operation will be added.
- 19.2 Such CALL OPTION may be exercised during the term of the FINANCIAL LEASE AGREEMENT, but will only take effect once THE LESSEE has faithfully and fully complied with the payment of all the obligations assumed and arising out of this FINANCIAL LEASE AGREEMENT. The CALL OPTION must be exercised and cancelled by THE LESSEE no later than thirty (30) BUSINESS DAYS of accrual of the last financial lease fee. After this term has expired without THE LESSOR receiving any confirmation whatsoever from THE LESSEE, and provided that the conditions set forth herein are met, it will be considered for every purpose that the CALL OPTION has been exercised in application of Article 142 of the Civil Code.  
 THE LESSEE expresses its total, absolute and irrevocable acceptance of this stipulation, authorizing from now on THE LESSOR to charge the amount of the CALL OPTION of any of the accounts that THE LESSEE maintains in THE LESSOR.  
 In any case, if THE LESSOR verifies that the conditions for exercising the CALL OPTION agreed in this FINANCIAL LEASE AGREEMENT have not been met, THE LESSOR will presume that THE LESSEE has waived this option, empowering THE LESSOR to initiate the corresponding legal actions, even in relation to the WORKS.
- 19.3 The failure to exercise or lose the CALL OPTION will not generate any variation whatsoever in the obligations arising out of this FINANCIAL LEASE AGREEMENT that may be pending payment.

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19.4 Without prejudice to the provisions of the preceding paragraphs, in the case that THE LESSEE decides to exercise the CALL OPTION advanced on the WORKS before the end of the term of this FINANCIAL LEASE AGREEMENT, it must request THE LESSOR in writing twenty (20) days in advance the modification of the contractual term, and the determination of the new value of the call option, which shall be established by THE LESSOR on that occasion also considering a penalty set out in Annex I, on the date on which the new value of the CALL OPTION is determined.

19.5 In any case, once the CALL OPTION has been exercised by THE LESSEE, either expressly or tacitly in accordance with this clause, THE LESSOR will communicate it in writing or through the means permitted by the APPLICABLE LAWS, about the date and place for it to come to sign the documents necessary to formalize the transfer of ownership of the WORKS in its favor, assuming the costs and expenses arising out of such formalities.

Without prejudice to the foregoing, the PARTIES agree that in the event that THE LESSEE does not exercise the CALL OPTION within the term indicated in section number 19.2 and does not comply with the return of the WORKS within the term set out in section number 21.1, it must continue to insure the WORKS and cancel all the expenses, costs, taxes, fines, and others that are generated for the use of the WORKS until it complies with the return of the same to THE LESSOR, without prejudice to the compensation to be paid to THE LESSOR in accordance with the above section numbers. It is expressly stated that in the case that THE LESSOR decides to assume any payment for any of the concepts indicated above, these must be reimbursed by THE LESSEE. For this purpose, THE LESSEE authorizes from now on THE LESSOR to debit from any of the accounts maintained by THE LESSEE in THE LESSOR the amounts generated as a result of the above, being able to even overdraw the account of THE LESSEE in case it does not have sufficient funds.

**TWENTIETH.- OF THE RETURN OF THE WORKS AT THE EXPIRATION OF THE CONTRACTUAL TERM**

20.1 If at the expiration of the contractual term THE LESSEE has not canceled the CALL OPTION in accordance with the provisions of section number 19.2 of the previous clause, THE LESSEE will be obliged to deliver the WORKS immediately to THE LESSOR, a fact that will be made at the cost and risk of THE LESSEE. In the event that THE LESSEE does not deliver to THE LESSOR the WORKS within the term of eight (8) days after the expiration of the term to exercise the CALL OPTION, THE LESSEE will continue to pay monthly, for compensation, the equivalent of the amount of the last FEE paid, without prejudice to the right of THE LESSOR to take possession of the WORKS, as provided for in the case of termination of the contract.

20.2 THE WORKS must be delivered to THE LESSOR in good condition. If during the lease THE LESSEE has made modifications to THE WORKS without the consent of THE LESSOR, it may demand to be compensated for the damages and losses that such modification may cause it.

**TWENTY-FIRST.- OF THE INSURANCE**

21.1 In accordance with the APPLICABLE LAWS, the WORKS must be adequately covered against all risk likely to affect or destroy it, for the entire term of the FINANCIAL LEASE AGREEMENT and as long as THE LESSEE must still pay any of the obligations arising thereof.

21.2 THE LESSEE irrevocably instructs THE LESSOR to, at its expense and in its interest:

- (i) Contract as from the CLOSING DATE of this FINANCIAL LEASE AGREEMENT a CAR INSURANCE POLICY in order to cover the WORKS against all risks and for civil liability until the date on which the FINAL ACCEPTANCE CERTIFICATE is signed.
- (ii) Contract as from the date on which the FINAL ACCEPTANCE CERTIFICATE is signed, the ALL-RISK INSURANCE POLICY, which THE LESSOR will sign with a first-class company, in order to contract the necessary insurance to cover the WORKS against all risks, likely to affect or destroy it and any others that THE LESSOR deems convenient; and,
- (ii) Cancel premiums, expenses, and taxes resulting from taking out the respective insurance policies.

It is expressly stipulated that the premiums corresponding to the INSURANCE POLICIES, as well as any other expenditure or expenses incurred by THE LESSOR in connection with the insurance of THE WORKS, is included, if applicable, within the category called INTEREST of this financial lease, in accordance with the provisions of paragraph e) of Article 1 of Legislative Decree 915.

In addition to the above, in the case that THE LESSOR makes in favor of the insurance company any future payments not initially established, regarding the INSURANCE POLICIES mentioned above, these will be canceled by THE LESSEE by means of reimbursements. For this purpose, THE LESSEE authorizes from now on THE LESSOR to debit from any of the accounts maintained by THE LESSEE in THE LESSOR the amounts generated as a result of the above, and THE LESSOR may overdraw the account of THE LESSEE in case it does not have sufficient funds.

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THE LESSEE expressly declares that the inclusion of the WORKS in the INSURANCE POLICIES of THE LESSOR does not hold THE LESSEE harmless from the obligations of care, diligence, maintenance of the WORKS and others assumed by this FINANCIAL LEASE AGREEMENT, as well as the burdens and obligations of the insured contained in the respective INSURANCE POLICY.

21.3 In case THE LESSOR agrees with THE LESSEE to have the latter contract the INSURANCE POLICIES at its exclusive expense and cost, the following stipulations will apply:

If THE LESSEE contracts the insurance, it undertakes to take (i) a CAR INSURANCE POLICY, endorsed in favor of THE LESSOR, that covers the WORKS against all risk that may affect or destroy it and at least according to the conditions, amounts of coverage and deductibles of the policy obtained by THE LESSOR and any others that THE LESSOR deems relevant before the date of signing the FINAL ACCEPTANCE CERTIFICATE; and, (ii) an ALL-RISK INSURANCE POLICY, endorsed in favor of THE LESSOR, as from the date of signing the FINAL ACCEPTANCE CERTIFICATE of the WORKS. The minimum amount of coverage of the INSURANCE POLICIES shall be sufficient to cover, for the entire term of this FINANCIAL LEASE AGREEMENT, the value to replace THE WORKS.

For this purpose, THE LESSEE must send to THE LESSOR, for its approval, before the CLOSING DATE, the CAR INSURANCE POLICY, clauses and annexes, with the endorsement of transfer of rights in favor of THE LESSOR. The ALL-RISK INSURANCE POLICY must be sent fifteen (15) BUSINESS DAYS before the estimated signing date of the CERTIFICATE OF FINAL COMPLETION. INSURANCE POLICIES shall include the following stipulations detailed below, and with a copy of the invoice for payment of the duly cancelled insurance premium.

- a) The insurer’s obligation to give notarized notice to THE LESSOR thirty (30) days in advance of the date of payment of the INSURANCE POLICIES. In the event of a lack of this notice, the insurer may not claim to the LESSOR the potential failure to renew or failure to pay the premiums, which will be considered paid and therefore the rights of THE LESSOR over the part of the insurance concerned.
- b) The specification that the INSURANCE POLICIES may not be cancelled or terminated without written or notarized notice to THE LESSOR by the insurer, at least thirty (30) days in advance.
- c) Proof that, in case of renewal, these stipulations will be automatically inserted in the endorsement in the Special Conditions, as long as the FINANCIAL LEASE AGREEMENT remains in force, even if there is no written indication expressing so.
- d) Specification by the insurer that the INSURANCE POLICIES will not be invalidated by the fact that the insured person inadvertently omits to declare any circumstance that should be considered important for the estimation of the severity of risk, when such circumstance has been proven beyond the control and/or knowledge of the insured.
- e) Proof that in the event of a possible claim the insurer will be liable to THE LESSOR, up to the total maximum limit indicated in the INSURANCE POLICIES as an insured sum. The insufficient insurance clause shall not apply. Likewise, the claims that occurred to THE WORKS will be compensated, without the request for prior approval of THE LESSEE, directly to THE LESSOR, as owner of the insured good and endorsee of the INSURANCE POLICIES up to the maximum amount indicated and detailed in the endorsement and the Adjustment Agreement must be signed directly by THE LESSOR.

THE LESSEE undertakes to keep the INSURANCE POLICIES in force for the entire term of the agreement, as appropriate, to pay the premiums that accrue from the renewal of each annuity and to send to THE LESSOR a copy of the annual renewal of the INSURANCE POLICIES, clauses and annexes, with the endorsement of the transfer of rights in favor of THE LESSOR including a copy of the invoice for the payment of the insurance premium duly cancelled, not less than fifteen (15) BUSINESS DAYS before its maturity.

[signatures]

[stamp:] TREASURY ANALYST  
APPROVED BY Sebastian  
Menacho

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APPROVED BY ANNEMY JURGENS

In the event that THE LESSEE does not comply with sending to THE LESSOR the INSURANCE POLICIES and their renewals as detailed above and within the indicated term, THE LESSOR may contract such insurances, or their renewals and/or pay the unpaid premiums directly. Such disbursements made by THE LESSOR will be transferred to THE LESSEE for their reimbursement. For this purpose, THE LESSEE authorizes from now on THE LESSOR to debit from any of the accounts maintained by THE LESSEE in THE LESSOR, the amounts generated as a result of the above, and THE LESSOR may overdraw the account of THE LESSEE in case it does not have sufficient funds.

- 21.4 At the request of either contracting party, the risks covered by the INSURANCE POLICIES may be reasonably extended (depending on the last appraisal of the WORKS) and the premium and expenses accrued in the course of this extension shall be at the cost and expense of THE LESSEE.
- 21.5 If for any reason the insurer refuses to pay the compensation, even in the event of no fault, it is the obligation of THE LESSEE to continue to comply with all the outstanding obligations arising out of this FINANCIAL LEASE AGREEMENT until the end of the contractual term, to the extent that, THE LESSEE assumes the risk of loss of THE WORKS, so its destruction or loss does not relieve it of payment of the benefits to which it has been bound in accordance with this FINANCIAL LEASE AGREEMENT.
- 21.6 In the event of the total loss of THE WORKS, having the insurer paid the compensation, THE LESSOR prior request of THE LESSEE and provided that THE LESSEE is up to date in the payment of all the obligations arising out of the FINANCIAL LEASE AGREEMENT, can apply the amount received by the insurer to (i) replace THE WORKS; or, (ii) amortize the balance of the AMOUNT OF CAPITAL FINANCED.

It is perfectly understood between the PARTIES that, in the event that the replacement of the WORKS is chosen, and the amount of compensation obtained from the insurer is not sufficient to cover the costs of replacement in its entirety, THE LESSEE undertakes to reimburse THE LESSOR the costs of replacement of the WORKS in which THE LESSOR may incur that are not covered by such compensation, within ten (10) BUSINESS DAYS of THE LESSOR having requested it. If, on the contrary, there is a balance or excess of the insurance compensation, after the compensation has been applied to the replacement of the WORKS, THE LESSOR will give the difference to THE LESSEE, after having made the corresponding legal tax deductions.

On the other hand, in the event that the compensation of the insurance is applied to the balance of the AMOUNT OF CAPITAL FINANCED of the FINANCIAL LEASE AGREEMENT, THE LESSOR will proceed to apply it to the balance of the AMOUNT OF CAPITAL FINANCED plus the interest made as of that date. In the event that the amount of the compensation is not sufficient to cover the balance of the AMOUNT OF CAPITAL FINANCED, THE LESSEE undertakes to cancel the difference at that time being able to charge THE LESSOR the amount from any of the accounts that THE LESSEE maintains in THE LESSOR. If, on the contrary, the amount of the compensation is greater than the balance of the AMOUNT OF CAPITAL FINANCED, THE LESSOR may apply the difference to any other unpaid obligations that THE LESSEE maintains against THE LESSOR, even other than this FINANCIAL LEASE AGREEMENT, after making the corresponding legal tax deductions. If after this there is a credit balance, THE LESSOR will give the difference to THE LESSEE, after having made the corresponding legal tax deductions.

In case of partial losses of the WORKS, the compensation amounts will be used to replace the affected goods.

**TWENTY-SECOND.- OF THE STATEMENTS AND ASSERTIONS OF THE LESSEE**

THE LESSEE states and declares to THE LESSOR the following:

- 22.1 Organization and Qualification.- THE LESSEE is a closely held corporation organized and existing under the APPLICABLE LAWS, which is entitled, under the APPLICABLE LAWS, to own its assets and carry out its ordinary activities.
- 22.2 Powers and Authorizations.- THE LESSEE possesses and has granted the representatives listed in Annex I all the powers and authorizations necessary to sign the FINANCING DOCUMENTS and to assume all the obligations under them.

[signatures] [stamp:] TREASURY ANALYST  
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- 22.3 Validity and existence.- This FINANCIAL LEASE AGREEMENT and the other FINANCING DOCUMENTS constitute valid and binding obligations of enforceable compliance for THE LESSEE. Likewise, the signing of the FINANCING DOCUMENTS constitutes a valid legal act that does not violate any agreement, legal, statutory, or contractual provision in force to which THE LESSEE is a party or for which it is bound.
- 22.4 Government Authorities Authorizations.- THE LESSEE has all the necessary authorizations required from Government Authorities under the APPLICABLE LAWS to carry out its usual activities, sign and comply with the FINANCING DOCUMENTS and to comply with the obligations assumed therein, which are in force and are not subject to any condition or requirement whatsoever, even those of an environmental nature, if required, or others required for its operation. Any authorization that THE LESSEE requires as from the date of signing the FINANCING DOCUMENTS will be obtained by the latter within the term legally established to that end.
- 22.5 Authorizations for the provision of health services.- THE LESSEE declares that the services listed in Annex X of this FINANCIAL LEASE AGREEMENT will not be provided in the CLINIC. In this regard, it declares that it does not require, under the APPLICABLE LAWS as of the date on which the declaration is granted, to obtain the authorizations, permits or licenses related to the services listed in Annex X of this FINANCIAL LEASE AGREEMENT for the operation or functioning of the CLINIC.
- 22.6 No conflict.- The signing and execution by THE LESSEE of the FINANCING DOCUMENTS is not in conflict or creates a situation of non-compliance with respect to (i) the terms, conditions or stipulations of the by-laws and/or other organizational documents of THE LESSEE; (ii) the APPLICABLE LAWS, or any judgment, resolution, injunction, award or decree of any court, tribunal or GOVERNMENT AUTHORITY; or, (iii) any agreement, convention or contract to which THE LESSEE is a party or by which it is bound. Likewise, there is also no better right, lien, restriction, limitation and/or impediment of any kind that prevents, prohibits, limits and/or, in any way, restricts (x) the powers and rights of THE LESSEE to enter into and sign the FINANCING DOCUMENTS; or, (y) the powers and/or rights of THE LESSOR arising out of the FINANCING DOCUMENTS.
- 22.7 Financial Information.- All financial and accounting information provided to THE LESSOR is correct and complete, and accurately reflects the financial condition of AUNA, and shows substantially the entire indebtedness of AUNA and its SUBSIDIARIES on the date thereof, including obligations for substantial taxes and substantial obligations
- 22.8 Non-compliance situation.- THE LESSEE is not in a situation of non-compliance with the APPLICABLE LAWS or judgment, injunction, award or decree of any court, tribunal or Government Authority that generates or may generate a SUBSTANTIALLY ADVERSE EFFECT.
- 22.9 Substantially Adverse Event or Substantially Adverse Effect.- No SUBSTANTIALLY ADVERSE EVENT or SUBSTANTIALLY ADVERSE EFFECT has occurred.
- 22.10 Taxes.- All tax returns to be submitted by THE LESSEE have been duly submitted in accordance with the APPLICABLE LAWS and all taxes accrued, according to such declarations, have been paid in full, except for those that have been claimed in good faith under the APPLICABLE LAWS and for which the appropriate provisions have been made in accordance with IFRS.
- 22.11 Insolvency.- THE LESSEE is not in any ordinary insolvency proceedings, preventive insolvency proceedings, asset restructuring, liquidation or any other payment default procedure under the APPLICABLE LAWS, whether initiated voluntarily or by third parties, nor is it in the process to reach a general refinancing of its obligations.
- 22.12 Event of Default.- THE LESSEE is not in any event, act or situation that originates, or that could originate over time, an EVENT OF DEFAULT.
- 22.13 Absence of non-compliance in other contracts.- THE LESSEE is not in a situation of non-compliance with: (i) the FINANCING DOCUMENTS; (ii) any obligation to pay under other contracts or agreements with banking or financial institutions supervised by the Superintendency of Banking, Insurance and Private Pension Fund Administrators, or any obligation that generates or that could originate over time a SUBSTANTIALLY ADVERSE EFFECT; or (iii) other contracts or agreements with third parties (other than those indicated in section number (i) and (ii) above) that gives rise to the termination of the respective contract or agreement and that generates or that could generate over time a SUBSTANTIALLY ADVERSE EFFECT. 22.14 Appropriate use of Funds.- The funds obtained through this FINANCIAL LEASE AGREEMENT shall be used only for the purposes set out in Annex I.

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***TWENTY-THIRD: OBLIGATIONS OF THE LESSEE***

THE LESSEE undertakes during the term of this FINANCIAL LEASE AGREEMENT, and as long as it has not complied with the payment of all obligations arising thereof, to comply with the following obligations:

23.1 Affirmative Covenants:

- (i) Pay to THE LESSOR each and every FEE due under this FINANCIAL LEASE AGREEMENT on the corresponding PAYMENT DATES, in accordance with the PAYMENT SCHEDULE, as well as pay any sum that, for expenses, interest, fees and others is owed to THE LESSOR, in accordance with the FINANCING DOCUMENTS.
- (ii) Use the funds disbursed under this FINANCIAL LEASE AGREEMENT only for the purposes set out in Annex I.
- (iii) Keep its books, accounting records and archives in accordance with the accounting principles and practices accepted in Peru, also upon written request, allow representatives of THE LESSOR to obtain information from books, records and documents that are related to the operation of the company and the fulfillment of its obligations.
- (iv) Preserve and maintain its corporate existence, corporate purpose, authorizations, licenses, permits and trade names, distinctive signs, franchises and concessions required for the development of its business.
- (v) Obtain, maintain and comply with each and every one of the permits, licenses, authorizations and requirements of all GOVERNMENT AUTHORITIES, in particular those necessary for the construction of THE WORKS and/or the operation of the CLINIC, including the laws regarding the environment, health, hygiene, sanitation, occupational safety, laws related to social security, pension fund obligations and cultural heritage that are applicable, necessary or convenient to its activities in general and particularly those for which it uses the WORKS. THE LESSEE undertakes to deliver to THE LESSOR in case it is last requested, statements signed by its legal representative, certifying compliance with the provisions set out herein.
- (vi) Inform THE LESSOR within five (5) BUSINESS DAYS of becoming aware: (i) of the occurrence of any EVENT OF DEFAULT or SUBSTANTIALLY ADVERSE EVENT or any event that may cause, over time, an EVENT OF DEFAULT or a SUBSTANTIALLY ADVERSE EVENT; or, (ii) any event or circumstance, own or unrelated to THE LESSEE, that may generate a SUBSTANTIALLY ADVERSE EFFECT. Such communication to THE LESSOR shall include the details of such event and the actions that THE LESSEE has taken and/or intends to take in this regard.
- (vii) Inform THE LESSOR within two (2) BUSINESS DAYS of obtaining the approval of the Statement of Completion and Construction Declaration by the Municipality of Chiclayo with respect to the WORKS.
- (viii) Inform THE LESSOR of the occurrence of a CHANGE OF CONTROL of THE LESSEE, within the BUSINESS DAY following the day it happened. THE LESSOR will evaluate such CHANGE OF CONTROL, being able to make objections to it within five (5) BUSINESS DAYS from the date of communication of the CHANGE OF CONTROL. During the course of this term THE LESSOR may inform THE LESSEE that it has no objections to the CHANGE OF CONTROL that occurred. In the case that (i) THE LESSOR informs THE LESSEE of its objection to the CHANGE OF CONTROL; or, (ii) THE LESSOR does not communicate to THE LESSEE the result of its evaluation with respect to the CHANGE OF CONTROL, it will be considered that an EVENT OF DEFAULT has occurred automatically under the terms of this Agreement after thirty (30) calendar days have elapsed from the date of communication of the occurrence of a CHANGE OF CONTROL by THE LESSEE to THE LESSOR. During the aforementioned thirty (30) calendar days, THE LESSEE may make the arrangements for the assignment of contractual position by THE LESSOR in favor of another financial institution, under the terms and conditions to the satisfaction of THE LESSOR, being the corresponding PREPAYMENT FEE applicable.
- (ix) Pay its taxes on time, except in cases where there is discrepancy and a due process is followed before the corresponding entity.

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- (x) Keep its assets (own or those on lease or under any other title) in good condition, except for the usual wear from their operation.
- (xi) Keep INSURANCE POLICIES in force, as applicable, in accordance with the provisions of the Twenty-First Clause.
- (xii) Conduct all of its transactions and operations with AFFILIATED companies and individuals and/or related companies and/or SUBSIDIARIES under market conditions.
- (xiii) Keep in force one or more checking accounts in THE LESSOR, with sufficient balances for the fulfillment of the obligations assumed by THE LESSEE by this instrument, until the transfer of the WORKS is formalized and/or until its expiration, as applicable.
- (xiv) Maintain the obligations subject matter of this FINANCIAL LEASE AGREEMENT, at least, *pari passu* with respect to any other current or future obligations of THE LESSEE.
- (xv) Obtain the registration of GUARANTOR AGREEMENTS in the corresponding Public Registries, within a term of not more than forty-five (45) BUSINESS DAYS from the date on which the registration was requested. The terms previously mentioned shall be automatically extended, for one time, up to an additional term of forty-five (45) BUSINESS DAYS, in the event that registration observations are raised. THE LESSEE must inform THE LESSOR of the arrangements made to correct the registration observations, if applicable, as well as send a copy of the respective registration notes within two (2) BUSINESS DAYS following their obtaining.
- (xvi) Ensure that GUARANTOR AGREEMENTS remain in force and enforceable for the duration of this FINANCIAL LEASE AGREEMENT, taking into account that, mortgage guarantee rights constituted under the MORTGAGE AGREEMENTS will be valid and enforceable once they are registered in the corresponding Public Registries.
- (xvii) Keep the SURFACE USE AGREEMENT in force for the entire term of this FINANCIAL LEASE AGREEMENT, having to refrain from making any amendment to such SURFACE USE AGREEMENT or assigning its contractual position and/or assigning all or some of its rights or obligations under it.
- (xviii) THE LESSEE grants THE LESSOR a preemptive right so that, individually or jointly, through themselves or their AFFILIATES or SUBSIDIARIES, it acts as an organizer, structurer and/or placer in the structuring, organization, placement and granting of any structured financial transaction and/or any capital transaction. This preemptive right (i) shall apply to the extent that the economic, commercial, structure or other substantial conditions offered by THE LESSOR to act in such roles are the same or better than those offered by other top financial institutions, which will be communicated by THE LESSEE to THE LESSOR in a timely manner, giving THE LESSOR the opportunity to match those conditions.

23.2 Negative Covenants:

- (i) Refrain from performing, without the prior written authorization of THE LESSOR, any process of transformation, corporate reorganization, liquidation, merger or spin-off of THE LESSEE, except for: (a) merger processes between THE LESSEE and its AFFILIATES or SUBSIDIARIES that do not generate or reasonably generate a SUBSTANTIALLY ADVERSE EFFECT or a breach of Financial Obligations; (b) spin-off processes of the LESSEE in which the resulting entity remains an AFFILIATE or SUBSIDIARY, and which do not generate or could not reasonably generate a SUBSTANTIALLY ADVERSE EFFECT or a breach of Financial Obligations.
- (ii) Refrain from making investments in, or acquiring, directly or indirectly, under any modality (including through any corporate reorganization), shares of other companies (other than their AFFILIATES or SUBSIDIARIES), unless such investments or acquisitions do not cause a CHANGE OF CONTROL or generate or could reasonably generate in the future a SUBSTANTIALLY ADVERSE EFFECT or a breach of the Financial Obligations. The investments or acquisitions that generate a CHANGE OF CONTROL shall be governed by the provisions of section number 23.1 (viii) of this AGREEMENT. THE LESSEE must inform THE LESSOR of the execution of the investments or acquisitions permitted by this section number, within five (5) BUSINESS DAYS of being made.

[signatures]	[stamp:] TREASURY ANALYST APPROVED BY Sebastian Menacho	[stamp:] GSP SERVICIOS GENERALES S.A.C. LEGAL MANAGEMENT APPROVED BY ANNEMY JURGENS
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- (iii) Refrain from making direct or indirect acquisitions of other companies’ assets, unless such acquisitions do not generate or could reasonably generate in the future a SUBSTANTIALLY ADVERSE EFFECT or a breach of Financial Obligations.
- (iv) Refrain from making, in the event of an EVENT OF DEFAULT and for the duration of it, distributions in favor of the shareholders of THE LESSEE, either by paying dividends or other distribution of profits of THE LESSEE, through any payment arising from a reduction of capital, redemption, purchase or acquisition of shares representing the share capital of THE LESSEE, or the exercise by THE LESSEE of options or other rights to acquire own shares.
- (v) Refrain from reimbursing loans to its shareholders, directors, administrators or companies financially related or not, AFFILIATES or SUBSIDIARIES, in the case that an EVENT OF DEFAULT has been incurred and for the duration thereof, or when as a result of such reimbursement, an EVENT OF DEFAULT is generated or could be generated.
- (vi) Refrain from selling, leasing, benefiting, alienating or transferring, without the prior written authorization of THE LESSOR, fixed assets (whether these fixed or intangible, such as trademarks) that are part of the CLINIC and/or assigning rights on them, under any title or modality, including transfers in possession in trust, except as set forth in section number (ix) below.
- (vii) Refrain from granting financing in favor of third parties.
- (viii) Refrain from granting financing in favor of its SUBSIDIARIES or AFFILIATES, without the prior written authorization of THE LESSOR, provided that such acts do not generate or could not reasonably generate a SUBSTANTIALLY ADVERSE EFFECT
- (ix) Refrain from granting real guarantees or personal guarantees, charging against the assets that are part of the CLINIC and/or flows from its operation, to guarantee its own or third party obligations, without the prior written authorization of THE LESSOR. Without prejudice to this, THE LESSEE may, without the prior authorization of THE LESSOR, levy its assets, including, granting collateral, financial leases and transfers in possession in trust, when such guarantees are granted in support of the financing granted for the acquisition of such assets, and provided that: (i) THE LESSEE is in compliance with its obligations established in the FINANCING DOCUMENTS and (ii) provided that such acts do not generate or could not reasonably generate a SUBSTANTIALLY ADVERSE EFFECT
- (x) Refrain from changing the main business activity
- (xi) Refrain from assigning its contractual position, or assigning or transferring, in whole or in part, all or some of the rights or obligations, debts contracted with THE LESSOR under the FINANCING DOCUMENTS, without the prior written authorization of THE LESSOR.
- (xii) Refrain from subordinating or promising to subordinate the obligations assumed under the FINANCING DOCUMENTS to any other present or future indebtedness.
- (xiii) Refrain from guaranteeing to third parties, flows from the operations of the CLINIC, not assigned through the ASSIGNMENT AGREEMENT.
- (xiv) Refrain from transacting with AFFILIATES under conditions other than market.

***TWENTY-FOURTH.- ANTICORRUPTION***

THE LESSEE declares that neither itself nor its shareholders, partners, directors, managers, officers, agents, employees, advisers or any other person acting on behalf of or in the interest of THE LESSEE (hereinafter referred to as “Representatives”), have incurred any of these cases detailed below:

- 24.1 Participate in acts of corruption and/or bribery in respect of any national or foreign authority, or any third party (public or private) and/or grant or offer, or attempted to grant or offer payments, gifts, promises of payment, personal benefits or the like, contrary to law, to a public official or person related to or who may influence a public official or third party (public or private), which could generate a benefit for THE LESSEE or its Representatives.
- 24.2 Have been or be formally investigated or charged or sentenced civilly or criminally, suspended and disqualified in any of their functions administratively sanctioned, in respect of cases detailed in section number (i) above, in Peru or abroad.

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- 24.3 Be included within the scopes of Law No. 30737 or any rule, in its broadest form, which rules, modifies, extends or replaces the Law No. 30737 mentioned, whether or not they have been expressly included in the list published by the Ministry of Justice and Human Rights (under that rule) or the entity that replaces it.
- 24.4 Have admitted or acknowledged the commission of any of these offenses mentioned in this paragraph a) before any competent national or foreign authority.

**TWENTY-FIFTH.- EVENTS OF DEFAULT**

The PARTIES agree that each of the following circumstances constitutes an EVENT OF DEFAULT:

- 25.1 If THE LESSEE fails to pay: (i) any FEE or any amount corresponding to the capital or interest due under this FINANCIAL LEASE AGREEMENT; or, (ii) any of the commissions, fees, expenses, taxes, fines or any other concept it must pay and/or reimburse on the occasions when such payments must be made in accordance with the provisions of the FINANCING DOCUMENTS.
- 25.2 If THE LESSEE refuses to receive the WORKS or having received it, it intends to sublet, transfer, levy, assign the possession, the use, or make available THE WORKS to third parties in whole or in part, without the prior written authorization of THE LESSOR.
- 25.3 If the CONSTRUCTION CONTRACT is terminated without the prior written authorization of THE LESSOR, the construction of the WORKS becomes impossible or is paralyzed for a term greater than thirty (30) BUSINESS DAYS.
- 25.4 If THE LESSEE fails to comply with the financial obligations set out in Annex III to this FINANCIAL LEASE AGREEMENT.
- 25.5 If THE LESSEE: (i) loses any of the authorizations, permits or licenses necessary for the construction of the WORKS and/or the operation of the CLINIC, including but not limited to those listed in Annex VII to this document; or, (ii) an event occurs that results in the loss of such authorizations, permits or licenses; and such loss or event is not remedied in the term of twenty (20) BUSINESS DAYS.
- 25.6 If THE LESSEE fails to pay the reimbursements to THE LESSOR for the payments of the corresponding premiums or any sum generated by the payment of the insurance policies made by THE LESSOR, in accordance with the provisions of the Twenty-First Clause.
- 25.7 If THE LESSEE fails to constitute or conclude the GUARANTOR AGREEMENTS in favor of THE LESSOR, within the term established in this FINANCIAL LEASE AGREEMENT, or if any of the guarantees constituted under the GUARANTOR AGREEMENTS cease to be in force or lose first rank and priority in favor of THE LESSOR.
- 25.8 If THE LESSEE does not comply with signing the public deed of amendment to this FINANCIAL LEASE AGREEMENT referred to in the Twelfth Clause, within the terms and under the conditions established in that clause.
- 25.9 If THE LESSEE is delayed or fails to comply with the payment of any reimbursement owed to THE LESSOR, required by it in accordance with the provisions of the Fourteenth Clause of this FINANCIAL LEASE AGREEMENT.
- 25.10 If THE LESSEE does not facilitate the inspection of the WORKS within the maximum term of seventy-two (72) hours required for it.
- 25.11 If: any of the statements and assertions made by THE LESSEE in the Twenty-Second or Twenty-Fourth Clauses of this FINANCIAL LEASE AGREEMENT or in the other FINANCING DOCUMENTS is (i) false or (ii) incomplete in its substantial aspects.
- 25.12 If THE LESSEE fails to comply with any of the obligations set out in the Twenty-Third Clause of this FINANCIAL LEASE AGREEMENT, any of the terms, conditions or agreements contained in the FINANCING DOCUMENTS other than those indicated in this Twenty-Fifth Clause.
- 25.13 If THE LESSEE fails to comply, in general, with any other obligation assumed before THE LESSOR under any financial debt agreement (other than this FINANCIAL LEASE AGREEMENT), and such breach may result in the early termination or expiration of the term for the fulfillment of the obligations of THE LESSEE arising out of such financial debt agreement.
- 25.14 If THE LESSEE or any of its SUBSIDIARIES fails to comply with any of the obligations assumed under any other contract, convention and/or substantial agreement that it has concluded with any third party (*cross default*), for amounts that individually or jointly exceed USD 7,000,000.00 (Seven Million and 00/100 US Dollars) or its equivalent in another currency. Likewise, if THE LESSEE fails to comply with any obligation to pay under any contract, convention and/or agreement that it has entered into with any third party for amounts that, individually or jointly, exceed USD 7,000,000.00 (Seven Million and 00/100 US Dollars) or its equivalent in another currency, and such breach results in the early termination or expiration of the term for fulfilling its obligations arising out of said contract, convention and/or agreement (*cross acceleration*).

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- 25.15 If THE LESSEE or any of its SUBSIDIARIES fails to comply, within the terms established, with the provisions of any judicial ruling, arbitral award or administrative decision that is final, non-appealable or of a last instance whose outcome would reasonably have or could have a Substantially Adverse Effect, unless, in the case that such judicial ruling, arbitration award or final administrative decision establishes an obligation to pay THE LESSEE, the payment order is rendered ineffective within the term granted.
- 25.16 If: (i) THE LESSEE undergoes any type of bankruptcy process, insolvency proceedings or asset restructuring regulated under the APPLICABLE LAWS, or any process of payment suspension or liquidation; or, (ii) THE LESSEE initiates any bankruptcy, insolvency or asset restructuring proceedings regulated under the APPLICABLE LAWS, process of payment suspension or liquidation; or, (iii) THE LESSEE abides by a process of dissolution and liquidation or its shareholders adopt an agreement to that effect.
- 25.17 If the CHANGE OF CONTROL of THE LESSEE has been objected by THE LESSOR or if THE LESSOR has not communicated to THE LESSEE the result of its evaluation regarding the CHANGE OF CONTROL; and the thirty (30) calendar days indicated in section number (viii) of Clause 23.1 of the FINANCIAL LEASE AGREEMENT would have elapsed.
- 25.18 If THE LESSEE participates, without the prior written authorization of THE LESSOR, in processes of transformation and/or corporate reorganization, mergers, spin-offs, or direct or indirect acquisitions of shares or assets of other companies.
- 25.19 If THE LESSEE conducts any act intended to assign its contractual position or its rights or obligations in this FINANCIAL LEASE AGREEMENT and/or in the other FINANCING DOCUMENTS, or to transfer its obligations arising thereof, without the prior written authorization of THE LESSOR.
- 25.20 If THE LESSEE, its AFFILIATES, SUBSIDIARIES or economically related companies initiates a procedure intended to obtain a pronouncement from a GOVERNMENT AUTHORITY regarding the nullity, voidability, enforcement, rescission or termination of any of the FINANCING DOCUMENTS, or if any of the FINANCING DOCUMENTS is declared null, void, unenforceable, illegal, terminated, rescinded or amended without the prior written authorization of THE LESSOR.
- 25.21 If the obligations subject matter of this FINANCIAL LEASE AGREEMENT cease to take precedence of at least *pari passu* with respect to any other current or future obligation of THE LESSEE.
- 25.22 If THE LESSEE assigns, in whole or in part, the WORKS or the goods that form the CLINIC, without the prior written authorization of THE LESSOR, to a use other than that agreed in Annex I to this FINANCIAL LEASE AGREEMENT.
- 25.23 In the event of any SUBSTANTIALLY ADVERSE EVENT or a fact or event that has a SUBSTANTIALLY ADVERSE EFFECT.
- 25.24 If THE LESSEE fails to comply with the payment of any tax affecting this agreement or the WORKS and such failure to comply is not remedied within three (3) BUSINESS DAYS, or does not reimburse the amount of the taxes that have been paid by THE LESSOR pursuant to this agreement.

**TWENTY-SIXTH.- CONSEQUENCE OF THE EVENT OF DEFAULT**

- 26.1 If an EVENT OF DEFAULT is established and the applicable remediation terms have elapsed, the default interest will begin to be generated at the applicable Default Interest Rate, until the day the EVENT OF DEFAULT ceases. The default interest will be accrued automatically as from the date on which THE LESSEE incurred an EVENT OF DEFAULT, without the need for declaration of default, additional notification or some formality, in accordance with the provisions of section number 1 of Article 1333 of the Civil Code.
- 26.2 If an EVENT OF DEFAULT is established, THE LESSOR may, by operation of law:
  - (i) Render pending DISBURSEMENTS ineffective, if applicable;

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 S.A.C. LEGAL MANAGEMENT  
 APPROVED BY ANNEMY JURGENS

- (ii) Declare this FINANCIAL LEASE AGREEMENT terminated, in accordance with the provisions of Article 1430 of the Civil Code and/or consider the terms of the financial lease due, by means of written communication sent by notarial procedures to THE LESSEE, accompanied by the settlement of the debtor balance referred to in section number 7 of Article 132 of the General Law, and demand the immediate payment of all the sums owed to THE LESSOR under this FINANCIAL LEASE AGREEMENT, leaving THE LESSOR entitled to collect all the FEES owed up to said date plus the legal taxes; and/or,
- (iii) Request the execution of the guarantees constituted under the GUARANTOR AGREEMENTS.

The delay by THE LESSOR in the exercise of the rights referred to in this section number 26.2 shall in no case mean the presumption of waiver thereof.

**TWENTY-SEVENTH.- OF THE TERMINATION**

- 27.1 In the event that THE LESSOR declares the termination referred to in section number 26.2(ii) of the previous Twenty-Sixth Clause, it will be sufficient for THE LESSOR to send a communication to THE LESSEE to the contractual address indicated in Annex I, declaring that the termination of the agreement has occurred and indicating the cause in which it has incurred as well as the concepts and amounts enforceable in accordance with the provisions of the following numeral. The termination shall occur automatically and by operation of law from the moment of delivery of the aforementioned communication at the contractual address of THE LESSEE.
- 27.2 As from the delivery of the said communication to the contractual address of THE LESSEE, or together with it, THE LESSOR may immediately recover the WORKS and demand, at the same time, the total payment of the overdue lease fees, their interest, the expenses incurred, the taxes accrued and/or to be accrued and, in view of the particular nature of the financial lease agreement, require payment of the full amount of the fees due until the end of the agreement, without prejudice to the right of THE LESSOR to demand compensation for the subsequent damage arising from the termination of the contract. The payment of all financial lease fees shall be demanded from THE LESSEE even if no fee has yet been accrued on the date of communication of the termination.
- 27.3 Upon communication of the termination, THE LESSEE must deliver the WORKS immediately to THE LESSOR, on the date it designates and in the same conditions of conservation in which it was given thereto, except the natural wear for the diligent use of THE WORKS.  
  
In the case that THE LESSEE fails to comply with returning the WORKS, it must continue to insure the WORKS and cancel all the expenses, costs, fines, taxes and others generated for the use of it. In the event that these concepts are assumed by THE LESSOR, these must be reimbursed by THE LESSEE within 48 hours of being requested.
- 27.4 Without prejudice to the obligation of THE LESSEE indicated above, THE LESSOR may, if it so decides, take possession of THE WORKS on the date it deems appropriate. Likewise, in case of non-compliance with the restitution, it can initiate the actions for the return of the WORKS.
- 27.5 All the expenses generated to make THE WORKS available to THE LESSOR shall be borne by THE LESSEE and will be paid directly by THE LESSEE. Otherwise, THE LESSOR will set them and shall be covered, within 48 hours, counted as from the request made to THE LESSEE.

**TWENTY-EIGHTH.- OF THE RESPONSIBILITY**

- 28.1 THE LESSEE holds THE LESSOR and/or any of its affiliates and/or directly or indirectly related companies harmless, as well as the shareholders, directors, managers, representatives, executives, officers, employees, agents in general and their advisers (hereinafter “Persons entitled to Compensation”), from any responsibility that may arise out of the execution of this agreement, except that caused by willful misconduct or gross negligence of Persons entitled to Compensation duly declared by a final and non-appealable decision of a court of competent jurisdiction. In this sense, THE LESSEE will indemnify and defend the Persons entitled to Compensation, without any reserve or limitation whatsoever, in the face of any claim, action, litigation, contractual or non-contractual liability, fine, penalty, damages and losses (including emerging damages, loss of profit and indirect damages), contingency, cost and/or expense, or the risk thereof, arising out of the execution of this contract or any of the activities carried out by THE LESSEE, particularly those for which it uses the WORKS. In the case that THE LESSOR has to cancel any sum that originates as a result of what is indicated in this clause, it will be transferred to THE LESSEE by reimbursement, THE LESSEE authorizing from now on THE LESSOR to charge the amounts, from any of the accounts that THE LESSEE maintains in THE LESSOR.

[signatures]	[stamp:] TREASURY ANALYST APPROVED BY Sebastian Menacho	[stamp:] GSP SERVICIOS GENERALES S.A.C. LEGAL MANAGEMENT APPROVED BY ANNEMY JURGENS
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- 28.2 In the event that any of the Persons entitled to Compensation are involved in any action, judicial or administrative proceeding or investigation resulting from the execution of this agreement, THE LESSEE will reimburse thereto the expenses, costs and legal and/or other fees that have reasonably been incurred for the defense against such actions, procedures or investigations, THE LESSEE authorizing from now on THE LESSOR to charge it directly from any of the accounts that THE LESSEE maintains in THE LESSOR. THE LESSEE shall also indemnify the Persons entitled to Compensation for any loss, damage or harm resulting directly or indirectly from the execution of this agreement, unless they originate exclusively from the willful misconduct or gross negligence of the Persons entitled to Compensation, declared by a final and non-appealable decision of a court of competent jurisdiction.
- 28.3 THE LESSEE agrees that, without the prior written consent of the Persons entitled to Compensation, it will not reach any type of transaction, agreement or commitment with respect to any action, claim or proceeding, whether present or future, actually comprising or possibly comprising any of the Persons entitled to Compensation, in accordance with the terms of this clause, unless such transaction, agreement or commitment includes an express, unconditional, valid and enforceable waiver of any liability to such Persons entitled to Compensation in respect of any action, claim or proceeding arising directly or indirectly out of the execution of this agreement.

**TWENTY-NINTH.- OF THE ADDITIONAL STIPULATIONS**

- 29.1 THE LESSEE agrees and expressly authorizes THE LESSOR to assign or transfer, in whole or in part, all rights and obligations arising out of this agreement in favor of a third party, as well as its contractual position provided that (i) these are assignments that do not result in additional costs to THE LESSEE due to the nature of the assignee; and, (ii) the contractual position or rights under this contract or the other FINANCING DOCUMENTS are not assigned in whole or in part to persons or entities competing with, or that are part of an economic group (as this term is defined in the Regulations on Indirect Ownership, Relationship and Economic Groups approved by Superintendence Resolution No. 00019-2015) comprising persons or entities that compete with Grupo Salud del Perú S.A.C. and/or its Affiliates. This pact includes both the assignment of rights and the assignment of the contractual position. Likewise, THE LESSOR may allocate or give in warranty, whatever form is chosen, the rights that this agreement confers on it. THE LESSOR is also fully authorized to assign, transfer or provide as security in whole or in part the WORKS, without having to communicate it to THE LESSEE, provided that they do not affect the rights of THE LESSEE acquired under the agreement.
- 29.2 Any tax, fine, right or lien, created or to be created, and in general any expense that according to the corresponding public or private entity, affects this agreement or the WORKS for any reason, or the WORKS contract, or any other related agreement, will be transferred to THE LESSEE, and the reimbursement must be made in accordance with the provisions of the Eleventh Clause of this agreement  
  
These amounts will be added any tax that levies, or that in the future could levy the financial lease, or the ownership, use or possession of the WORKS object of this agreement. This obligation will persist even after the Call Option is exercised, when the WORKS. If, after THE LESSOR had made any of these payments on behalf of THE LESSEE, it is determined that the collection of the tax, fine, duty or levy has been improper, THE LESSOR will refund to THE LESSEE the amount that would have transferred to it only after THE LESSOR had obtained the corresponding reimbursement or refund from the respective entity. This clause shall remain in force even after the termination of this document.
- 29.3 Without prejudice to the foregoing, and for the sole purpose of facilitating the payment of the above concepts (hereinafter, the Debts) and not generating higher costs to THE LESSEE for delays in payment, it is hereby established that the checking account in the name of THE LESSEE that is associated with this facility, will remain in force even after the termination of this agreement for any reason, for a term of three years from such termination. In this sense, THE LESSEE undertakes not to cancel such checking account, and expressly authorizes THE LESSOR, in the case of receiving any notice of payment related to the Debts, to charge the corresponding amounts in the aforementioned account, under the terms established in the General and Specific Contract Conditions Applicable to the Banking Products and Service Agreement of THE LESSOR, which THE LESSEE declares to know and accept, and in its amendments if applicable. Such charges will be informed in a timely manner to THE LESSEE to the address indicated below, who must pay the amounts charged within the term indicated in the respective communication, otherwise THE LESSOR may initiate the corresponding legal actions. Once the term indicated in this paragraph has expired, the account may be cancelled by THE LESSEE.

[signatures]	[stamp:] TREASURY ANALYST APPROVED BY Sebastian Menacho	[stamp:] GSP SERVICIOS GENERALES S.A.C. LEGAL MANAGEMENT APPROVED BY ANNEMY JURGENS
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29.5 All the communications relating to the execution of this agreement shall be made to the following contractual domiciles established by the parties:

- a) THE LESSOR: At the address indicated in Annex I.
- b) THE LESSEE: At the address indicated in Annex I.

The addresses and/or emails specified (at THE LESSOR’s choice) will be used to send all communications and notifications that may be applicable in connection with this agreement, including, without the following list being limited but rather merely expository, those arising from its resolution. For all legal effects and purposes, any change of contract address of THE LESSEE and/or the GUARANTORS (if applicable) must be communicated to THE LESSOR by means of a formal communication 30 (thirty) calendar days before the effective change date of the address. In the case of a legal entity, the communication must be signed by the legal representative of the company.

29.6 In the event that THE LESSOR deems it relevant, it may carry out general communications inherent thereto, such as change of address, etc., through publications or any other means of communication other than the written communication addressed to the domicile of THE LESSEE.

29.7 The PARTIES expressly submit to the jurisdiction and competence of the judges and tribunals of the Superior Court of Lima, in the event of any dispute arising from the interpretation and/or execution of this agreement. This agreement is governed by the Laws of the Republic of Peru

29.8 The PARTIES expressly acknowledge that in the event that any of the clauses of this agreement has a voiding defect, such a situation shall not determine the invalidity of the agreement but only of the related clause or clauses deemed null and void; reason why the agreement will remain in full validity and enforceability. Without prejudice to the foregoing, in the event that, within a clause of the agreement, any of the numerals of said clause had a voiding defect, such situation shall not determine the invalidity of the entire clause if that numeral can be removed without affecting the validity of the corresponding clause.

29.9 By this act, and without prejudice to the duties of secrecy and confidentiality under its responsibility, THE LESSEE authorizes THE LESSOR from now on so that if deemed necessary it can share and/or transfer by any means or procedure, all or part of the information that it accesses whether it was provided by it, or developed by the LESSOR itself, in relation to this financing (hereinafter referred to as the Information), to the following persons: (i) SUBSIDIARIES and/or AFFILIATES of THE LESSOR whichever their location, or to third parties selected by the aforementioned entities; (ii) employees, officials, advisors and/or consultants, appraisers and/or inspectors of THE LESSOR; or (iii) authorities and/or supervisors under legal mandate. It is established that the duties of secrecy and confidentiality will also extend to persons who, due to their professional activities, access the Information.

***THIRTIETH.- OF THE FINAL STATEMENTS***

30.1 THE LESSEE declares that all doubts have been cleared and that it has actually been previously informed of the fees and expenses that are applicable to this agreement, in accordance with the provisions of the current rate schedule of THE LESSOR, which is exhibited to the public in all of its offices and the relevant part of which, THE LESSEE declares to know and accept.

30.2 It is expressly stated for the record that this instrument is not subject to taxes, and that all the expenses arising out of this minutes, such as notary, registration and other expenses that are relevant, will be borne in full by THE LESSEE. Likewise, the PARTIES hereby state for the record that this agreement constitutes a sufficient title of the direct possession of THE LESSEE over the WORKS, so that it is fully authorized to appear in any formality or procedure related to the use of the WORKS and obtain its possession, unless there is a manifestation or request to the contrary of THE LESSOR expressed in any form.

30.3 THE LESSEE declares to accept all of the terms and conditions of this FINANCIAL LEASE AGREEMENT and to have read, signed and received this document and the Annexes at the time of their execution.

[signatures]

[stamp:] TREASURY ANALYST  
APPROVED BY Sebastian  
Menacho

[stamp:] GSP SERVICIOS GENERALES  
S.A.C. LEGAL MANAGEMENT  
APPROVED BY ANNEMY JURGENS

Please add, Mr. Notary, the other Clauses required by Law, register the corresponding inserts and submit the records of the Public Deed that this minutes originate, for registration at the request of THE LESSOR.

February 3, 2020.

*[Signature sheets on the following pages]*

[Signature sheet of Oncosalud S.A.C.]

**ONCOSALUD S.A.C.**

[signature]

[\*]

[signature]

[\*]

[signature]

[signature]

[Page 28 of 76]

[signatures]

[stamp:] TREASURY ANALYST  
APPROVED BY Sebastian  
Menacho

[stamp:] GSP SERVICIOS GENERALES  
S.A.C. LEGAL MANAGEMENT  
APPROVED BY ANNEMY JURGENS

[Signature sheet of Oncosalud S.A.C.]

**SCOTIABANK PERU S.A.A.**

[\*]

[signature]

[\*]

[signature]

[stamp:] GSP SERVICIOS GENERALES S.A.C. CENTRAL MANAGEMENT DEPARTMENT OF  
ADMINISTRATION AND FINANCE  
[signature]

[Page 29 of 76]

[signatures]

[stamp:] TREASURY ANALYST  
APPROVED BY Sebastian  
Menacho

[stamp:] GSP SERVICIOS GENERALES  
S.A.C. LEGAL MANAGEMENT  
APPROVED BY ANNEMY JURGENS

NUMBER: SIX THOUSAND FOUR HUNDRED  
MINUTES: SIX THOUSAND TWO HUNDRED EIGHTEEN

KR-437075

**FIRST ADDENDUM TO THE LOAN-BACKING**  
**ASSIGNMENT AGREEMENT**

ENTERED INTO BY, ON THE ONE HAND, SCOTIABANK PERU S.A.A., AND, ON THE OTHER HAND, ONCOSALUD S.A.C.

\*\*\*\*\*

**INTRODUCTION:** \_\_\_\_\_

IN THE CITY OF LIMA ON JULY THE TWENTY-FIRST (21) OF THE YEAR TWO THOUSAND TWENTY (2020), BEFORE ME ALFREDO PAINO SCARPATI, NOTARY OF LIMA. \_\_\_\_\_

**APPEAR:** \_\_\_\_\_

**MR.: CARLOS ALBERTO CORREA BELAUNDE**, WHO DECLARES TO BE A NATIONAL OF: PERU, MARITAL STATUS: MARRIED, PROFESSION OR OCCUPATION: OFFICIAL, AND RESIDE IN THIS CAPITAL, DULY IDENTIFIED WITH NATIONAL IDENTITY DOCUMENT NUMBER: 10219196

(TEN MILLION TWO HUNDRED NINETEEN THOUSAND ONE HUNDRED NINETY-SIX). \_\_\_\_\_

**MRS.: YUVIDZA INFANTAS BLAZEVIC**, WHO DECLARES TO BE A NATIONAL OF: PERU, MARITAL STATUS: MARRIED, PROFESSION OR OCCUPATION: OFFICIAL, AND RESIDE IN THIS CAPITAL, DULY IDENTIFIED WITH NATIONAL IDENTITY DOCUMENT NUMBER: 07877305 (ZERO SEVEN MILLION EIGHT HUNDRED SEVENTY-SEVEN THOUSAND THREE HUNDRED FIVE).

WHO IN THIS ACT DECLARE TO PROCEED IN THE NAME AND ON BEHALF OF **SCOTIABANK PERU S.A.A.**, REGARDING WHICH, IN ACCORDANCE WITH THE PROVISIONS OF THE FIRST PARAGRAPH OF ARTICLE 9 OF LEGISLATIVE DECREE NUMBER 1372 (ONE THOUSAND THREE HUNDRED SEVENTY-TWO), IT HAS BEEN VERIFIED IN THE SUNAT (Superintendencia Nacional de Aduanas y de Administración Tributaria [National Superintendency of Customs and Tax Administration]) SYSTEM, THAT IT HAS SUBMITTED THE FINAL BENEFICIARY STATEMENT, WITH UNIQUE TAXPAYER REGISTRY NUMBER 20100043140 (TWENTY BILLION ONE HUNDRED MILLION FORTY-THREE THOUSAND ONE HUNDRED FORTY), WITH ADDRESS IN AVE. DIONISIO DERTEANO NUMBER 102 (ONE HUNDRED TWO), DISTRICT OF SAN ISIDRO, PROVINCE AND DEPARTMENT OF LIMA, AND WHO DECLARE TO BE DULY EMPOWERED ACCORDING TO THE POWERS REGISTERED IN THE RECORD NUMBER 11008578 (ELEVEN MILLION EIGHT THOUSAND FIVE HUNDRED SEVENTY-EIGHT) OF THE REGISTRY OF LEGAL ENTITIES OF LIMA. \_\_\_\_\_

**MR.: OSCAR LEONARDO BACHERER FASTONI**, WHO DECLARES TO BE A NATIONAL OF: BOLIVIA, MARITAL STATUS: MARRIED, PROFESSION OR OCCUPATION: BUSINESSMAN, AND RESIDE IN THIS CAPITAL, DULY IDENTIFIED WITH FOREIGN RESIDENT ID CARD: 000499580 (ZERO ZERO ZERO FOUR HUNDRED NINETY-NINE THOUSAND FIVE HUNDRED EIGHTY). \_\_\_\_\_

\_\_\_\_\_



Digitally signed document. See authenticity at <https://iofesign.com/#/verificar> Code 02c49de80a

This notarial certificate is issued in accordance with the provisions of Articles 24 and 28 of Legislative Decree No. 1049 - Legislative Decree of Notaries, in accordance with the regulations of the law on digital signatures and certificates and its regulations approved by Supreme Decree No. 052-2008-PCM.

This notarized document in digital format contains the copy of the Public Deed, the verification of which is available through the QR code of the verification link indicated.

[logo:] PANIO NOTRIA  
08/17/2020 15:36  
Digitally Certified Document JOSÉ ALFREDO PAINO SCARPATI

**MR.: JUAN RAFAEL SERVAN ROCHA**, WHO DECLARES TO BE A NATIONAL OF: PERU, MARITAL STATUS: MARRIED, PROFESSION OR OCCUPATION: BUSINESSMAN, AND RESIDE IN THIS CAPITAL, DULY IDENTIFIED WITH NATIONAL IDENTITY DOCUMENT NUMBER: 08202257 (ZERO EIGHT MILLION TWO HUNDRED TWO THOUSAND TWO HUNDRED FIFTY-SEVEN). \_\_\_\_\_

WHO IN THIS ACT DECLARE TO PROCEED IN THE NAME AND ON BEHALF OF **ONCOSALUD S.A.C.**, REGARDING WHICH, IN ACCORDANCE WITH THE PROVISIONS OF THE FIRST PARAGRAPH OF ARTICLE 9 OF LEGISLATIVE DECREE NUMBER 1372, IT HAS BEEN VERIFIED IN THE SUNAT (Superintendencia Nacional de Aduanas y de Administración Tributaria [National Superintendency of Customs and Tax Administration]) SYSTEM, THAT IT HAS SUBMITTED THE FINAL BENEFICIARY STATEMENT, WITH UNIQUE TAXPAYER REGISTRY NUMBER: 20101039910 (TWENTY BILLION TONE HUNDRED ON MILLION THIRTY-NINE THOUSAND NINE HUNDRED TEN), WITH ADDRESS IN AVE. REPUBLICA DE PANAMA NUMBER 4575 (FOUR THOUSAND FIVE HUNDRED SEVENTY-FIVE), UNIT 06, (SIX), SURQUILLO URBAN DEVELOPMENT, DISTRICT OF SURQUILLO, PROVINCE AND DEPARTMENT OF LIMA, AND WHO DECLARE TO BE DULY EMPOWERED ACCORDING TO THE POWERS REGISTERED IN THE RECORD NUMBER 00558907 (ZERO ZERO FIVE HUNDRED FIFTY-EIGHT THOUSAND NINE HUNDRED SEVEN) OF THE REGISTRY OF LEGAL ENTITIES OF LIMA. \_\_\_\_\_

I ATTEST TO HAVING IDENTIFIED THE APPEARING PARTIES, WHO PROCEED WITH CAPACITY, FREEDOM AND ENOUGH KNOWLEDGE OF THE ACT THEY PERFORM AND WHO ARE PROFICIENT IN THE SPANISH LANGUAGE; ALSO, HAVING USED THE FINGERPRINT-BASED BIOMETRICS COMPARISON MECHANISM AND RENIEC'S (Registro Nacional de Identificación y Estado Civil [National Civil Registry]) ONLINE CONSULTATION IN COMPLIANCE WITH PARAGRAPH D) OF ARTICLE 54, AND ARTICLE 55 OF LEGISLATIVE DECREE No. 1049 OF THE NOTARY LAW, AS AMENDED BY LEGISLATIVE DECREES No. 1350 AND No. 1232 RESPECTIVELY, AS WELL AS THE ONLINE CONSULTATION OF THE NATIONAL IMMIGRATION AGENCY, AND I HAVE VERIFIED THE CATEGORY AND MIGRATORY STATUS IN FORCE AT THE TIME OF CONTRACTING, IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH D) OF ARTICLE 54, AND PARAGRAPH C) OF ARTICLE 55 OF LEGISLATIVE DECREE No. 1049 OF THE NOTARY LAW, AS AMENDED BY LEGISLATIVE DECREES No. 1350 AND No. 1232 RESPECTIVELY, RECORDING IN A PUBLIC DEED THE MINUTES SIGNED AND AUTHORIZED, WHICH I FILE IN ITS RESPECTIVE FILE, AND THE WORDING OF WHICH IS AS FOLLOWS: \_\_\_\_\_

**MINUTES: NOTARY:** \_\_\_\_\_

PLEASE ISSUE IN YOUR REGISTER OF PUBLIC DEEDS ONE FOR THE FIRST ADDENDUM TO THE LOAN-BACKING ASSIGNMENT AGREEMENT (HEREINAFTER REFERRED TO AS "THE ADDENDUM"), WHICH IS ENTERED INTO BY, ON THE ONE HAND:

\_\_\_\_\_  
(I) SCOTIABANK PERU S.A.A., IDENTIFIED WITH RUC (Registro Único de Contribuyentes [Unique Taxpayer Registry]) No. 20100043140, A COMPANY REGISTERED IN THE RECORD 11008578 OF THE REGISTRY OF LEGAL ENTITIES OF LIMA'S REGISTRATION OFFICE, WITH ADDRESS IN AV. DIONISIO DERTEANO 102, SAN ISIDRO, DULY REPRESENTED BY MR. CARLOS ALBERTO CORREA BELAUNDE, IDENTIFIED WITH D.N.I. (Documento Nacional de Identidad [National Identification Document]) No. 10219196, AND BY MRS. YUVIDZA INFANTAS BLAZEVIC, IDENTIFIED WITH D.N.I. (Documento Nacional de Identidad [National Identification Document]) No. 07877305, EMPOWERED WITH THE POWERS REGISTERED IN THE RECORD NUMBER



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Code 02c49de80a

11008578 OF THE REGISTRY OF LEGAL ENTITIES OF LIMA'S PUBLIC REGISTRIES, WHICH WILL HEREINAFTER BE REFERRED TO AS "THE BANK" AND, ON THE OTHER HAND, \_\_\_\_\_ (II) ONCOSALUD S.A.C., IDENTIFIED WITH UNIQUE TAXPAYER REGISTRY No. 20101039910, WITH ADDRESS IN AVE. REPUBLICA DE PANAMA No. 4575 UNIT 6, SURQUILLO URBAN DEVELOPMENT, DISTRICT OF SURQUILLO, PROVINCE AND DEPARTMENT OF LIMA, DULY REPRESENTED BY MR. OSCAR LEONARDO BACHERER FASTONI, IDENTIFIED WITH FOREIGN RESIDENT ID CARD No. 000499580 AND MR. JUAN RAFAEL SERVAN ROCHA, IDENTIFIED WITH D.N.I. (Documento Nacional de Identidad [National Identification Document]) No. 08202257, DULY EMPOWERED ACCORDING TO THE POWERS THAT ARE REGISTERED IN ELECTRONIC RECORD No. 00558907 OF THE REGISTRY OF LEGAL ENTITIES OF LIMA, HEREINAFTER REFERRED TO AS "THE CLIENT". \_\_\_\_\_

THE BANK AND THE CLIENT, TOGETHER, SHALL BE REFERRED TO AS "THE PARTIES". \_\_\_\_\_

THIS AGREEMENT IS ENTERED INTO SUBJECT TO THE FOLLOWING RULES: \_\_\_\_\_

FIRST. \_\_\_\_\_

BACKGROUND. \_\_\_\_\_

1.1. ON FEBRUARY 3 (THREE), 2020 (TWO THOUSAND TWENTY), THE BANK AND THE CLIENT ENTERED INTO A LOAN-BACKING ASSIGNMENT AGREEMENT (HEREINAFTER REFERRED TO AS "THE MAIN AGREEMENT"), ACCORDING TO THE TERMS AND CONDITIONS AGREED THEREIN.

SECOND. \_\_\_\_\_

PURPOSE. \_\_\_\_\_

2.1 BY MEANS OF THIS DOCUMENT, THE PARTIES MUTUALLY AGREE TO AMEND THE SECOND CLAUSE: BACKGROUND RECORDED IN THE MAIN AGREEMENT, ADOPTING THE FOLLOWING WORDING: \_\_\_\_\_

"THE BANK HAS GRANTED THE CLIENT THE FOLLOWING FACILITIES: \_\_\_\_\_

B) ON FEBRUARY 3 (THREE), 2020 (TWO THOUSAND TWENTY), A LOAN FOR UP TO S/ 70,000,000.00 (SEVENTY MILLION AND 00/100 SOLES) OR ITS EQUIVALENT IN DOLLARS, UNDER THE MODALITY OF N/R CONSTRUCTION LEASING. \_\_\_\_\_

A) ON JULY 13 (THIRTEEN), 2020 (TWO THOUSAND TWENTY), A LOAN FOR UP TO S/21,000,000.00 (TWENTY-ONE MILLION AND 00/100 SOLES) OR ITS EQUIVALENT IN DOLLARS, UNDER THE MODALITY OF N/R CLINICAL EQUIPMENT LEASING. \_\_\_\_\_

UNLESS EXPRESSLY INDICATED, THE TERM "ACTIVATION DATE" USED IN THIS AGREEMENT SHALL HAVE THE MEANING INDICATED IN THE FINANCIAL LEASE AGREEMENT DESCRIBED IN PARAGRAPH A) OF THIS CLAUSE." \_\_\_\_\_

2.2 BY MEANS OF THIS DOCUMENT, THE PARTIES AGREE TO REPLACE ANNEX No. 1 RECORDED IN THE MAIN AGREEMENT, FOR THAT INDICATED IN APPENDIX A TO THIS DOCUMENT. \_\_\_\_\_

2.3 BY MEANS OF THIS DOCUMENT, THE PARTIES AGREE TO REPLACE ANNEX No. 2 RECORDED IN THE MAIN AGREEMENT, FOR THAT INDICATED IN APPENDIX B TO THIS DOCUMENT. \_\_\_\_\_

THIRD. \_\_\_\_\_

RATIFICATION OF THE PARTIES. \_\_\_\_\_

3.1. FINALLY, THE PARTIES DECLARE THAT THE OTHER ANNEXED CLAUSES, TERMS AND CONDITIONS CONTAINED IN THE MAIN AGREEMENT SHALL REMAIN IN FORCE, WITH THE EXCEPTION OF THE PROVISIONS OF THE ADDENDUM. \_\_\_\_\_

3.2. IN ADDITION, THE PARTIES DECLARE THAT THE AMENDMENTS TO THE ADDENDUM DO NOT CONSTITUTE, UNDER ANY EVENT, A NOVATION. \_\_\_\_\_



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<https://iofesign.com/#/verificar>  
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3.3. BOTH CONTRACTING PARTIES DECLARE THAT IN THE EXECUTION OF THE ADDENDUM THERE HAS BEEN NO GROUNDS WHATSOEVER OF NULLITY OR VOIDABILITY THAT INVALIDATES IT, SINCE BOTH HAVE ACTED WITH COMPLETE FREEDOM AND FULL KNOWLEDGE OF THEIR RIGHTS AND OBLIGATIONS. \_\_\_\_\_

3.4. THE TERMS IN CAPITAL LETTERS THAT ARE NOT EXPRESSLY DEFINED IN THE ADDENDUM SHALL HAVE THE MEANING ASSIGNED TO THEM IN THE MAIN AGREEMENT. \_\_\_\_\_

PLEASE ADD MR. NOTARY, THE OTHER CLAUSES OF LAW AND FORWARD THE AUTHENTIC COPIES TO THE PUBLIC REGISTRIES WHEN REQUESTED BY THE PARTIES. \_\_\_\_\_

LIMA, JULY 13 (THIRTEEN), 2020 (TWO THOUSAND TWENTY) \_\_\_\_\_

HEREUNDER FOUR ILLEGIBLE SIGNATURES THIS MINUTES HAS BEEN AUTHORIZED BY DR. JULISA DEL CARMEN VASQUEZ PASACHE, LAWYER, REGISTERED IN THE LIMA BAR ASSOCIATION WITH THE NUMBER: FIFTY-EIGHT THOUSAND SIX HUNDRED FORTY-ONE.- AN ILLEGIBLE SIGNATURE. \_\_\_\_\_

INSERT. \_\_\_\_\_

APPENDIX A \_\_\_\_\_

ANNEX No. 1 \_\_\_\_\_

OF THE LOAN-BACKING ASSIGNMENT AGREEMENT \_\_\_\_\_

- CLIENT: ONCOSALUD S.A.C. \_\_\_\_\_
- CLIENT'S ACTIVITY: ONCOLOGY SERVICES AND DEVELOPMENT OF ONCOLOGICAL PROGRAMS.
- AMOUNT OF THE LOAN TO BE GRANTED: UP TO PEN 91,000,000.00 (NINETY-ONE MILLION AND 00/100 SOLES)  
\_\_\_\_\_
- LOAN MODALITY: N/R CONSTRUCTION LEASING AND N/R CLINICAL EQUIPMENT LEASING. \_\_\_\_\_

LIST OF ASSIGNED RIGHTS \_\_\_\_\_

No.== BORROWER.== TITLE OR DOCUMENT.== AMOUNT / PERCENTAGE \_\_\_\_\_

I.== PATIENTS / CLIENTS WHO RECEIVE ONCOLOGICAL OR HEALTH SERVICES OR PURCHASE PRODUCTS OF ONCOSALUD S.A.C AT CLINICA CHICLAYO. \_\_\_\_\_

SLIPS AND/OR INVOICES OR ANY OTHER PROOF OF PAYMENT THAT IS ISSUED FROM THE ONCOLOGICAL OR HEALTH SERVICE OR FROM THE SALE OF THE PRODUCTS OF ONCOSALUD S.A.C AT CLINICA CHICLAYO. == IN ACCORDANCE WITH THE PROVISIONS OF THE THIRD CLAUSE, THE TOTAL AMOUNT OF THE ASSIGNED RIGHTS SHALL CORRESPOND TO 30% OF THE ANNUAL SALES, IN ADDITION TO COMPLYING WITH A DEBT COVERAGE RATIO. \_\_\_\_\_

- THE BANK RESERVES THE RIGHT TO MAKE THE USES OR DISBURSEMENTS OF THE APPROVED LOANS BACKED BY THIS ASSIGNMENT OF RIGHTS, WHEN THERE ARE JUSTIFIED REASONS FOR SUCH A MEASURE. \_\_\_\_\_

IN THE EVENT THAT THERE WERE RESTRICTIONS FOR THE ASSIGNMENT OF RIGHTS, FINANCIAL CLAIMS OR INVOICES DETAILED ABOVE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 1210 OF THE CIVIL CODE, WHICH HAD BEEN EXPRESSED IN AN AGREEMENT BETWEEN THE CLIENT AND THE DEBTOR OF SUCH FINANCIAL CLAIMS, IT MUST BE UNDERSTOOD THAT THIS ASSIGNMENT CORRESPONDS TO THE FLOWS THAT THE CLIENT RECEIVES FOR THE COLLECTION OF SUCH FINANCIAL CLAIMS, THE LATTER MAINTAINING AS WELL AS THE DEPOSITARY, ITS OBLIGATIONS AND RESPONSIBILITIES TO THE BANK.



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THIS ANNEX FORMS AN INTEGRAL PART OF THE LOAN-BACKING ASSIGNMENT AGREEMENT THAT THE CLIENT HAS SIGNED WITH THE BANK. \_\_\_\_\_

LIMA, JULY 13, 2020 \_\_\_\_\_

SCOTIABANK PERU S.A.A., PP. CARLOS ALBERTO CORREA BELAUNDE, AN ILLEGIBLE SIGNATURE \_\_\_\_\_

SCOTIABANK PERU S.A.A., PP. YUVIDZA INFANTAS BLAZEVIC, AN ILLEGIBLE SIGNATURE \_\_\_\_\_

ONCOSALUD S.A.C., PP. OSCAR LEONARDO BACHERER FASTONI, AN ILLEGIBLE SIGNATURE \_\_\_\_\_

ONCOSALUD S.A.C., PP. JUAN RAFAEL SERVAN ROCHA, AN ILLEGIBLE SIGNATURE \_\_\_\_\_

**INSERT.** \_\_\_\_\_

**APPENDIX B** \_\_\_\_\_

**ANNEX No. 2** \_\_\_\_\_

**FINANCIAL DEFINITIONS** \_\_\_\_\_

(I) DEBT COVERAGE RATIO: THE CALCULATION OF THIS RATIO SHALL BE MADE IN ACCORDANCE WITH THE FOLLOWING FORMULA: \_\_\_\_\_

ASSIGNED RIGHTS / (CPLTD + F.E.) \_\_\_\_\_

TO CALCULATE THE ASSIGNED RIGHTS AND F.E. THE FLOWS OF THE CORRESPONDING ACCOUNTS SHOULD BE CONSIDERED ACCUMULATING THE LAST 12 MONTHS FROM THE CUT-OFF DATE OF THE FS UNDER EVALUATION. \_\_\_\_\_

(II) FINANCIAL EXPENSES (F.E): IT CORRESPONDS TO THE SET OF FINANCIAL EXPENSES INCURRED IN THE LAST 12 MONTHS BY THE CLIENT EXCLUDING THE FINANCIAL INCOME AND THE PROFIT OR LOSS FOR EXCHANGE DIFFERENCES. ACCORDING TO THE CORRESPONDING FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. \_\_\_\_\_

(III) CURRENT PORTION OF LONG-TERM DEBT (C.P.L.T.D): IT SHALL INCLUDE ALL CAPITAL PAYMENTS (DEPRECIATIONS) CORRESPONDING TO ANY DEBT, THE PAYMENT OBLIGATION OF WHICH IS SCHEDULED FOR THE NEXT TWELVE (12) MONTHS, AS FROM THE CUT-OFF DATE OF THE FINANCIAL STATEMENTS UNDER EVALUATION. THIS DEFINITION APPLIES TO THE CURRENT PORTION OF ANY DEBT THAT COMES FROM OR HAS COME FROM A PAYMENT SCHEDULE GREATER THAN OR EQUAL TO TWELVE MONTHS (BOTH WITH SUPPLIERS IN GENERAL, SUNAT, AND WITH FINANCIAL INSTITUTIONS). \_\_\_\_\_

**CONCLUSION.** \_\_\_\_\_

THIS DEED BEGINS ON PAGE SERIES NUMBER 10133880 AND ENDS ON PAGE SERIES NUMBER 10133882 OVERLEAF. HAVING FORMALIZED THE INSTRUMENT, AND IN ACCORDANCE WITH ARTICLE 27 OF LEGISLATIVE DECREE NUMBER 1049, NOTARY LAW, I HEREBY STATE FOR THE RECORD THAT THE INTERESTED PARTIES WERE INFORMED OF THE LEGAL EFFECTS OF IT; THE APPEARING PARTIES READ IT, AFTER WHICH THEY AFFIRMED AND RATIFIED IT IN TERMS OF ITS CONTENT, SIGNING IT, DECLARING THAT IT IS A VALID AND NOT SIMULATED ACT, ALSO STATING TO KNOWN THE BACKGROUND AND/OR TITLES ORIGINATING THIS INSTRUMENT, AND RECOGNIZING AS THEIR OWN THE SIGNATURES OF THE ORIGINAL MINUTES, THE GRANTORS GIVE THEIR EXPRESS CONSENT FOR THE PROCESSING OF THEIR PERSONAL DATA AND THE PURPOSE GIVEN TO IT IN ACCORDANCE WITH THE PROVISIONS OF LAW 29733 AND ITS REGULATIONS. \_\_\_\_\_



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Code 02c49de80a

I HEREBY STATE FOR THE RECORD THAT IN GRANTING THIS PUBLIC DEED, MEASURES OF CONTROL AND DILIGENCE ON THE PREVENTION OF MONEY LAUNDERING HAVE BEEN TAKEN, INCLUDING THE IDENTIFICATION OF THE FINAL BENEFICIARY IN ACCORDANCE WITH PARAGRAPH K) OF ARTICLE 59 OF LEGISLATIVE DECREE No. 1049 OF THE NOTARY LAW, AS AMENDED BY LEGISLATIVE DECREE No. 1232, TO ALL OF WHICH I ATTEST. SERVAN ROCHA JUAN RAFAEL SIGNS IN REPRESENTATION OF ONCOSALUD S.A.C. ON JULY THE TWENTY-FOURTH OF TWO THOUSAND TWENTY, A FINGERPRINT; CORREA BELAUNDE CARLOS ALBERTO SIGNS IN REPRESENTATION OF SCOTIABANK PERU S.A.A. ON AUGUST THE TENTH OF TWO THOUSAND TWENTY, A FINGERPRINT; INFANTAS BLAZEVIC YUVIDZA SIGNS IN REPRESENTATION OF SCOTIABANK PERU S.A.A. ON AUGUST THE TENTH OF TWO THOUSAND TWENTY, A FINGERPRINT; BACHERER FASTONI OSCAR LEONARDO SIGNS IN REPRESENTATION OF ONCOSALUD S.A.C. ON JULY THE TWENTY-FOURTH OF TWO THOUSAND TWENTY, A FINGERPRINT. AFTER THE SIGNING PROCESS, I SIGN THIS INSTRUMENT ON AUGUST THE TENTH OF TWO THOUSAND TWENTY, ALFREDO PAINO SCARPATI, NOTARY OF LIMA.

IT IS A COPY OF THE PUBLIC DEED THAT IS INCLUDED IN MY RECORD ON **JULY 21, 2020**, ON PAGES **71880 - 71882V**, AND I ISSUE THIS AT THE REQUEST OF THE INTERESTED PARTY, ACCORDING TO LAW. \_\_\_\_\_



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**AUNA S.A.A.**

**U.S.\$300,000,000**

**6.500% SENIOR NOTES DUE 2025**

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**INDENTURE**

**Dated as of November 20, 2020**

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**AUNA S.A.A., as Issuer**

**The GUARANTORS Party Hereto,**

**and**

**CITIBANK, N.A.,**

**as Trustee, Paying Agent, Registrar and Transfer Agent**

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**INDENTURE**, dated as of November 20, 2020, among **AUNA S.A.A.**, an openly held corporation (*sociedad anónima abierta*) incorporated under the laws of Peru (the “*Issuer*”), the **GUARANTORS** listed in Schedule 1 hereto (each individually, together with its successors, a “*Guarantor*”, and collectively, the “*Guarantors*”) and Citibank, N.A., a national banking association duly organized and existing under the laws of the United States, as trustee (in such capacity, the “*Trustee*”), paying agent (in such capacity, the “*Paying Agent*”), registrar (in such capacity, the “*Registrar*”) and transfer agent.

#### WITNESSETH

**WHEREAS**, the Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Issuer’s 6.500% Senior Notes due 2025 (the “*Notes*”); and

**WHEREAS**, all things necessary to make this Indenture a valid, legal and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, have been done.

**NOW, THEREFORE**, to set forth or to provide for the establishment of the terms and conditions upon which the Notes are to be authenticated, issued and delivered, and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed as follows, for the equal and proportionate benefit of all Holders of the Notes:

#### ARTICLE I DEFINITIONS

Section 1.1 *Definitions*. The following terms, as used herein, shall have the following meanings:

“*Acceptable Commitment*” has the meaning specified in Section 4.1(e).

“*Actual Knowledge*” means, with respect to any Person, actual knowledge of any officer (or similar agent) of such Person responsible for the administration of the transactions effected by this Indenture and the Notes or such officer (or similar agent) as shall have been designated by such Person in this Indenture and the Notes to receive written communications in connection therewith.

“*Additional Amounts*” has the meaning specified in Section 2.12(a).

“*Additional Assets*” means:

- (1) any property, plant, equipment or other asset (excluding working capital or current assets) to be used by the Issuer or a Restricted Subsidiary in a Similar Business;
- (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

*provided* that, in the case of clauses (2) and (3), such Restricted Subsidiary is primarily engaged in a Similar Business.

“*Additional Notes*” has the meaning specified in Section 2.11.

“*Affiliate*” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “*control*” (including, with correlative meanings, the terms “*controlling*,” “*controlled by*” and “*under common control with*”) when used with respect to any Person means possession, directly or indirectly, of the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “*controlling*” and “*controlled*” have meanings correlative to the foregoing.

“*Affiliate Transaction*” has the meaning specified in Section 4.1(i).

“*Applicable Law*” means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“*Applicable Procedures*” has the meaning specified in Section 2.6(b).

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance, or other disposition (including a Sale/Leaseback Transaction), or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “*disposition*”) by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition of assets by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) the disposition of cash or Cash Equivalents in the ordinary course of business;
- (3) the disposition by the Issuer or any Restricted Subsidiary in the ordinary course of business of (i) cash management investments, (ii) inventory and other assets acquired and held for resale, (iii) damaged, worn out or obsolete assets, (iv) rights granted to others pursuant to leases or licenses, (v) any property, rights or assets upon

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expiration in accordance with the terms of any concession or (vi) property, plant or equipment that is no longer used or useful in the business of the Issuer or a Restricted Subsidiary;

- (4) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;
- (5) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to Section 4.3 or any disposition that constitutes a Change of Control pursuant to this Indenture;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to a Wholly-Owned Subsidiary;
- (7) for purposes of Section 4.1(e) only, the making of a Permitted Investment (other than a Permitted Investment to the extent such transaction results in the receipt of cash or Cash Equivalents by the Issuer or its Restricted Subsidiaries) or a disposition subject to Section 4.1(f);
- (8) dispositions of assets in a single transaction or a series of related transactions with an aggregate Fair Market Value in any fiscal year of less than U.S.\$15.0 million (or the equivalent in other currencies);
- (9) the creation of a Permitted Lien and dispositions in connection with Permitted Liens;
- (10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy, liquidation, dissolution or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the issuance of Disqualified or Preferred Stock pursuant to Section 4.1(d);
- (12) (i) the licensing or sublicensing of intellectual property or other general intangibles in the ordinary course of business and (ii) the abandonment or other disposition of intellectual property that is, in the reasonable judgment of management of the Issuer or the relevant Restricted Subsidiary, no longer economically convenient to maintain or useful in the conduct of conduct of the business of the Issuer or the relevant Restricted Subsidiaries;
- (13) the lease, assignment, licensing or sub lease or sub licensing of any real or personal property in the ordinary course of business;
- (14) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims; and
- (15) any sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary.

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“*Asset Disposition Offer*” has the meaning specified in Section 4.1(e).

“*Asset Disposition Offer Amount*” has the meaning specified in Section 4.1(e)(ii).

“*Asset Disposition Purchase Date*” has the meaning specified in Section 4.1(e).

“*Asset Swap*” means an exchange (or concurrent purchase and sale) of property, plant, equipment or other assets (excluding working capital or current assets) of the Issuer or any of its Restricted Subsidiaries for Additional Assets of another Person.

“*Attributable Indebtedness*” in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the Sale/Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with IFRS; *provided* that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capitalized Lease Obligations.”

“*Authentication Order*” has the meaning specified in Section 2.2.

“*Authorized Agent*” means the collective reference to the Paying Agent(s), Registrar, any other co-security registrar appointed hereunder, and any Transfer Agent(s).

“*Authorized Officer*” means, (1) in the case of the Issuer, the individual(s) (who may include directors of the Issuer) whose signatures and incumbency shall have been certified by the Issuer in an Officers’ Certificate delivered to the Trustee which are legally entitled to represent the Issuer or (2) in the case of any other Person, the chairman of the board, chief executive officer, chief financial officer or accounting officer, any vice president or any corporate officer of such Person responsible for the administration of the transactions effected by this Indenture and the Notes.

“*Beneficial Owner*” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act.

“*Board of Directors*” means with respect to any Person, the board of directors or similar governing body of such Person serving a similar function or any duly authorized committee thereof.

“*Board Resolution*” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in Lima, Peru or New York City, United States are authorized or required by law to close.

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“*Capital Stock*” of any Person means any and all shares, interests, rights to purchase, warrants, options, certificates of participation, participations or other equivalents of or interests in (however designated and whether or not having voting rights) equity of such Person, including each class of Common Stock, Preferred Stock and limited liability interests or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

“*Capitalized Lease Obligation*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS, except for any lease that would have been considered an operating lease under IFRS as in effect immediately prior to the adoption of IFRS 16 (Leases). The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“*Cash Equivalents*” means:

(1) U.S. dollars, Peruvian soles, Colombian pesos or other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business;

(2) securities issued or directly and fully Guaranteed or insured by the United States government or any agency or instrumentality of the United States (*provided* that the full faith and credit of the United States is pledged in support thereof), having maturities of not more than one year from the date of acquisition;

(3) marketable obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having a credit rating of “A” or better from either S&P or Moody’s or carrying an equivalent rating by an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments;

(4) marketable general obligations issued by, or unconditionally Guaranteed by, the government or any political subdivision or public instrumentality of any jurisdiction in which the Issuer and its Restricted Subsidiaries have substantial operations or issued by any agency thereof and backed by the full faith and credit of such government, in each case so long as such obligations have an Investment Grade Rating by at least two Rating Agencies, and maturing within one year from the date of acquisition thereof;

(5) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by (i) any U.S. commercial bank the long-term debt of which is rated at the time of acquisition thereof at least “A” or the equivalent thereof by S&P, or “A” or the equivalent thereof by Moody’s or carrying an equivalent rating by

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an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments, and having combined capital and surplus in excess of U.S.\$500.0 million, or (ii) with respect to any such deposits or instruments in a non U.S. jurisdiction, any commercial bank in such jurisdiction having one of the four highest international or local ratings obtainable from S&P, Fitch or Moody's (or their respective local affiliates), or carrying an equivalent rating by a Rating Agency, if any of such named Rating Agencies cease publishing ratings of investments;

(6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2), (3), (4) and (5) entered into with any bank meeting the qualifications specified in clause (5) above;

(7) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by an internationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and

(8) interests in any investment company or money market fund which invests 90% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole to any Person (including any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d) of the Exchange Act or any successor provisions to other of the foregoing)) other than to one or more Permitted Holders;

(2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a Permitted Holder) becomes the "beneficial owner" (as such term is used in Section 13(d) and 14(d) of the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Issuer, measured by voting power rather than number of shares; or

(3) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

"*Change of Control Event*" means the occurrence of both a Change of Control and a Ratings Decline in respect thereof.

"*Change of Control Offer*" has the meaning specified in [Section 4.4\(a\)](#).

"*Change of Control Payment*" has the meaning specified in [Section 4.4](#).

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“*Change of Control Payment Date*” has the meaning specified in Section 4.4.

“*Clearstream*” means Clearstream Banking Luxembourg, a division of Clearstream International, *société anonyme*, and its successors.

“*Code*” has the meaning specified in Section 2.12.

“*Colombia*” means the Republic of Colombia.

“*Commodity Agreement*” means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement entered into by the Issuer or any Restricted Subsidiary designed to protect the Issuer or any of its Restricted Subsidiaries against fluctuations in the price of commodities actually used in the ordinary course of business of the Issuer and its Restricted Subsidiaries.

“*Common Stock*” means with respect to any Person, any and all shares, interests, certificates of participation or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock, whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

“*Comparable Treasury Issue*” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity of November 20, 2023.

“*Comparable Treasury Price*” means, with respect to any redemption date (1) the average calculated by the Independent Investment Banker of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation obtained by the Independent Investment Banker or (2) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such quotations.

“*Consolidated Adjusted EBITDA*” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by the following items to the extent deducted in calculating such Consolidated Net Income:

- (a) Consolidated Interest Expense; *plus*
- (b) Consolidated Income Taxes; *plus*
- (c) consolidated depreciation and amortization expense; *plus*
- (d) any net loss resulting in such period from currency translation gains or losses; *plus*
- (e) all fees, costs and expenses incurred in connection with the offering of the Notes as disclosed under “Use of Proceeds” in the Offering Memorandum; *plus*

(f) other non-cash charges reducing Consolidated Net Income, including any write-offs or write-downs (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was capitalized at the time of payment) and non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights to officers, directors or employees; *plus*

(g) pre-operating expenses for projects under construction and business development expenses for new projects; *plus*

(h) change in fair value of assets held for sale and loss on sale of investments in associates; and

(2) decreased (without duplication) by non-cash items increasing Consolidated Net Income of such Person for such period (including any net gain resulting in such period from currency translation gains or losses, and excluding any items which represent the reversal of any accrual of, or reserve for, anticipated cash charges that reduced Consolidated Adjusted EBITDA for Consolidated Interest Expense in any prior period).

Notwithstanding the foregoing, clause (1)(b) through (h) relating to amounts of a Restricted Subsidiary of a Person will be added to Consolidated Net Income to compute Consolidated Adjusted EBITDA of such Person only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and, to the extent the amounts set forth in clauses (1)(b) through (h) are in excess of those necessary to offset a net loss of such Restricted Subsidiary or if such Restricted Subsidiary has net income for such period included in Consolidated Net Income, only if a corresponding amount would be permitted at the date of determination to be distributed as a dividend or distribution to the Issuer by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

“*Consolidated Income Taxes*” means, with respect to any Person for any period, taxes imposed upon such Person or other payments required to be made by such Person by any governmental authority which taxes or other payments are calculated by reference to the income or profits or capital of such Person or such Person and its Restricted Subsidiaries (to the extent such income or profits were included in computing Consolidated Net Income for such period).

“*Consolidated Interest Expense*” means, with respect to any Person for any period, the total interest expense (net of any interest income) of such Person and its Restricted Subsidiaries determined on a consolidated basis, whether paid or accrued, plus, to the extent not included in such interest expense:

(1) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with IFRS, and the interest component of any deferred payment obligations;

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- (2) amortization of debt discount (including the amortization of original issue discount resulting from the issuance of Indebtedness at less than par) and debt issuance costs;
  - (3) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;
  - (4) the interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries;
  - (5) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under IFRS; provided that if Hedging Obligations result in net benefits rather than costs, such benefits will be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such net benefits are otherwise reflected as a cash gain in Consolidated Net Income;
  - (6) interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period or is otherwise non-cash interest expense;
  - (7) all dividends paid or payable, in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of such Person or on Preferred Stock of its Non-Guarantor Subsidiaries payable to a party other than the Issuer or a Wholly- Owned Subsidiary; and
  - (8) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Issuer and its Restricted Subsidiaries) in connection with Indebtedness Incurred by such plan or trust.

For purposes of the foregoing, total interest expense will be determined (i) after giving effect to any net payments made or received by the Issuer and its Subsidiaries with respect to Interest Rate Agreements and (ii) exclusive of amounts classified as other comprehensive income in the balance sheet of the Issuer. Notwithstanding anything to the contrary contained herein, commissions, discounts, yield and other fees and charges Incurred in connection with any transaction pursuant to which the Issuer or its Restricted Subsidiaries may sell, convey or otherwise transfer or grant a security interest in any accounts receivable or related assets shall be included in Consolidated Interest Expense.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis, in accordance with IFRS; *provided* that there will not be included in such Consolidated Net Income on an after tax basis:

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(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:

(a) subject to the limitations contained in clauses (3) through (6) below, the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) the Issuer's equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary;

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (C)(i) of the first paragraph of Section 4.1(f), any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) if such Restricted Subsidiary is subject to prior government approval or other restrictions due to the operation of its charter or any agreement, instrument, judgment, decree, order, statute, rule or government regulation (which have not been waived), directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer, except that:

(a) subject to the limitations contained in clauses (3) through (6) below, the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); and

(b) the Issuer's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;

(3) any gain or loss (less all fees and expenses relating thereto) realized upon sales or other dispositions of any assets of the Issuer or such Restricted Subsidiary, other than in the ordinary course of business, as determined in good faith by the Board of Directors of the Issuer;

(4) any income or loss from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments;

(5) any extraordinary gain or loss; and

(6) the cumulative effect of a change in accounting principles.

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“*Corporate Trust Office*” will be at the address of the Trustee specified in Section 10.5 hereof or such other address as to which the Trustee may give notice to the Issuer.

“*Covenant Defeasance*” has the meaning specified in Section 6.4(d).

“*Currency Agreement*” means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary designed solely to hedge foreign currency risk of such Person.

“*Debt Facility*” means one or more debt facilities or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent, lenders or trustee or another administrative agent or agents, other lenders or trustee and whether provided under any credit or other agreement).

“*Default*” means any event or condition that is, or after notice or passage of time or both would be, an Event of Default.

“*Definitive Notes*” has the meaning specified in Section 2.3(a).

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible into or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary (it being understood that upon such conversion or exchange it shall be an Incurrence of such Indebtedness or Disqualified Stock)); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the final Maturity Date of the Notes or the date the Notes are no longer outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer or its Restricted Subsidiaries to repurchase such Capital Stock upon the occurrence of a Change of Control or Asset Disposition shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is

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redeemable) provide that the Issuer or its Restricted Subsidiaries, as applicable, are not required to repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is redeemable) pursuant to such provision prior to compliance by the Issuer with [Section 4.1\(e\)](#) and [Section 4.4](#) and such repurchase or redemption complies with [Section 4.1\(f\)](#).

“*Dollars*” or “U.S.\$” means the lawful currency for the time being in the United States of America.

“*DTC*” means The Depository Trust Company, a New York Corporation.

“*DTC Participants*” has the meaning specified in [Section 2.3\(b\)](#).

“*Email Recipient*” has the meaning specified in [Section 8.2\(u\)](#).

“*Equity Offering*” means the primary issuance and sale for cash by the Issuer or any direct or indirect parent of the Issuer, as applicable, of its Qualified Capital Stock (in the case of an offering by any direct or indirect parent of the Issuer, to the extent such cash proceeds are contributed to the Issuer) to any Person other than an Affiliate of the Issuer.

“*Euroclear*” means the Euroclear Bank, S.A./N.V., as operator of the Euroclear System, and its successors.

“*Event of Default*” has the meaning specified in [Section 5.1\(a\)](#).

“*Excess Proceeds*” has the meaning specified in [Section 4.1\(e\)](#).

“*Exchange Act*” means the United States Securities Exchange Act of 1934, as amended.

“*Excluded Subsidiary*” means (a) each Restricted Subsidiary that is not a Wholly-Owned Subsidiary, (b) each Restricted Subsidiary that is prohibited from guaranteeing the Notes by any requirement of law or that would require consent, approval, license or authorization of a governmental authority to Guarantee the Notes as determined in good faith by the Board of Directors of the Issuer whose determination will be conclusive and evidenced by a Board Resolution, and such consent, approval, license or authorization has not been obtained, (c) each Restricted Subsidiary that is prohibited by any applicable contractual requirement from guaranteeing the Notes on the Issue Date or at the time such Restricted Subsidiary becomes a Restricted Subsidiary (to the extent such contractual requirement arises from a contract entered into in the ordinary course of business and, in the case of acquisitions of a Restricted Subsidiary, such requirement is not incurred in contemplation of the Restricted Subsidiary being acquired, in each case for so long as such restriction or any replacement or renewal thereof is in effect); and (d) any Unrestricted Subsidiary.

“*Fair Market Value*” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction, as determined by Senior Management of the Issuer acting in good faith; *provided* that the Fair Market Value of any such asset or assets, if

greater than U.S.\$5.0 million, will be determined conclusively by the Board of Directors of the Issuer acting in good faith, and will be evidenced by a Board Resolution.

“*Fitch*” means Fitch Ratings Inc., and any successor to its rating agency business.

“*Global Notes*” has the meaning specified in [Section 2.1\(d\)](#).

“*Governmental Authority*” means any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly Guaranteeing any Indebtedness of any other Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

*provided* that the term “*Guarantee*” will not include endorsements for collection or deposit in the ordinary course of business.

“*Guarantor*” means each Initial Guarantor and any other Restricted Subsidiary that provides a Note Guarantee; *provided* that upon release or discharge of such Restricted Subsidiary from its Note Guarantee in accordance with this Indenture, such Restricted Subsidiary ceases to be a Guarantor.

“*Guarantor Subordinated Obligation*” means, with respect to a Guarantor, any Indebtedness of such Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the obligations of such Guarantor under its Note Guarantee pursuant to a written agreement.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

“*Holder*” means a Person in whose name a Note is registered on the Registrar’s books pursuant to the terms of this Indenture.

“*IFRS*” means International Financial Reporting Standards, as issued by the International Accounting Standards Board, (i) for purposes of any reporting obligations under this Indenture,

as in effect from time to time and (ii) for purposes of performing any calculation or assessment to determine compliance with all other terms of this Indenture, as in effect on the Issue Date.

“*Incur*” means issue, create, assume, Guarantee, incur or otherwise become liable for; *provided*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of Incurrence);
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property (including earn-out obligations), all conditional sale obligations and all obligations under any title retention agreement (but excluding (i) trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and (ii) any earn-out obligation until the amount of such obligation becomes a liability on the balance sheet of such Person in accordance with IFRS);
- (5) Capitalized Lease Obligations and all Attributable Indebtedness of such Person (whether or not such items would appear on the balance sheet of the guarantor or obligor);
- (6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Non-Guarantor Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) all Indebtedness of other Persons secured by a Lien on any asset of the Person that is the subject of this definition, whether or not such Indebtedness is assumed by the Person that is the subject of this definition; *provided*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person (whether or not such items would appear on the balance sheet of the guarantor or obligor);

(9) all liabilities recorded on the balance sheet of such Person in connection with a sale or other disposition of accounts receivables and related assets (excluding any factoring, discounting or similar transactions in the ordinary course of business and without recourse to any of the assets of such Person); and

(10) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such Obligation that would be payable by such Person at such time).

“*Indenture*” means this Indenture, as amended or supplemented from time to time.

“*Independent Financial Advisor*” means an accounting firm, appraisal firm, investment banking firm or consultant of internationally recognized standing that is, in the judgment of the Issuer’s Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

“*Independent Investment Banker*” means one of the Reference Treasury Dealers appointed by the Issuer.

“*Initial Notes*” means the Notes issued on the Issue Date and any Notes issued in replacement thereof.

“*Initial Guarantors*” means Auna Salud S.A.C., Clínica Bellavista S.A.C., Clínica Miraflores S.A., Clínica Vallesur S.A., GSP Inversiones S.A.C., GSP Servicios Comerciales S.A.C., GSP Servicios Generales S.A.C., GSP Trujillo S.A.C., Laboratorio Clínico Inmunológico Cantella S.A.C., Medicser S.A.C., Oncocenter Perú S.A.C., Oncosalud S.A.C., RyR Patólogos Asociados S.A.C., Servimédicos S.A.C., Auna Colombia S.A.S., Clínica del Sur S.A.S., Instituto de Cancerología S.A.S., Promotora Médica Las Américas S.A., Laboratorio Médico Las Américas S.A.S. and Las Américas Farma Store S.A.S.

“*Interest Coverage Ratio*” means with respect to any specified Person and its Restricted Subsidiaries, the ratio of the Consolidated Adjusted EBITDA of such Person and its Restricted Subsidiaries for the period of the most recent four fiscal quarters ending prior to the determination for which financial statements are in existence to the Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such four fiscal quarters. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Interest Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Interest Coverage Ratio is made (the “*Calculation Date*”), then the Interest Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of

Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four fiscal quarters, the amount of Consolidated Interest Expense shall be computed based upon the actual outstanding amount of such Indebtedness over the applicable four fiscal quarters.

In addition, for purposes of calculating the Interest Coverage Ratio:

- (1) acquisitions or dispositions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases or decreases in ownership of Restricted Subsidiaries, during the four fiscal quarters or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four fiscal quarters; *provided* that any pro forma calculation will only include amounts that are factually supportable and are expected to have a continuing impact on the Issuer and its Restricted Subsidiaries as determined in good faith by the chief financial officer of the Issuer;
- (2) the Consolidated Adjusted EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date or that becomes a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four fiscal quarters;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date or would cease to be a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four fiscal quarters; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

*“Interest Rate Agreement”* means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge

agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary designed solely to hedge interest rate risk of such Person.

“*Investment*” means, with respect to any Person, any (i) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) or performance guarantee to any other Person (other than advances or extensions of credit to customers in the ordinary course of business); (ii) capital contribution (including any commitment to make such capital contribution) (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person; (iii) purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person; and (iv) other items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS.

For purposes of Section 4.1(f),

(1) “Investment” will include the portion (proportionate to the Issuer’s equity interest in a Restricted Subsidiary that is to be designated an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer’s aggregate “Investment” in such Subsidiary as of the time of such redesignation less (b) the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer; and

(3) if the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Voting Stock of any Restricted Subsidiary such that, after giving effect to any such sale or disposition, such entity is no longer a Subsidiary of the Issuer, the Issuer shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of.

“*Investment Grade Rating*” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s, BBB- (or the equivalent) by Fitch, and BBB- (or the equivalent) by S&P, or any equivalent rating by any Rating Agency, in each case, with a stable or better outlook.

“*Issue Date*” means November 20, 2020.

“*Issuer*” means Auna S.A.A. or any of its permitted successors hereunder.

“*Latest Available Consolidated Financial Statements*” has the meaning set forth in the definition of Latest Completed Quarter.

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“*Latest Completed Quarter*” means the most recently ended fiscal quarter of the Issuer for which consolidated financial statements of the Issuer prepared in accordance with IFRS are available (the “*Latest Available Consolidated Financial Statements*”).

“*Legal Defeasance*” has the meaning specified in [Section 6.4](#).

“*Lien*” means, with respect to any asset, any mortgage, lien (statutory or otherwise), trust deed, deed of trust, pledge, hypothecation, charge, security interest, preference, assignment for security purposes, deposit, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“*Maturity Date*” means November 20, 2025.

“*Moody’s*” means Moody’s Investors Service, Inc., and any successor to its rating agency business.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities or other assets received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Disposition (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Disposition after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;
- (3) repayment of Indebtedness secured by a Lien permitted under this Indenture that is required to be repaid in connection with such Asset Disposition;
- (4) all distributions and other payments required to be made to non-controlling interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (5) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*” with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale, net of out-of-pocket attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“*Net Leverage Ratio*”, as of any date of determination, means the ratio of (x)(i) the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries as of the end of the Latest Completed Quarter (the “*balance sheet date*”) minus (ii) the amount of Unrestricted Cash held by the Issuer and its Restricted Subsidiaries as of the balance sheet date, to (y) the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries for the period of the most recent four consecutive fiscal quarters ending on the last day of the Latest Completed Quarter; *provided that*:

(1) if the Issuer or any Restricted Subsidiary has:

(a) Incurred any Indebtedness since the balance sheet date that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Net Leverage Ratio is an Incurrence of Indebtedness, Indebtedness at the balance sheet date will be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the balance sheet date and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness will be calculated as if such discharge had occurred on the balance sheet date; or

(b) repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of such period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Net Leverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Indebtedness as of the balance sheet date will be calculated after giving effect on a *pro forma* basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the balance sheet date;

(2) if since the beginning of such period the Issuer or any Restricted Subsidiary will have made any Asset Disposition or disposed of or discontinued any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Net Leverage Ratio includes such an Asset Disposition:

(a) the Consolidated Adjusted EBITDA for such period will be reduced by an amount equal to the Consolidated Adjusted EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated Adjusted EBITDA (if negative) directly attributable thereto for such period; and

(b) if such transaction occurred after the date of the Latest Available Consolidated Financial Statements, Indebtedness at the end of such period will be reduced by an amount equal to the Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the Net Available Cash of such Asset Disposition and the assumption of Indebtedness by the transferee;

(3) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary or is merged with or into the Issuer or a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business or group of related assets or line of business, Consolidated Adjusted EBITDA for such period and if such transaction occurred after the date of such Latest Available Consolidated Financial Statements, Indebtedness as of such balance sheet date will be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period; and

(4) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have Incurred any Indebtedness or discharged any Indebtedness or made any disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (1), (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA for such period and, if such transaction occurred after the balance sheet date, Indebtedness as of the balance sheet date will be calculated after giving *pro forma* effect thereto as if such transaction occurred on the first day of such period or as of the balance sheet date, as applicable.

For purposes of (4) above, whenever *pro forma* effect is to be given to any calculation, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness that is being given *pro forma* effect bears an interest rate at the option of the Issuer, the interest rate shall be calculated by applying such optional rate chosen by the Issuer.

“*Non-Guarantor Subsidiary*” means any Restricted Subsidiary that is not a Guarantor.

“*Non-Recourse Debt*” means Indebtedness of a Person:

(1) as to which neither the Issuer nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, Guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Issuer or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its Stated Maturity; and

(3) the explicit terms of which provide there is no recourse against any of the assets of the Issuer or its Restricted Subsidiaries.

“*Note Guarantee*” means any Guarantee of payment of the Notes and the Issuer’s other Obligations under this Indenture by a Restricted Subsidiary pursuant to the terms of this Indenture and any supplemental indenture thereto.

“*Notes*” has the meaning specified in the recitals hereto and shall also include any Additional Notes issued in accordance with Section 2.11.

“*Obligations*” means any principal, interest (including any interest accruing subsequent to the filing of a petition in, or initiation of any bankruptcy, liquidation, dissolution, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), other monetary obligations, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and Guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“*Offering Memorandum*” means the offering memorandum, dated November 17, 2020, relating to the sale of the Notes.

“*Officer*” means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, any Executive Vice President or Vice President, the Treasurer or the Secretary, as applicable, of the Issuer or any Guarantor, as applicable.

“*Officers’ Certificate*” means a certificate signed by an Officer of the Issuer or any Guarantor, as applicable.

“*Opinion of Counsel*” means a written opinion from legal counsel, which opinion is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or any Guarantor.

“*Pari Passu Indebtedness*” means Indebtedness that ranks equally in right of payment to the Notes, in the case of the Issuer, or the Note Guarantees, in the case of any Guarantor (without giving effect to collateral arrangements).

“*Paying Agent*” means the party named as such in the introductory paragraph of this Indenture until such party resigns or is removed by the Issuer from such role; *provided* that, if such party is replaced by a successor in accordance with the terms of this Indenture, “*Paying Agent*” shall thereafter mean such successor.

“*Payment Date*” means May 20 and November 20 of each year; *provided* that, if such date is not a Business Day, then the Payment Date shall be the following Business Day after such date.

“*Permitted Holders*” means (i) Enfoca Investments Ltd., Enfoca Sociedad Administradora de Fondos de Inversión S.A. and Enfoca Discovery 2, L.P. and any of their affiliates and funds managed by such entities or their affiliates or (ii) a Person in which the foregoing Persons hold more than 50% of the Voting Stock.

“*Permitted Investment*” means an Investment by the Issuer or any Restricted Subsidiary in:

- (1) a Restricted Subsidiary;
- (2) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person that is engaged in a Similar Business if as a result of such Investment:
  - (a) such Person becomes a Restricted Subsidiary; or
  - (b) such Person, in one transaction or a series of related transactions, is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided*, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;
- (3) cash and Cash Equivalents;
- (4) receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such concessionary trade terms as the Issuer or any such Restricted Subsidiary deems reasonable under the circumstances;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees, officers or directors of the Issuer or any Restricted Subsidiary in the ordinary course of business consistent with past practices in an aggregate amount not in excess of U.S.\$2.0 million with respect to all loans or advances made since the Issue Date (without giving effect to the forgiveness of any such loan);

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(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries:

(a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, liquidation, dissolution, workout, reorganization or recapitalization of the Issuer of such other Investment or accounts receivable; or

(b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;

(9) Investments made as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with Section 4.1(e) or any other disposition of assets not constituting an Asset Disposition;

(10) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind securities, in each case pursuant to the terms of such Investment as of the Issue Date);

(11) Investments in the form of Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 4.1(d).

(12) Guarantees issued in accordance with Section 4.1(d).

(13) extensions of short-term credit to suppliers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business in accordance with customary trade terms in the Issuer's or such Restricted Subsidiary's industry;

(14) deposits or other similar advances with respect to leases of the Issuer or its Restricted Subsidiaries in the ordinary course of business;

(15) any Investment to the extent the consideration therefor consists of Capital Stock (other than Disqualified Stock) of the Issuer;

(16) Permitted Joint Venture Investments by the parent of the Issuer or any of its Restricted Subsidiaries in an aggregate amount at the time of such Investment not to exceed the greater of U.S.\$50.0 million or 10.0% of Total Assets at any time outstanding; and

(17) Investments by the Issuer or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (17), in an aggregate amount at the time

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of such Investment not to exceed the greater of U.S.\$50.0 million or 10.0% of Total Assets (with the Fair Market Value of such Investment being measured at the time made and without giving effect to subsequent changes in value).

“*Permitted Joint Venture Investment*” means with respect to an Investment by any Person, an Investment by such Person in any other Person engaged in a Similar Business of which less than 50.0% of the outstanding Capital Stock is at the time owned directly or indirectly by the specified Person.

“*Permitted Jurisdiction*” means Peru, Colombia, Mexico, Brazil, Chile, the United States or any state or territory thereof, the United Kingdom or any member state of the European Union.

“*Permitted Liens*” means, with respect to any Person:

(1) pledges or deposits by such Person under workers’ compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, materialmen’s and repairmen’s Liens, Incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as required by IFRS have been made in respect thereof;

(3) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;

(4) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers’ acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided* that such letters of credit do not constitute Indebtedness;

(5) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Hedging Obligations that are Incurred in the ordinary course of business (and not for speculative purposes) to the extent that such Hedging Obligations are secured by (a) the same Permitted Lien securing the Indebtedness being so hedged, if any, and/or (b) a Lien consisting of customary cash margin;

(7) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) that do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(8) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(9) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Indebtedness Incurred to finance assets or property acquired, constructed, improved or leased; *provided that*:

(a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Indenture and does not exceed the cost of the assets or property so acquired, constructed or improved; and

(b) such Liens are created within 180 days of construction, acquisition or improvement of such assets or property and do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto and any revenues generated by such assets or property;

(10) Liens existing on the Issue Date;

(11) Liens on property or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; *provided that* such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; *provided, further,* that any such Lien may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(12) Liens on property at the time the Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; *provided that* such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition; *provided, further,* that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(13) Liens securing the Notes and the Note Guarantees;

(14) Liens securing Refinancing Indebtedness Incurred to refinance, refund, replace, amend, extend or modify, as a whole or in part, Indebtedness that was previously so secured pursuant to clauses (9), (10), (11), (12), (13) and (14) of this definition; *provided that* any such Lien is limited to all or part of the same property or assets (plus

improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;

(15) Liens in favor of the Issuer or any Restricted Subsidiary; and

(16) Liens securing Indebtedness (other than Subordinated Obligations and Guarantor Subordinated Obligations) in an aggregate principal amount outstanding at any one time not to exceed the greater of U.S.\$50.0 million or 10.0% of Total Assets.

“*Person*” means any individual, corporation, limited partnership, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof.

“*Peru*” means the Republic of Peru.

“*Peruvian Companies Law*” means the *Ley General de Sociedades* of Peru.

“*Preferred Stock*,” as applied to the Capital Stock of any corporation, means with respect to any Person, any Capital Stock of any class or classes (however designated) of such Person that has preferred rights over any other Capital Stock of such Person with respect to the payment of dividends, distributions or redemptions or upon liquidation, dissolution or winding up.

“*Property*” of any Person means any property, rights or revenues, or interest therein, of such Person.

“*Qualified Capital Stock*” means any Capital Stock that is not Disqualified Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Stock or that are not convertible into or exchangeable into Disqualified Stock.

“*Rating Agency*” means each of S&P, Fitch and Moody’s or, if S&P, Fitch or Moody’s or the three of them shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer (as certified by a resolution of the Board of Directors) which shall be substituted for S&P, Fitch or Moody’s or the three of them, as the case may be.

“*Rating Date*” means in connection with a Change of Control Event, the date that is ninety (90) days prior to the earlier of (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or of the intention of the Issuer or any other Person or Persons to effect a Change of Control.

“*Ratings Decline*” means in connection with a Change of Control Event, the occurrence, on or within ninety (90) days (which period will be (i) extended for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change as a result of a Change of Control or (ii) reduced in the event of a Rating Reaffirmation to the date on which the Rating Reaffirmation has been obtained) after the earlier to occur of public notice of (i) the occurrence of a Change of Control and (ii) the intention by the Issuer or any other Person or Persons to effect a Change of Control, of any of the events listed below, in each case expressly as a result of such Change of Control:

(a) in the event the Notes have an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency will be changed to below an Investment Grade Rating;

(b) in the event the Notes have an Investment Grade Rating by any, but not two or more, of the Rating Agencies on the Rating Date, the rating of the Notes by such Rating Agency will be changed to below an Investment Grade Rating; or

(c) in the event the Notes are rated below an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency will be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

“*Rating Reaffirmation*” means, in connection with a Change of Control, a written reaffirmation from each Rating Agency then rating the Notes stating that the credit rating on the Notes, which was in effect immediately prior to a public notice of such Change of Control or of the intention of the Issuer or any Person to effect such Change of Control, will not be decreased as a result of such Change of Control.

“*Reference Treasury Dealer*” means Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Santander Investment Securities Inc. and Scotia Capital (USA) Inc. or their respective affiliates which are primary United States government securities dealers in New York City (each, a “*Primary Treasury Dealer*”), and not less than two other leading Primary Treasury Dealers reasonably designated by the Issuer; *provided* that if any of the foregoing cease to be a Primary Treasury Dealer, the Issuer will substitute therefor another Primary Treasury Dealer.

“*Reference Treasury Dealer Quotation*” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by an Independent Investment Banker, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the third Business Day preceding such redemption date.

“*Refinancing Indebtedness*” means Indebtedness that is Incurred to refund, refinance, replace, defease, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, “*refinance*,” “*refinances*” and “*refinanced*” shall each have a correlative meaning) any Indebtedness, in whole or in part, existing on the Issue Date or Incurred in compliance with this Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided* that:

(1) (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the

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Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Notes;

(2) the Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then-outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees Incurred in connection therewith);

(4) if the Indebtedness being refinanced is subordinated in right of payment to the Notes or the Note Guarantees, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced; and

(5) Refinancing Indebtedness shall not include Indebtedness of a Non-Guarantor Subsidiary that refinances Indebtedness of the Issuer or a Guarantor.

“*Register*” has the meaning specified in [Section 2.15\(a\)](#).

“*Registrar*” means the party named as such in the introductory paragraph of this Indenture until such party resigns or is removed by the Issuer from such role; *provided that*, if such party is replaced by a successor in accordance with the terms of this Indenture, “*Registrar*” shall thereafter mean such successor.

“*Regulation S Global Notes*” has the meaning specified in [Section 2.1\(d\)](#).

“*Reinstatement Date*” has the meaning specified in [Section 4.2\(b\)](#).

“*Related Proceeding*” has the meaning specified in [Section 10.9\(a\)](#).

“*Required Holders*” means Holders of a majority of the aggregate principal amount of outstanding Notes.

“*Responsible Officer*” means, with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant secretary, senior associate, associate, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

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“*Restricted Global Notes*” has the meaning specified in [Section 2.1\(d\)](#).

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Payments*” has the meaning specified in [Section 4.1\(f\)\(i\)](#).

“*Restricted Subsidiary*” means any Subsidiary of the Issuer which at the time of determination is not an Unrestricted Subsidiary.

“*S&P*” means S&P Global Ratings, and any successor to its rating agency business.

“*Sale/Leaseback Transaction*” means any direct or indirect arrangement relating to property (whether real, personal or mixed) now owned or hereafter acquired whereby the Issuer or a Restricted Subsidiary transfers such property to a Person (other than the Issuer or any of its Restricted Subsidiaries) and the Issuer or a Restricted Subsidiary leases it from such Person.

“*SEC*” means the United States Securities and Exchange Commission.

“*Secured Indebtedness*” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien.

“*Securities Act*” means the United States Securities Act of 1933, as amended.

“*Senior Management*” means the chief executive officer and the chief financial officer of the Issuer.

“*Significant Subsidiary*” means a Restricted Subsidiary of the Issuer that would constitute a “Significant Subsidiary” of the Issuer in accordance with Rule 1-02 under Regulation S-X under the Securities Act in effect on the Issue Date.

“*Similar Business*” means any business or businesses conducted by the Issuer and its Restricted Subsidiaries on the Issue Date and any business that is similar, reasonably related, incidental or ancillary thereto or is an extension or development of any thereof.

“*Singapore Stock Exchange*” means the Singapore Exchange Securities Trading Limited.

“*Stated Maturity*” means, with respect to any security, the date specified in the agreement governing or certificate relating to such Indebtedness as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but not including any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Obligation*” means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

“*Subsidiary*” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of

which more than 50% of the total ordinary Voting Shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company, trust or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Issuer.

“*Successor Guarantor*” has the meaning specified in [Section 4.3\(c\)\(1\)](#).

“*Successor Issuer*” has the meaning specified in [Section 4.3\(a\)\(1\)](#).

“*Suspended Covenants*” has the meaning specified in [Section 4.2\(a\)](#).

“*Suspension Date*” has the meaning specified in [Section 4.2\(a\)](#).

“*Suspension Period*” has the meaning specified in [Section 4.2](#).

“*Taxes*” means, with respect to payments on the Notes, all taxes, withholdings, duties, assessments or governmental charges in the nature of a tax (including all related penalties, interest, liabilities and additions thereto) imposed or levied by or on behalf of Peru, Colombia or any jurisdiction in which the Issuer, any present or future Guarantor or any present or future Paying Agent (or, in each case, any successor thereto) is or becomes organized or otherwise resident for tax purposes or through which payments are made in respect of the Notes or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (each, a “*Taxing Jurisdiction*”).

“*Taxing Jurisdiction*” has the meaning set forth in the definition of “*Taxes*.”

“*Transfer Agent*” has the meaning specified in [Section 2.15\(a\)](#).

“*Total Assets*” means the consolidated total assets of the Issuer and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent consolidated balance sheet of the Issuer, determined on a *pro forma* basis in a manner consistent with the *pro forma* adjustments contained in the definition of Net Leverage Ratio.

“*Treasury Rate*” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

“*Trustee*” means the party named as such in the introductory paragraph of this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

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“United States” or “U.S.” means the United States of America, its fifty states, its territories and the District of Columbia.

“Unrestricted Cash” means consolidated cash and cash equivalents of the Issuer and its Restricted Subsidiaries, other than restricted cash, each as determined in accordance with IFRS.

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of the Issuer which at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;

(2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;

(3) such designation and the Investment of the Issuer in such Subsidiary complies with [Section 4.1\(f\)](#);

(4) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Issuer and its Subsidiaries;

(5) such Subsidiary is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation:

- (a) to subscribe for additional Capital Stock of such Person; or
- (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and

(6) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary with terms substantially less favorable to the Issuer than those that might have been obtained from Persons who are not Affiliates of the Issuer.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by providing to the Trustee a resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture, and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date, *provided*, that the Trustee shall be entitled to fully rely on the above Officer's Certificate with no liability therefor until such time as a Responsible Officer of it obtains Actual Knowledge such designation is no longer valid. As of the Issue Date, Consorcio Trecca S.A.C. will be an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Issuer could Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 4.1(d)(i) on a *pro forma* basis taking into account such designation.

"*U.S. Government Securities*" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the Issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depositary receipt.

"*Voting Stock*" of a Person means securities of all classes of Capital Stock of such Person then-outstanding and normally entitled to vote in the election of members of the Board of Directors (or equivalent governing body), managers or trustees, as applicable, of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

“*Wholly-Owned Subsidiary*” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which all the outstanding Capital Stock (other than directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

Section 1.2 *Rules of Construction*. Unless the context otherwise requires:

- (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) the words “hereof,” “herein,” “hereunder” and similar words refer to this Indenture as a whole and not to any particular provisions of this Indenture and any subsection, Section, Article and Exhibit references are to this Indenture unless otherwise specified;
- (c) the term “documents” includes any and all documents, instruments, agreements, certificates, indentures, notices and other writings, however evidenced (including electronically);
- (d) the term “including” is not limiting and (except to the extent specifically provided otherwise) shall mean “including (without limitation)”;
- (e) unless otherwise specified, in the computation of periods of time from a specified date to a later specified date, the word “from” shall mean “from and including,” the words “to” and “until” each shall mean “to but excluding,” and the word “through” shall mean “to and including”;
- (f) the words “may” and “might” and similar terms used with respect to the taking of an action by any Person shall reflect that such action is optional and not required to be taken by such Person;
- (g) unless otherwise expressly provided herein: (i) references to agreements (including this Indenture) and other documents shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent that such amendments and other modifications are not prohibited by this Indenture, the Notes or any other transaction document and (ii) references to any Applicable Law are to be construed as including all statutory and regulatory provisions or rules consolidating, amending, replacing, supplementing, interpreting or implementing such Applicable Law;
- (h) the term “will” shall be construed to have the same meaning and effect as the word “shall”; and
- (i) the term “or” is not exclusive.

**ARTICLE II**  
**ISSUE, EXECUTION AND AUTHENTICATION OF NOTES;**  
**RESTRICTIONS ON TRANSFER**

Section 2.1 *Creation and Designation*. (a) There is hereby created a series of Notes to be issued pursuant to this Indenture and to be known as the “6.500% Senior Notes due 2025”. The Notes shall be issued in fully registered form, without interest coupons, with such applicable legends as are set forth in Section 2.7 and with such omissions, variations and insertions as are permitted by this Indenture. Each Note shall be substantially in the form attached hereto as Exhibit A. The Notes may have such letters, numbers or other marks of identification and such legends or endorsements printed or typewritten thereon as may be required to comply with any Applicable Law or to conform to general usage.

(b) The aggregate principal amount of the Notes that may be authenticated and delivered under this Indenture is unlimited.

(c) If any term or provision contained in the Notes shall conflict with or be inconsistent with any term or provision contained in this Indenture, then the terms and provisions of this Indenture shall govern with respect to the Notes.

(d) Restricted Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “*Restricted Global Notes*”). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “*Regulation S Global Notes*” and, together with the Restricted Global Notes, the “*Global Notes*”).

(e) The Notes will be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Section 2.2 *Execution and Authentication of Notes*. Upon the written order of the Issuer signed by an Authorized Officer (an “*Authentication Order*”) directing the Trustee to authenticate and deliver the Notes and delivery by the Issuer of sufficient executed Notes, the Trustee shall duly authenticate and deliver the Notes in authorized denominations. Such Authentication Order shall specify the amount of the Notes to be authenticated and the date on which the Notes are to be authenticated.

Section 2.3 *Initial Form of Notes*. (a) The Notes, upon original issuance, shall be issued in the form of typewritten or printed Global Notes registered in the name of DTC or its nominee, and (other than DTC or its nominee) no Holder investing in the Notes shall receive a definitive Note representing such Holder’s interest in the Notes except to the extent that definitive, fully registered, non-global Notes (“*Definitive Notes*”) have been issued in accordance with Section 2.8. Unless and until Definitive Notes are so issued in exchange for such Global Notes, DTC will make book entry transfers among the DTC Participants and receive and transmit distributions of principal and interest on such Global Notes to the DTC Participants.

(b) Neither any members of, nor participants in, DTC (the “*DTC Participants*”) nor any other Persons on whose behalf DTC Participants may act (including Euroclear and Clearstream and accountholders and participants therein) shall have any rights

under this Indenture with respect to any Global Note, and DTC or its nominee, as the case may be, may be treated by the Issuer, the Trustee and any agent thereof (including any Authorized Agent) as the absolute owner and Holder of such Global Note for all purposes whatsoever. Unless and until Definitive Notes are issued in exchange for such Global Notes pursuant to Section 2.8: (i) the Issuer, the Trustee and any agent thereof (including any Authorized Agent) may deal with DTC and its nominee for all purposes (including the making of distributions on the Global Notes) as the authorized representatives of the Persons holding beneficial interests in such Global Notes and (ii) the rights of such Beneficial Owners shall be exercised only through DTC and its nominee and shall be limited to those established by Applicable Law and agreements among such DTC Participants, DTC and such nominee. Notwithstanding the foregoing, nothing herein shall prevent the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or such nominee or impair, as between DTC, the DTC Participants and any other Persons on whose behalf a DTC Participant may act, the operation of the customary practices of such Persons governing the exercise of the rights of a Holder.

(c) The aggregate principal balance of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Registrar, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate principal balance of the Restricted Global Note, as provided in Section 2.6.

(d) The aggregate principal balance of the Restricted Global Note may from time to time be increased or decreased by adjustments made on the records of the Registrar, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate principal balance of the Regulation S Global Note, as provided in Section 2.6.

(e) Neither the Trustee nor any agent of the Issuer or the Trustee (including any Authorized Agent) shall have any responsibility or obligation to any DTC Participant or any other Person with respect to the accuracy of the records of DTC (or its nominee) or of any DTC Participant or any other Person, with respect to any ownership interest in the Notes or with respect to the delivery of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or Property) under or with respect to the Notes. Neither the Trustee nor any agent shall have any responsibility or liability for any action taken or failed to be taken by DTC. The Trustee and any agent of the Issuer or the Trustee (including any Authorized Agent) may rely conclusively (and shall be fully protected in relying) upon information furnished by DTC with respect to the DTC Participants and any Beneficial Owners of the Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of Beneficial Owners in any Global Note shall be exercised only through DTC subject to the applicable rules and procedures of DTC.

Section 2.4 Execution of Notes. Each Note shall be executed on behalf of the Issuer by one of its Authorized Officer(s). Such signature may be the manual or facsimile signature of such Authorized Officer(s). With the delivery of this Indenture, the Issuer is furnishing, and from time to time hereafter may (and, at the request of the Trustee, shall) furnish, an Officers'

Certificate identifying and certifying the incumbency and specimen signatures of its Authorized Officers. Until the Trustee receives a subsequent Officers' Certificate updating such list, the Trustee shall be entitled to rely conclusively upon the last such Officers' Certificate delivered to it for purposes of determining the Issuer's Authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note that has been duly executed by the Issuer and authenticated and delivered by the Trustee.

In case any Authorized Officer of the Issuer who shall have signed any Note shall cease to be an Authorized Officer of the Issuer before the Note so signed shall be authenticated and delivered by the Trustee or disposed of by or on behalf of the Issuer, such Note nevertheless may be authenticated and delivered or disposed of as if the Person who signed such Note on behalf of the Issuer had not ceased to be such Authorized Officer. Any Note signed on behalf of the Issuer by a Person who, as at the actual date of his/her execution of such Note, is an Authorized Officer of the Issuer, shall be a valid and binding obligation of the Issuer notwithstanding that at the date hereof any such Person is not an Authorized Officer of the Issuer.

Section 2.5 Certificate of Authentication. The form of the Trustee's certificate of authentication to be borne by the Notes shall be substantially as follows:

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: \_\_\_\_\_,

This is one of the Notes referred to in the within-mentioned Indenture

CITIBANK, N.A., as Trustee

By: \_\_\_\_\_

Authorized Signatory

Only such Notes as shall bear the Trustee's certificate of authentication and are executed by the Trustee by manual signature of one or more of its authorized signatories shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certification by the Trustee upon any Note executed by or on behalf of the Issuer shall be conclusive evidence that such Note has been duly authenticated and delivered hereunder. Each Note shall be dated the date of its authentication.

Section 2.6 Restrictions on Transfer of Global Notes. Notwithstanding any other provisions hereof to the contrary:

(a) Except as provided in Section 2.8, a Global Note may not be transferred, in whole or in part, to any Person other than DTC or a nominee thereof, and no such transfer to any such other Person may be registered (any such transfer being null and void ab initio);

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*provided* that this Section 2.6(a) shall not prohibit any transfer of a beneficial interest in a Global Note effected in accordance with the other provisions of this Section. Any transfer of a Global Note (or beneficial interests therein) shall be in the authorized denominations set forth in Section 2.1(e).

(b) If the owner of a beneficial interest in the Restricted Global Note wishes at any time to exchange its beneficial interest therein for a beneficial interest in the Regulation S Global Note, or to transfer such beneficial interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Regulation S Global Note, then such exchange or transfer may be effected, subject to the applicable rules and procedures of DTC, Euroclear and Clearstream (the “*Applicable Procedures*”) and minimum denomination requirements, only in accordance with this Section 2.6(b). Upon receipt by the Registrar at its Corporate Trust Office of: (i) written instructions given in accordance with the Applicable Procedures from a DTC Participant directing the Registrar to credit or cause to be credited to a specified DTC Participant’s account a beneficial interest in the Regulation S Global Note in a principal balance equal to that of the beneficial interest in the Restricted Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the DTC Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the DTC Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form of Exhibit B given by the holder of such beneficial interest in the Restricted Global Note, the Registrar shall instruct DTC to reduce the balance of the Restricted Global Note, and to increase the balance of the Regulation S Global Note, by the amount of the beneficial interest in the Restricted Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the DTC Participant (which may be the DTC Participant for Euroclear or Clearstream or both, as the case may be) for the benefit of such Person specified in such instructions a beneficial interest in the Regulation S Global Note having a principal balance equal to the amount by which the balance of the Restricted Global Note was reduced upon such exchange or transfer.

(c) If the owner of a beneficial interest in the Regulation S Global Note wishes at any time to exchange its beneficial interest therein for a beneficial interest in the Restricted Global Note, or to transfer such beneficial interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Restricted Global Note, then such exchange or transfer may be effected, subject to the Applicable Procedures and minimum denomination requirement, only in accordance with this Section 2.6(c). Upon receipt by the Registrar at its Corporate Trust Office of: (i) written instructions given in accordance with the Applicable Procedures from a DTC Participant directing the Registrar to credit or cause to be credited to a specified DTC Participant’s account a beneficial interest in the Restricted Global Note in a principal balance equal to that of the beneficial interest in the Regulation S Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the DTC Participant (and, if applicable, the Euroclear or Clearstream account, as the case may be) to be debited with, and the account of the DTC Participant to be credited for, such beneficial interest and (iii) a certificate in substantially the form set forth in Exhibit C given by the holder of such beneficial interest in the Regulation S Global Note, the Registrar shall instruct DTC to reduce the balance of the Regulation S Global Note and to increase the balance of the Restricted Global Note, by the principal balance of the beneficial interest in the Regulation S Global Note to be so exchanged or

transferred, and to credit or cause to be credited to the account of the DTC Participant for the benefit of such Person specified in such instructions a beneficial interest in the Restricted Global Note having a principal balance equal to the amount by which the balance of the Regulation S Global Note was reduced upon such exchange or transfer.

(d) If a Global Note or any portion thereof (or beneficial interest therein) is exchanged for a Definitive Note pursuant to Section 2.8, then such Definitive Note may in turn be exchanged (upon transfer or otherwise) for other Definitive Notes only in accordance with such procedures, which shall be substantially consistent with the provisions of this Section 2.6 (including any certification requirement intended to ensure that transfers and exchanges of Definitive Notes comply with Rule 144A or Regulation S, as the case may be) and any Applicable Laws, as may be adopted from time to time by the Issuer.

(e) So long as the Notes are listed on the Singapore Stock Exchange and the rules of such exchange so require, transfers or exchange of Definitive Notes may be made by presenting and surrendering such Notes at, and obtaining new Definitive Notes from, the office of the paying agent in Singapore, to be appointed by the Issuer. Such Singapore paying agent will have the same duties and rights conferred to a Paying Agent. With respect to a partial transfer of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note that was not transferred will be delivered at the office of such Singapore paying agent. In the event that the Global Notes are exchanged for Definitive Notes, announcement of such exchange shall be made through the Singapore Stock Exchange and such announcement shall include all material information with respect to the delivery of the Definitive Notes.

Section 2.7 Restrictive Legends. (a) Global Notes shall bear restrictive legends in substantially the form set forth in Exhibit A hereof. Definitive Notes shall be in substantially the form set forth in Exhibit A hereof excluding the Global Notes Legend set forth thereon.

(b) The required legends set forth on Exhibit A may be removed from a Global Note as provided in such legends or if there is delivered to the Issuer and the Trustee such evidence satisfactory to the Issuer, which shall include an Opinion of Counsel, as may reasonably be required by the Issuer that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Note (or beneficial interests therein) will not violate the registration requirements of the Securities Act. Upon provision of such evidence satisfactory to the Issuer, the Trustee, upon receipt of written direction of the Issuer and an Officers' Certificate, shall authenticate and deliver in exchange for such Note a Note (or Notes) having an equal aggregate principal balance that does not bear such legend. If such a legend required for a Note has been removed as provided above, then no other Note issued in exchange for all or any part of such Note shall bear such legend unless the Issuer has reasonable cause to believe that such other Note is a "restricted security" within the meaning of Rule 144 under the Securities Act and instructs the Trustee to cause a legend to appear thereon.

(c) The Trustee and the Transfer Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or Applicable Law with respect to any transfer or exchange of any interest in any Note (including any transfers between or among the Holders, DTC Participants or owners of

beneficial interests in any Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof. Neither the Trustee nor any of the Authorized Agents shall have any responsibility for any actions taken or not taken by DTC.

Section 2.8 *Issuance of Definitive Notes*. If (a) DTC notifies the Trustee in writing that it is unwilling or unable to continue as the depository for a Global Note, or that it ceases to be a “clearing agency” registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depository, and in each case the Issuer fails to appoint a successor depository within 90 days of such notice, or (b) there shall have occurred and be continuing an Event of Default with respect to the Notes and a majority of the Holders of the Notes so request, then the Trustee shall notify all applicable Holders, through DTC, of the occurrence of any such event and of the availability of Definitive Notes to Beneficial Owners. Upon the giving of such notice and the surrender of the Global Notes by DTC, accompanied by registration instructions, the Trustee shall deliver Definitive Notes (which shall be in definitive, fully registered, non-global form without interest coupons) for the Global Notes. If Definitive Notes are to be issued in accordance with this Section 2.8, then the Issuer shall promptly make available to the Trustee a reasonable supply of Definitive Notes. Unless counsel to the Issuer determines otherwise in accordance with Applicable Law and the procedures set forth in Section 2.7(b), any such Definitive Notes shall bear the appropriate transfer-restriction legends.

Until Definitive Notes are ready for delivery, the Issuer may prepare and, upon receipt of an Authentication Order and an Officers’ Certificate, and subject to the conditions in Section 10.10, the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer shall prepare and, upon receipt of written instructions by the Issuer and an Officers’ Certificate, the Trustee shall authenticate Definitive Notes and deliver them in exchange for temporary Notes. Until so exchanged, the Holders of temporary Notes shall have all of the rights and obligations under this Indenture as Holders of Definitive Notes.

Section 2.9 *Persons Deemed Owners*. Before due presentation of a Note for registration of transfer, the Trustee and any Authorized Agent or other agent of the Issuer or the Trustee shall treat the Person in whose name any Note is registered on the Register on the applicable record date as the owner of such Note for the purpose of receiving distributions and for all other purposes whatsoever, and neither the Trustee nor any Authorized Agent or other such agent of the Issuer or the Trustee shall be affected by any notice to the contrary.

Section 2.10 *Payment of Notes*. (a) On or prior to 11:00 a.m., New York City time, on the Business Day prior to any Payment Date and/or Maturity Date the Issuer will deposit or cause to be deposited with the Paying Agent, in immediately available funds, a sum in Dollars sufficient to pay the principal, premium (if any) or interest due on each Note on such Payment Date and/or Maturity Date; *provided, however*, any funds received after 11:00 a.m. New York time shall be deemed to be have been received and deposited on the Business Day following receipt by the Paying Agent.

(b) Principal, premium (if any) or interest on the Notes will be considered paid on the date due if the Paying Agent holds, as of 11:00 a.m., New York City time on the due date, money deposited by or on behalf of the Issuer in immediately available funds in Dollars and designated for and sufficient to pay all principal, premium (if any) or interest on the Notes then due. The Paying Agent will return to the Issuer upon written request therefore from the Issuer, no later than two Business Days following the date of receipt of such written request, the amount of any payment in excess of the total amount required to be paid on all of the outstanding Notes.

(c) Except as specified in Section 2.10(d), payments of all amounts that become due and payable in respect of any Note shall be made by the Paying Agent without surrender or presentation of such Note to the Paying Agent. The Paying Agent shall have no responsibility regarding notations of payment on a Note and shall be responsible only for maintaining its records in accordance with this Indenture. Absent manifest error, the records of the Paying Agent shall be controlling as to payments in respect of the Notes.

(d) Notwithstanding Section 2.10(b), payment of principal of any Note shall be made only against surrender of such Note at the Corporate Trust Office of the Paying Agent (or such other location as the Paying Agent shall notify the applicable Holder).

(e) Payments to Holders shall be by electronic funds transfer in immediately available funds to an account maintained by such Holder with a bank having electronic funds transfer capability upon written application to the Paying Agent (received by the Paying Agent not later than the relevant record date) by a Holder holding Notes or, if not, by check sent by first-class mail to the address of such Holder appearing on the Register as of the relevant record date; *provided, however*, that the final payment in respect of any Note shall be made only as provided in Section 2.10(d). Unless such designation for payment by electronic funds transfer is revoked in writing, any such designation made by such Holder shall remain in effect with respect to any future payments to such Holder.

(f) So long as the Notes are listed on the Singapore Stock Exchange and the rules of such exchange so require, payments of principal on Definitive Notes may be made by presenting and surrendering such Notes at the office of a Singapore paying agent to be appointed by the Issuer, such Singapore paying agent to have the same duties and rights conferred to a Paying Agent.

Section 2.11 *Additional Notes*. The Issuer may from time to time, without notice or consent of the Holders of the Notes, create and issue an unlimited principal amount of additional Notes (the “*Additional Notes*”) under this Indenture. Any issuance of Additional Notes is subject to all of the covenants and conditions in this Indenture, including the covenant described in Section 4.1(d) and the conditions in Section 10.10. Any Additional Notes will have the same terms and conditions as the Notes (including the benefit of the Note Guarantees) in all respects (other than the issue date, issue price and date from which interest will accrue and, to the extent necessary, certain temporary securities law transfer restrictions) so that such Additional Notes will be part of the same series as the Initial Notes and will vote on all matters that require a vote, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a “qualified reopening” of, or are otherwise fungible with, the Notes for U.S. federal income tax purposes.

(a) All payments in respect of the Notes (including any payments made pursuant to a Note Guarantee) shall be made free and clear of and without any withholding or deduction for or on account of any present or future Taxes, unless the withholding or deduction of such Taxes is required by law or by the administration thereof. If the applicable withholding agent is so required by any law of any Taxing Jurisdiction to withhold or deduct any Taxes from or in respect of any sum payable in respect of the Notes, the Issuer or the applicable Guarantor, as the case may be, will (1) pay such additional amounts (“*Additional Amounts*”) as may be necessary in order that the net amounts receivable by Holders (or beneficial owners) of any Notes after such withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) equals the respective amounts which would have been receivable by such Holders (or beneficial owners) in the absence of such withholding or deduction, (2) make such withholding or deduction, and (3) pay the full amount withheld or deducted to the relevant tax or other authority in accordance with applicable law, except that no such Additional Amounts will be payable in respect of any Note:

(i) to the extent that such Taxes are imposed or levied by reason of such Holder (or the beneficial owner) having some connection with the Taxing Jurisdiction other than the mere holding (or beneficial ownership) of such Note or receiving payments in respect of the Note (including any payments made pursuant to a Note Guarantee) or enforcing its rights thereunder (including, but not limited to: citizenship, nationality, residence, domicile, or existence of a business, permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Taxing Jurisdiction);

(ii) to the extent that any Tax is imposed other than by deduction or withholding from payments in respect of the Notes (including any payments made pursuant to a Note Guarantee);

(iii) in respect of any Taxes that would not have been so deducted or withheld but for the failure by the Holder (or beneficial owner) to comply with any certification, identification or other reporting requirement concerning such Holder’s (or beneficial owner’s) nationality, residence, identity or connection with the Taxing Jurisdiction if (1) compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or part of the Taxes, (2) the Holder (or beneficial owner) is able to comply with these requirements without undue hardship and (3) the Issuer has given the Holders (or beneficial owners) at least 30 calendar days prior notice that they will be required to comply with such requirement;

(iv) in the event that the Holder fails to surrender (where surrender is required) its Note for payment within 30 days after the Issuer has made available a payment of principal or interest; *provided* that the Issuer shall pay Additional Amounts to which a Holder (or beneficial owner) would have been entitled had the Note been surrendered on the last day of such 30-day period;

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(v) to the extent that such Taxes are estate, inheritance, gift, personal property, excise, transfer, use or sales or any similar Taxes;

(vi) where such Taxes are imposed on or in respect of any Note pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections (to the extent each successor law or regulation is not materially more onerous than such sections as enacted on such date) or any intergovernmental agreement or any agreement entered into pursuant to section 1471(b)(1) of the Code;

(vii) to the extent that such Taxes are imposed or withheld in connection with the presentation of any note for payment by or on behalf of a holder or beneficial owner of such notes who would have been able to avoid such Taxes by presenting the relevant note to, or accepting payment from, another Paying Agent; or

(viii) any combination of items (i) through (vii) above;

(b) No Additional Amounts will be paid to a Holder that is a fiduciary or a partnership or not the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or such beneficial owner would not have been entitled to receive the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder.

(c) All references in this Indenture to principal, premium, if any, and interest on the Notes shall include any Additional Amounts payable by the Issuer or the Guarantors, as the case may be, in respect of such principal, premium, if any, and interest.

(d) The Issuer shall promptly provide the Trustee with a copy of the official acknowledgment of the relevant Taxing Jurisdiction (or, if such acknowledgment is not available, other reasonable documentation) evidencing the payment of any Taxes withheld or deducted from a payment in respect of the Notes by or on behalf of the Issuer or a Guarantor. Copies of such documentation will be made available to the Holders (or beneficial owners) of the Notes or the Paying Agent, as applicable, upon written request therefor.

(e) The Issuer shall pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, imposed by a Taxing Jurisdiction in respect of the creation, issue, delivery, registration and offering of the Notes or the execution of the Notes, the Note Guarantees, this Indenture or any other related document or instrument. The Issuer shall also pay and indemnify the Trustee, the Holders and beneficial owners, and the Paying Agent from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the Trustee, the Holders and beneficial owners, or the Paying Agent to enforce the Issuer’s obligations under the Notes.

Section 2.13 *Mutilated, Destroyed, Lost or Stolen Notes*. In case any Note shall become mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and the Trustee will, upon receipt of an Authentication Order, authenticate, register and deliver a new Note of like tenor (including the same date of issuance) and equal principal amount registered in the same manner, dated the date of its authentication and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof in the case of mutilated or defaced Notes) or in lieu of and in substitution for such Note. In case a Note is destroyed, lost or stolen, the applicant for a substitute Note shall furnish the Issuer and the Trustee (a) such security and/or indemnity as may be required by them to save each of them harmless and (b) satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substituted Note, the Trustee may require the payment by the registered Holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Trustee) connected therewith. With respect to mutilated, defaced, destroyed, lost or stolen Definitive Notes, a Holder thereof may obtain new Definitive Notes from the office of the Transfer Agent.

Notwithstanding any statement herein, the Issuer reserves its right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on Notes, as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws.

Section 2.14 *Cancellation*. (a) All Notes surrendered for payment, exchange or redemption, or deemed lost or stolen, shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee by such Person and shall be promptly canceled by the Trustee (or, if lost or stolen and not yet replaced pursuant to [Section 2.13](#), delivered to the applicable Holder). No Note shall be authenticated in lieu of or in exchange for any Note canceled as provided in this Section except as expressly permitted by this Indenture. All canceled Notes held by the Trustee shall be disposed of or held by it in accordance with its standard retention policy.

(b) Any Note(s) (or beneficial interests therein) that are acquired by the Issuer may be canceled upon the election of the Issuer to do so, *provided, however*, that no cancellation may be made between a record date and the next Payment Date. In order to effect such cancellation, the Issuer shall send to the Trustee a written notice that it owns such Note(s) (or beneficial interest(s)) and wishes to have the indicated principal amount thereof cancelled (which ownership the Issuer shall evidence to the satisfaction of the Trustee). Upon receipt of any such notice and satisfactory evidence, the Issuer hereby instructs the Trustee promptly to cause such principal amount to be cancelled (including, if applicable, to notify any applicable securities depository). Upon any such cancellation, the remaining unpaid principal amount of the Notes shall be reduced to take into effect such cancellation and the calculation of interest (and other calculations under this Indenture) shall take into effect such cancellation.

Section 2.15 *Registration of Transfer and Exchange of Notes*. (a) The Issuer hereby initially appoints the Registrar as transfer agent for the Notes. The Registrar shall register Notes and transfers and exchanges thereof as provided herein. The Registrar and each transfer agent and co-security registrar (if any) appointed with respect to the Notes shall be referred to collectively as the “*Transfer Agent*.” The Registrar shall cause to be kept at the office or agency

to be maintained by it in accordance with Section 8.12 a register (the “*Register*”) in which, subject to restrictions on transfer set forth herein, and such other reasonable regulations as it may prescribe, the Registrar shall provide for: (i) the registration of the Notes and (ii) the registration of transfers and exchanges of the Notes as provided herein. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Trustee.

(b) Upon surrender for registration of transfer of any Note at the Corporate Trust Office or such other office or agency maintained by the Trustee in accordance with Section 8.12, the Trustee shall, upon receipt of an Authentication Order, authenticate and deliver, in the name of the designated transferee (and, if the transfer is for less than all of the applicable Note, the transferor), one or more new Note(s) executed by the Issuer in authorized denominations of a like aggregate principal balance and deliver such new Note(s) to the applicable Holder(s).

(c) Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Trustee (or the applicable Transfer Agent) duly executed by the applicable Holder or its attorney duly authorized in writing.

(d) No service charge shall be charged to a Holder for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any Tax or other governmental charge payable in connection therewith and any other expenses (including fees and expenses of the Trustee) that may be imposed in connection with any registration of transfer or exchange of the Notes, other than exchanges pursuant to Section 2.13 hereof not involving any transfer.

(e) All Notes surrendered for registration of transfer or exchange shall be canceled and subsequently destroyed or retained by the Trustee in accordance with its standard retention policy.

In addition to the other provisions herein, the Issuer reserves the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on a Note, as it may determine are necessary to ensure compliance with the securities laws of the United States and the states thereof and any other Applicable Laws.

### **ARTICLE III REDEMPTION OF NOTES**

Section 3.1 *Applicability of Article*. Notes that are redeemable before the Maturity Date shall be redeemable in accordance with their terms and in accordance with this ARTICLE III.

Section 3.2 *Election to Redeem*. The election of the Issuer to redeem any Notes shall be authorized by a Board of Directors’ resolution of the Issuer and evidenced by an Officers’ Certificate. In the case of any redemption of Notes prior to the expiration of any restriction on such redemption provided in the terms of such Notes or elsewhere in this Indenture, or pursuant to an election by the Issuer which is subject to a condition specified in the terms of such Notes or elsewhere in this Indenture, the Issuer shall furnish the Trustee and the Registrar with an Officers’ Certificate evidencing compliance with such restriction or condition.

Section 3.3 Optional Redemption.

(a) At any time, or from time to time, on or prior to November 20, 2023, the Issuer may, at its option, redeem up to 35% of the outstanding aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) with the Net Cash Proceeds of one or more Equity Offerings at a redemption price equal to 106.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the applicable redemption date; *provided that*:

(i) at least 65% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) remains outstanding after each such redemption; and

(ii) such redemption occurs within ninety (90) days after the closing of such Equity Offering.

(b) At any time, or from time to time, prior to November 20, 2023, the Issuer may, at its option, upon not less than ten (10) nor more than sixty (60) days' prior notice delivered to each Holder's registered address, redeem the Notes, in whole or in part, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes to be redeemed and (2) the sum of the present value at such redemption date of (i) the redemption price of the Notes on November 20, 2023 (such redemption price being set forth in the table below under clause (c) of this Section 3.3) plus (ii) all required interest payments thereon through November 20, 2023 (excluding accrued but unpaid interest to, but excluding, the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest and Additional Amounts, if any, thereon to the redemption date, as calculated by the Independent Investment Banker.

(c) At any time, or from time to time, on and after November 20, 2023, the Issuer may, at its option, upon not less than ten (10) nor more than sixty (60) days' prior notice delivered to each Holder's registered address, redeem the Notes, in whole or in part, at the following redemption prices (expressed as a percentage of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest on the Notes redeemed, if any, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on November 20 of each of the years indicated below, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

<u>Year</u>	<u>Percentage</u>
2023	103.250%
2024	101.625%

Section 3.4 *Optional Redemption Upon Tax Event*. The Issuer may redeem the Notes, in whole but not in part, at 100.0% of their outstanding principal amount plus accrued and unpaid interest to, but excluding, the applicable redemption date and any Additional Amounts payable with respect thereto, only if:

(1) on the next interest payment date the Issuer or applicable Guarantor would be obligated to pay Additional Amounts in respect of interest on the Notes or Note Guarantee in excess of the Additional Amounts that it would pay if interest payments in respect of the Notes or Note Guarantee were subject to deduction or withholding at a rate of 4.99% generally (determined without regard to any interest, fees, penalties or other additions to tax), as a result of any change in, or amendment to, the laws or regulations of any Taxing Jurisdiction, or any change in, or a pronouncement by competent authorities of the relevant Taxing Jurisdiction with respect to, the official application or official interpretation of such laws or regulations, which change, amendment or pronouncement occurs after the Issue Date (or, in the case of any withholding taxes imposed by a jurisdiction that becomes a Taxing Jurisdiction after the Issue Date, after the date such jurisdiction becomes a Taxing Jurisdiction); and

(2) such obligation cannot be avoided by the Issuer or applicable Guarantor taking reasonable measures available to it; *provided* that for this purpose reasonable measures shall not include any change in the Issuer's jurisdiction of organization or location of its principal executive office. For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of a Paying Agent; *provided* that such change shall not require the Issuer to incur material additional costs or legal or regulatory burdens.

No notice of redemption pursuant to this Section 3.4 will be given earlier than sixty (60) days prior to the earliest date on which the Issuer or applicable Guarantor would be obligated to pay such Additional Amounts if a payment in respect of the Notes or Note Guarantee were then due. Prior to the giving of any notice of redemption of the Notes pursuant to this Section 3.4, the Issuer shall deliver to the Trustee an Officer's Certificate confirming that it is entitled to exercise such right of redemption. The Issuer will also deliver to the Trustee an Opinion of Counsel external to the Issuer, stating that it (or an applicable Guarantor) would be obligated to pay such Additional Amounts due to the changes in tax laws or regulations or changes in, or pronouncements with respect to, the official application or official interpretation of such laws or regulations. The Trustee shall accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it shall be conclusive and binding on the Holders.

Section 3.5 *Selection by the Trustee of Notes to be Redeemed and Notice of Redemption*.

(a) If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption by lot, subject to applicable DTC procedures unless otherwise required by law or applicable stock exchange requirements. If less than all of the Notes of any series are to be redeemed at any time, the Trustee shall select the Notes to be redeemed or purchased (1) in compliance with the requirements of the Singapore Stock Exchange, for so long as the Notes are listed on the Singapore Stock Exchange, (2) if the Notes are not so listed but are in global form, then by lot or otherwise in accordance with the procedures of DTC or the

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applicable depositary or (3) if the Notes are not so listed and are not in global form, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate.

(b) No Notes of U.S.\$200,000 or less can be redeemed in part. Notices of redemption with respect to Global Notes will be delivered in accordance with DTC procedures at least ten (10) but not more than sixty (60) days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture.

(c) If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the applicable Holder upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption, unless payment is not made on that date. Any redemption and notice thereof pursuant to this Indenture may, in the Issuer's discretion, be subject to the satisfaction of any condition precedent specified therein.

(d) The redemption notice shall identify the Notes or portions thereof to be redeemed (including the CUSIP number, if any) and shall state:

- (i) the redemption date;
- (ii) the redemption price;
- (iii) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued;
- (iv) the name and address of the Paying Agent;
- (v) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price and, unless the redemption date is after a record date and or before the succeeding interest payment date, accrued interest thereon to the redemption date;
- (vi) that, unless the Issuer defaults in making the redemption payment, interest and any Additional Amounts on Notes called for redemption will cease to accrue on and after the redemption date, and the only remaining right of the Holders of such Notes is to receive payment of the redemption price, any Additional Amounts and, unless the redemption date is after a record date and on or before the succeeding interest payment date, accrued interest thereon to the redemption date upon surrender to the Paying Agent of the Notes redeemed;

(vii) if fewer than all the Notes are to be redeemed, the identification of the particular Notes (or portions thereof) to be redeemed, as well as the aggregate principal amount of the Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption;

(viii) the section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(ix) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes; and

(x) any condition precedent to the redemption specified by the Issuer (which, if not satisfied, will result in the revocation of the notice), or if no condition is specified, that the notice is irrevocable.

(e) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at its expense; provided that the Issuer shall deliver to the Trustee, at least 45 days prior to the redemption date (unless the Trustee shall have agreed to a shorter period), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.6 *Deposit of Redemption Price*. By 11:00 a.m., New York City time, at least one Business Day prior to any redemption date, the Issuer shall deposit with the Trustee or with a Paying Agent an amount of money in immediately available funds in Dollars sufficient to pay the redemption price of the Notes; *provided, however*, any funds received after 11:00 a.m. New York time shall be deemed to be have been received and deposited on the Business Day following receipt by the Trustee or the Paying Agent.

Section 3.7 *Notes Payable on Redemption Date*. Notice of redemption having been given as set forth in Section 3.5, the Notes shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) the Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with said notice, such Note shall be paid by the Issuer at the redemption price, together with accrued and unpaid interest to the redemption date.

If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal thereof (and premium, if any) and accrued and unpaid interest thereon, as applicable, shall, until paid, bear interest from the redemption date at the rate prescribed therefor in the Note. For the avoidance of doubt, the Issuer shall calculate the premium, if any, that is due and neither the Trustee nor any Authorized Agent shall have any duty to confirm and/or verify such calculation.

Section 3.8 *Open Market Purchases*. The Issuer may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with all Applicable Laws, so long as such acquisition does not otherwise violate the terms of this Indenture. Any Note so purchased by the Issuer may be surrendered to the Trustee for cancellation.

**ARTICLE IV  
COVENANTS**

Section 4.1 *Covenants of the Issuer and the Guarantors*. The Issuer and each of the Guarantors agree that so long as any amount payable by them under this Indenture or the Notes remains unpaid (unless under a Suspension Period in the case of Suspended Covenants), they shall, and shall cause their Restricted Subsidiaries, as applicable, to, comply with the terms of the following covenants:

(a) Rule 144A Information. For so long as the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, but only to the extent the same shall not have been made publicly available by filing with the SEC, the Issuer shall furnish, upon the request of any Holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Holder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is a QIB designated by such Holder and (iii) to the Trustee for delivery to any applicable Holder upon written request therefore by such Holder, in each case in order to permit compliance by such Holder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language. Delivery of such reports, Officers’ Certificates and documents to the Trustee is for informational purposes only, and the Trustee’s receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s, any Guarantor’s or any other Person’s compliance with any of its covenants hereunder or under the Notes (as to which the Trustee is entitled to conclusively rely exclusively on the annual statement of compliance described in Section 4.1(b)(ii)).

(b) Notice of Default; Compliance Certificate.

(i) The Issuer will furnish to the Trustee, not later than five (5) Business Days after the occurrence thereof, written notice of any events which would constitute a Default or Event of Default, their status and what action the Issuer is taking or proposing to take in respect thereof. In the absence of any such notice, the Trustee shall not be deemed to have notice or be charged with knowledge of any Default or Event of Default.

(ii) Within 120 days after the end of each fiscal year of the Issuer ending after the date hereof (which fiscal year ends December 31), the Issuer shall deliver to the Trustee a certificate which need not comply with Section 10.11, executed by the principal executive officer, the principal financial officer or the principal accounting officer of the Issuer and one other Authorized Officer of the Issuer, as to such officers’ knowledge of the Issuer’s compliance with all conditions and covenants under this Indenture, such compliance to be determined (solely for the purpose of this Section 4.1(b)(ii)) without regard to any period of grace or requirement of notice under this Indenture.

(c) Singapore Listing.

(i) The Issuer will apply to list the Notes on the Singapore Stock Exchange. In the event that the Notes are listed for trading on the Singapore Stock Exchange, the Issuer will use its best efforts to maintain such listing; *provided* that if the admission of the Notes on the Singapore Stock Exchange would, in the future, require the Issuer to publish financial information either more regularly than it would otherwise be required to, or requires the Issuer or the Guarantors to publish separate financial information, or if the listing, in the judgment of the Issuer, is unduly burdensome, the Issuer may seek an alternative admission to listing, trading and/or quotation for the Notes by another listing authority, stock exchange and/or quotation system. If such alternative admission to listing, trading and/or quotation of the Notes is not available to the Issuer or is, in the Issuer's commercially reasonable judgment, unduly burdensome, an alternative admission to listing, trading and/or quotation of the Notes may not be obtained.

(ii) For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, the Issuer will maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for individual Definitive Notes. In addition, in the event that the Global Notes are exchanged for Definitive Notes, announcement of such exchange shall be made through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

(d) Limitation on Indebtedness.

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness; *provided* that the Issuer and its Restricted Subsidiaries may Incur Indebtedness if, on the date thereof and immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and any other Indebtedness Incurred since the end of the Latest Completed Quarter and the application of the net proceeds therefrom,

(1) the Net Leverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is less than (i) 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;

(2) the Interest Coverage Ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis is at least 2:25 to 1:00; and

(3) no Default or Event of Default will have occurred or be continuing or would occur as a consequence of Incurring the Indebtedness or entering into the transactions relating to such Incurrence.

(ii) Section 4.1(d)(i) will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness represented by the Notes (including any Note Guarantee) (other than any Additional Notes);

(2) Indebtedness of the Issuer and its Restricted Subsidiaries in existence on the Issue Date;

(3) Guarantees by the Issuer or Guarantors of Indebtedness permitted to be Incurred by the Issuer or a Guarantor in accordance with the provisions of this Indenture; *provided* that in the event such Indebtedness that is being Guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the related Guarantee shall be subordinated in right of payment to the Notes or the Note Guarantee, as the case may be;

(4) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any other Restricted Subsidiary; *provided* that:

(A) if the Issuer is the obligor on Indebtedness owing to a Non-Guarantor Subsidiary, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes;

(B) if a Guarantor is the obligor on such Indebtedness and a Non-Guarantor Subsidiary is the obligee, such Indebtedness is expressly subordinated in right of payment to the Note Guarantee of such Guarantor; and

(C) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and

(ii) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer

shall be deemed, in each case under this clause (4)(C), to constitute an Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be;

(5) (a) Indebtedness of Persons Incurred and outstanding on the date on which such Person became a Restricted Subsidiary or was acquired by, or

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merged into, the Issuer or any Restricted Subsidiary or (b) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with any such acquisition or merger; *provided* that, in either case, (i) the Issuer would have been able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 4.1(d)(i) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5), or (ii) after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5), the Net Leverage Ratio of the Issuer and its Restricted Subsidiaries is lower than such ratio immediately prior to such acquisition or merger;

(6) Indebtedness Incurred by the Issuer or its Restricted Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, surety and similar bonds and completion Guarantees (not for borrowed money) provided in the ordinary course of business;

(7) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business or assets of the Issuer or any business, assets or Capital Stock of a Restricted Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; *provided* that:

(A) the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to subsequent changes in value) actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition; and

(B) such Indebtedness is not reflected on the balance sheet of the Issuer or any of its Restricted Subsidiaries (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (7));

(8) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was Incurred) drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five (5) Business Days of Incurrence;

(9) Indebtedness of the Issuer or any of its Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the Notes in full or deposited to defease or discharge the Notes, in each case in accordance with this Indenture;

(10) Indebtedness under Hedging Obligations that are Incurred for hedging purposes in the ordinary course of business (and not for speculative purposes);

(11) the Incurrence or issuance by the Issuer or any Restricted Subsidiary of Refinancing Indebtedness that serves to refund or refinance any Indebtedness Incurred as permitted under Section 4.1(d)(i) or clauses (1), (2), (5) or (11) of this Section 4.1(d)(ii), or any Indebtedness issued to so refund or refinance such Indebtedness, including additional Indebtedness Incurred to pay premiums (including reasonable, as determined in good faith by the Issuer, tender premiums), defeasance costs, accrued interest and fees and expenses in connection therewith;

(12) Indebtedness (including Capitalized Lease Obligations) of the Issuer or a Restricted Subsidiary Incurred to finance the purchase, lease, construction or improvement of any property, plant or equipment used or to be used in the business of the Issuer or such Restricted Subsidiary through the direct purchase of such property, plant or equipment, and any Indebtedness of a Restricted Subsidiary which serves to refund or refinance any Indebtedness Incurred pursuant to this clause (12), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed the greater of U.S.\$25.0 million or 5.0% of Total Assets at any time outstanding;

(13) short-term Indebtedness of the Issuer or any Restricted Subsidiary Incurred under a Debt Facility in the ordinary course of business, for working capital purposes and in an aggregate amount not to exceed U.S.\$25.0 million or 5.0% of Total Assets at any time outstanding; and

(14) in addition to the items referred to in clauses (1) through (13) of this Section 4.1(d)(ii), Indebtedness of the Issuer and the Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (14) and then-outstanding, will not exceed the greater of U.S.\$50.0 million or 10.0% of Total Assets at any time outstanding.

(iii) The Issuer will not Incur any Indebtedness under Section 4.1(d)(ii) if the proceeds thereof are used, directly or indirectly, to refinance any Subordinated Obligations of the Issuer unless such Indebtedness will be subordinated to the Notes to at least the same extent as such Subordinated Obligations. No Guarantor will Incur any Indebtedness under Section 4.1(d)(ii) if the proceeds thereof are used, directly or indirectly, to refinance any Guarantor Subordinated Obligations of such Guarantor unless such Indebtedness will be subordinated to the obligations of such Guarantor under its Note Guarantee to at least the same extent as such Guarantor Subordinated Obligations. No Restricted Subsidiary (other than a Guarantor) may Incur any Indebtedness if the proceeds are used to refinance Indebtedness of the Issuer or a Guarantor.

(iv) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.1(d):

- (1) the outstanding principal amount of any item of Indebtedness will be counted only once;
- (2) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 4.1(d)(ii), the Issuer, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and may later reclassify such item of Indebtedness in any manner that complies with Section 4.1(d)(ii) and will be entitled to divide the amount and type of such Indebtedness among more than one of such clauses under Section 4.1(d)(ii);
- (3) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Non-Guarantor Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and
- (5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness.

(v) Accrual of interest, accrual of dividends, the accretion of accreted value, the amortization of debt discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.1(d). The amount of any Indebtedness outstanding as of any date shall be (i) the aggregate principal amount outstanding, in the case of Indebtedness issued with interest payable in-kind and any Indebtedness issued with original issue discount, and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness, in all cases as determined in accordance with IFRS.

(vi) In addition, the Issuer will not permit any of its Unrestricted Subsidiaries to Incur any Indebtedness or issue any Disqualified Stock, other than Non-Recourse Debt. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a

Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 4.1(d), the Issuer shall be in Default of this Section 4.1(d)).

(vii) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in Peruvian Soles or Colombian pesos or any other foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that, if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

(e) Limitation on Asset Dispositions.

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, cause or make any Asset Disposition unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the assets or Capital Stock subject to such Asset Disposition;

(2) at least 75% of the consideration from such Asset Disposition received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of (A) cash or Cash Equivalents at the time of such Asset Disposition, (B) Additional Assets transferred in an Asset Swap or (C) a combination of (A) and (B); and:

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer or such Restricted Subsidiary, as the case may be, within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, as follows:

(A) to permanently reduce (and permanently reduce commitments with respect thereto) Secured Indebtedness of the Issuer (other than any Disqualified Stock or Subordinated Obligations) or Secured Indebtedness of a Restricted Subsidiary (other than any Disqualified Stock or Guarantor Subordinated Obligations), in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;

(B) to permanently reduce Pari Passu Indebtedness (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer);

(C) to invest in Additional Assets; or

(D) any combination of the foregoing;

*provided* that pending the final application of any such Net Available Cash in accordance with clause (A), (B), (C) or (D) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture; and *provided, further*, that in the case of clause (C), a binding, written commitment to invest in Additional Assets shall be treated as a permitted application of the Net Available Cash from the date of such commitment so long as the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Available Cash will be applied to satisfy such commitment within 12 months of such commitment (an “*Acceptable Commitment*”) and such Net Available Cash is actually applied in such manner within 12 months from the date of the Acceptable Commitment, it being understood that if the Acceptable Commitment is later cancelled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash not so applied shall constitute Excess Proceeds.

For the purposes of clause (2) of this Section 4.1(e)(i) and for no other purpose, the following will be deemed to be cash:

(1) any liabilities (as shown on the Issuer’s or such Restricted Subsidiary’s most recent balance sheet) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes or the Note Guarantees) that are assumed by the transferee of any such assets and from which the Issuer and all Restricted Subsidiaries have been validly released by all creditors in writing; and

(2) any securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 90 days following the closing of such Asset Disposition.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in clause (3) of this Section 4.1(e)(i) shall be deemed to constitute “*Excess Proceeds*.” When the aggregate amount of Excess Proceeds exceeds U.S.\$25.0 million, the Issuer will be required to, within 30 days thereafter, make an offer (an “*Asset Disposition Offer*”) to all Holders and, to the extent required by the terms of any outstanding Pari Passu Indebtedness, to all holders of such Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes

and any such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of Holders of the Notes of record on a record date to receive interest on the relevant interest payment date), in accordance with the procedures set forth in this Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in each case in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Issuer shall commence an Asset Disposition Offer with respect to Excess Proceeds by mailing (or otherwise communicating in accordance with the Applicable Procedures) the notice required by this Section 4.1(e), with a copy to the Trustee.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes in any manner not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes surrendered by Holders thereof and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Issuer shall select the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate accreted value or principal amount of tendered Notes and Pari Passu Indebtedness. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

(ii) No later than five Business Days after the termination of the Asset Disposition Offer (the “*Asset Disposition Purchase Date*”), the Issuer will apply all Excess Proceeds to the purchase of the aggregate principal amount of Notes and, if applicable, Pari Passu Indebtedness (on a pro rata basis, if applicable) required to be purchased pursuant to this Section 4.1(e) (the “*Asset Disposition Offer Amount*”) or, if less than the Asset Disposition Offer Amount of Notes (and, if applicable, Pari Passu Indebtedness) has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer. Payment for any Notes so purchased will be made in the same manner as principal and interest payments are made.

(iii) If the Asset Disposition Purchase Date is on or after an applicable record date and on or before the related interest payment date, any accrued and unpaid interest to, but excluding, the Asset Disposition Purchase Date will be paid on the Asset Disposition Purchase Date to the Person in whose name a Note is registered at the close of business on such record date.

(iv) Upon the commencement of an Asset Disposition Offer, the Issuer shall give a notice to each of the Holders or otherwise deliver such notice in accordance with the Applicable Procedures, with a copy to the Trustee, the Transfer Agent, the Registrar and the Paying Agent. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Disposition Offer. The Asset Disposition Offer shall be made to all Holders and, if required, all holders of Pari Passu Indebtedness. The notice, which shall govern the terms of the Asset Disposition Offer, shall state:

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- (1) that an Asset Disposition Offer is being made pursuant to this Section 4.1(e) and the expiration time of the Asset Disposition Offer;
  - (2) the Asset Disposition Offer Amount, the purchase price, including the portion thereof representing any accrued and unpaid interest, and the Asset Disposition Purchase Date;
  - (3) that Notes must be tendered in denominations of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof, and any Note not properly tendered will remain outstanding and will continue to accrue interest;
  - (4) that, unless the Issuer defaults in making the payment, any Note accepted for payment pursuant to the Asset Disposition Offer will cease to accrue interest on and after the Asset Disposition Purchase Date;
  - (5) that Holders electing to have a Note purchased pursuant to any Asset Disposition Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to such Note completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Asset Disposition Purchase Date;
  - (6) that Holders shall be entitled to withdraw their election if the Issuer, DTC or the applicable depository or the Paying Agent, as the case may be, receives at the address specified in the notice, not later than the expiration of the Asset Disposition Offer, a notice of withdrawal setting forth the name of the Holder, the principal amount of the Notes the Holder tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Note purchased;
  - (7) that, if the aggregate principal amount of Notes and Pari Passu Indebtedness surrendered by the holders thereof exceeds the Asset Disposition Offer Amount, then the Notes and such Pari Passu Indebtedness will be purchased on a pro rata basis based on the aggregate accreted value or principal amount, as applicable, of the Notes or such Pari Passu Indebtedness tendered and the selection of the Notes for purchase shall be made by the Issuer by such method as the Issuer in its sole discretion shall deem to be fair and appropriate (subject to the Applicable Procedures), although no Note having a principal amount of U.S.\$200,000 shall be purchased in part;
  - (8) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (the unpurchased portion of the Notes must be equal to U.S.\$200,000 or an integral multiple of U.S.\$1,000 in excess thereof); and
  - (9) the other procedures, as determined by the Issuer, consistent with this Section 4.1(e) that a Holder must follow.
    - (v) On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary or as otherwise provided in this Section 4.1(e), the Asset Disposition Offer Amount of Notes

and Pari Passu Indebtedness or portions thereof validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or, if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so tendered, in the case of the Notes, in integral multiples of U.S.\$1,000; *provided* that if, following repurchase of a portion of a Note, the remaining principal amount of such Note outstanding immediately after such repurchase would be less than U.S.\$200,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately after such repurchase is U.S.\$200,000. The Issuer will deliver, or cause to be delivered, to the Trustee the Notes so accepted and an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof so accepted and that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this Section 4.1(e).

(vi) The Issuer will promptly, but in no event later than five Business Days after termination of the Asset Disposition Offer, mail or deliver to each tendering Holder or holder or lender of Pari Passu Indebtedness, as the case may be, an amount equal to the purchase price of the Notes or Pari Passu Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note, and the Trustee, upon delivery to it of an Authentication Order from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder (it being understood that, notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate and mail or deliver such new Note) in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of U.S.\$200,000 or an integral multiple of U.S.\$1,000 in excess thereof. In addition, the Issuer will take any and all other actions required by the agreements governing the Pari Passu Indebtedness. Any Note not so accepted will be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on or as soon as practicable after the Asset Disposition Purchase Date.

(vii) The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by virtue of any conflict.

(f) Limitation on Restricted Payments.

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution (whether made in cash, securities or other property) on or in respect of its or any of its Restricted Subsidiaries' Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) other than:

(A) dividends, payments or distributions payable solely in Capital Stock of the Issuer (other than Disqualified Stock); and

(B) dividends, payments or distributions by a Restricted Subsidiary, so long as, in the case of any dividend, payment or distribution payable on or in respect of any Capital Stock issued by a Restricted Subsidiary that is not a Wholly-Owned Subsidiary, the Issuer or the Restricted Subsidiary holding such Capital Stock receives at least its pro rata share of such dividend, payment or distribution;

(2) purchase, redeem, retire or otherwise acquire for value, including in connection with any merger or consolidation, any Capital Stock of the Issuer or any direct or indirect parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any payment on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled repayment, scheduled sinking fund payment or scheduled maturity, any Subordinated Obligations or Guarantor Subordinated Obligations, other than Indebtedness of the Issuer owing to and held by any Guarantor or Indebtedness of a Guarantor owing to and held by the Issuer or any other Guarantor permitted under clause (3) of Section 4.1(d)(ii); or

(4) make any Restricted Investment

(all such payments and other actions referred to in clauses (1) through (4) of this Section 4.1(f)(i) shall be referred to as a "*Restricted Payment*"), unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(B) immediately after giving effect to such transaction on a *pro forma* basis, the Issuer could incur at least U.S.\$1.00 of additional Indebtedness under the provisions of Section 4.1(d)(i); and

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date would not exceed the sum of (without duplication):

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- (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from July 1, 2020 to the end of the Latest Completed Quarter ending prior to the date of such Restricted Payment (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit); *plus*
- (ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities or other property received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Issue Date, other than:
- (x) Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of the Issuer or to an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination; and
  - (y) Net Cash Proceeds received by the Issuer from the issue and sale of its Capital Stock or capital contributions to the extent applied to redeem Notes in compliance with Section 3.3(a); *plus*
- (iii) the amount by which Indebtedness of the Issuer or its Restricted Subsidiaries is reduced on the Issuer's consolidated balance sheet upon the conversion or exchange (other than debt held by a Subsidiary of the Issuer) subsequent to the Issue Date of any Indebtedness of the Issuer or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Issuer (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Issuer upon such conversion or exchange); *plus*
- (iv) the amount equal to the net reduction in Restricted Investments made by the Issuer or any of its Restricted Subsidiaries in any Person resulting from:
- (x) repurchases or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment to an unaffiliated purchaser, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Issuer or any Restricted Subsidiary (other than for reimbursement of tax payments); or
  - (y) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries or the merger or consolidation of an Unrestricted Subsidiary with and into the Issuer or any of its Restricted Subsidiaries (valued in each case as provided in the definition of

“Investment”) not to exceed the amount of Investments previously made by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary,

which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; *provided* that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income; *minus*

(v) any amounts paid in respect of mandatory dividends pursuant to Article 231 of the Peruvian Companies Law as the same may be amended or replaced from time to time.

(ii) The provisions of Section 4.1(f)(i) will not prohibit:

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock or Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Issuer or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination); *provided* that the Net Cash Proceeds from such sale of Capital Stock will be excluded from clause (4)(C)(ii) of Section 4.1(f)(i);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Issuer or any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Guarantor Subordinated Obligations of any Guarantor made by exchange for or out of the proceeds of the substantially concurrent sale of Guarantor Subordinated Obligations of a Guarantor so long as such refinancing Subordinated Obligations or Guarantor Subordinated Obligations are permitted to be Incurred pursuant to Section 4.1(d) and constitute Refinancing Indebtedness;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Issuer or such Restricted Subsidiary, as the case may be, so long as such refinancing Disqualified Stock is permitted to be Incurred pursuant to Section 4.1(d) and constitutes Refinancing Indebtedness;

(4) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (A) at a

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purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to Section 4.4 or (B) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to Section 4.1(e); *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer;

(5) any purchase or redemption of Subordinated Obligations or Guarantor Subordinated Obligations from Net Available Cash to the extent permitted under Section 4.1(e);

(6) dividends paid within sixty (60) days after the date of declaration if at such date of declaration such dividend would have complied with this Section 4.1(f);

(7) the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock or equity appreciation rights of the Issuer or any direct or indirect parent of the Issuer held by any existing or former employees or management of the Issuer or any Subsidiary of the Issuer or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees approved by the Board of Directors of the Issuer; *provided* that such Capital Stock or equity appreciation rights were received for services related to, or for the benefit of, the Issuer and its Restricted Subsidiaries; and *provided, further*, that such redemptions or repurchases pursuant to this clause (7) will not exceed (i) U.S.\$4.0 million in the aggregate during any calendar year and (ii) U.S.\$7.0 million in the aggregate since the Issue Date;

(8) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants, other rights to purchase Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise price thereof, and Restricted Payments by the Issuer to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock; and

(9) other Restricted Payments in an aggregate amount, when taken together with all other Restricted Payments made pursuant to this clause (9), not to exceed U.S.\$20.0 million in the aggregate since the Issue Date;

*provided* that at the time of and after giving effect to, any Restricted Payment permitted under clauses (5) and (9), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

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(iii) Restricted Payments permitted pursuant to clauses (2), (3), (4), (5), (7), (8) and (9) will not be included in making the aggregate Restricted Payment calculations under clause (C) of Section 4.1(f)(i).

(iv) Neither the Board of Directors nor management of the Issuer shall, directly or indirectly, propose or otherwise encourage the declaration and payment of any dividends pursuant to Article 231 of the Peruvian Companies Law as the same may be amended or replaced from time to time if such declaration or payment would not be permitted by this Section 4.1(f) (without giving effect to the following proviso); *provided, however*, that the restrictions set forth in this Section 4.1(f) will not prohibit the declaration and payment of any such dividend if required by law.

(v) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of such Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment; *provided* that such determination of the Fair Market Value of a Restricted Payment or any such assets or securities shall be based upon an opinion or appraisal issued by an Independent Financial Advisor if such Fair Market Value is estimated in good faith by the Board of Directors of the Issuer or an authorized committee thereof to exceed U.S.\$25.0 million. The amount of all Restricted Payments paid in cash shall be its face amount.

(vi) For purposes of determining compliance with this Section 4.1(f), in the event that a Restricted Payment (or portion thereof) permitted pursuant to this Section 4.1(f) or a Permitted Investment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described above or one or more clauses of the definition of “Permitted Investments,” the Issuer shall be permitted to classify such Restricted Payment or Permitted Investment (or any portion thereof) on the date it is made, or later reclassify all or any portion of such Restricted Payment or Permitted Investment, in any manner that complies with this Section 4.1(f), and such Restricted Payment or Permitted Investment (or portion thereof) shall be treated as having been made pursuant to only one of such clauses of this Section 4.1(f) or the definition of Permitted Investments.

(vii) The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of “Unrestricted Subsidiary.” For purposes of designating any Restricted Subsidiary (other than the Issuer) as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the definition of “Investment.” Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

(g) Limitation on Liens.

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or suffer to exist any Lien (other than Permitted Liens) against or upon any of their respective properties or assets (including Capital Stock of Subsidiaries), or any proceeds therefrom, or assign or convey any right to receive proceeds therefrom, whether owned on the Issue Date or acquired after the Issue Date, which Lien is securing any Indebtedness, unless contemporaneously with the Incurrence of such Liens:

(1) in the case of Liens securing Subordinated Obligations or Guarantor Subordinated Obligations, the Notes and related Note Guarantees and all other amounts due under this Indenture are secured by a Lien on such properties, assets or proceeds that is senior in priority to such Liens; or

(2) in all other cases, the Notes and related Note Guarantees and all other amounts due under this Indenture are equally and ratably secured or are secured by a Lien on such properties, assets or proceeds that is senior in priority to such Liens.

Any Lien created for the benefit of Holders pursuant to this Section 4.1(g) shall be automatically and unconditionally released and discharged upon the termination or cessation of the circumstances which required the granting of such Liens.

(h) Limitation on Restrictions on Distributions from Restricted Subsidiaries.

(i) The Issuer will not, and will not permit any Restricted Subsidiary (other than a Guarantor) to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary (other than a Guarantor) to;

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;

(2) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any Restricted Subsidiary;

(ii) The preceding provisions will not prohibit encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions pursuant to agreements or instruments in effect as of the Issue Date;

(2) this Indenture, the Notes and the Note Guarantees;

(3) any agreement or other instrument of a Person acquired by the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the properties or assets of the Person and its Subsidiaries, so acquired (including after acquired property);

(4) any amendment, restatement, modification, renewal, supplement, refunding, replacement or refinancing of an agreement referred to in clauses (1), (2), (3) or (4) of this Section 4.1(h)(ii); *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive than the encumbrances and restrictions contained in the agreements referred to in clauses (1), (2) or (3) of this Section 4.1(h)(ii) on the Issue Date or the date such Restricted Subsidiary became a Restricted Subsidiary or was merged into a Restricted Subsidiary, whichever is applicable;

(5) in the case of Section 4.1(h)(i)(3), Liens permitted to be Incurred under the provisions of Section 4.1(g) that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(6) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations permitted under this Indenture, in each case that impose encumbrances or restrictions of the nature described in clause (3) of Section 4.1(h)(i) on the property so acquired;

(7) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or a portion of the Capital Stock or assets of such Subsidiary;

(8) any customary provisions in joint venture agreements relating to joint ventures that are not Restricted Subsidiaries and other similar agreements entered into in the ordinary course of business and with the approval of the Board of Directors;

(9) customary non-assignment provisions in leases, subleases or licenses and other similar agreements entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(10) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order; and

(11) contained in the terms governing any Indebtedness if (as determined in good faith by the Issuer) (i) the encumbrances or restrictions are ordinary and customary for a financing of that type and (ii) the encumbrances or restrictions either (x) would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer or any Guarantor to make payments on

the Notes or (y) in the case of any Refinancing Indebtedness, are, taken as a whole, no less favorable in any material respect to the Holders of the Notes than those contained in the agreements governing the Indebtedness being refinanced.

(i) Limitation on Affiliate Transactions.

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (an “*Affiliate Transaction*”), unless:

(1) the terms of such Affiliate Transaction are no less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to have been obtained by the Issuer or such Restricted Subsidiary in a comparable transaction at the time of such transaction on an arms’ length basis with a Person that is not an Affiliate of the Issuer;

(2) in the event such Affiliate Transaction or series of related Affiliate Transactions involves an aggregate consideration in excess of U.S.\$10.0 million (or the equivalent in other currencies), the terms of such transaction or series of transactions have been approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the disinterested members thereof, if any), the approval to be evidenced by a Board Resolution stating that the Board of Directors has determined that such Affiliate Transaction or series of related Affiliate Transactions satisfies the criteria in clause (1) of this Section 4.1(i)(i); and

(3) in the event such Affiliate Transaction or series of related Affiliate Transactions involves an aggregate consideration in excess of U.S.\$25.0 million, the Issuer will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Affiliate Transaction or series of related Affiliate Transactions to the Issuer and any such Restricted Subsidiary, if any, from a financial point of view from an Independent Financial Advisor and deliver the same to the Trustee.

(ii) Section 4.1(i)(i) will not apply to:

(1) any transaction between the Issuer and a Restricted Subsidiary or between Restricted Subsidiaries, and any Guarantees issued by the Issuer or a Restricted Subsidiary for the benefit of the Issuer or a Restricted Subsidiary, as the case may be, in accordance with Section 4.1(d);

(2) any Restricted Payment permitted to be made pursuant to Section 4.1(f) and Permitted Investments (other than Permitted Investments made pursuant to clause (2) of the definition thereof);

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(3) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or as the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of the Issuer, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees in the ordinary course of business and approved by the Board of Directors of the Issuer;

(4) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors or officers of the Issuer or any Restricted Subsidiary;

(5) loans or advances to employees, officers or directors of the Issuer or any Restricted Subsidiary in the ordinary course of business consistent with past practices, in an aggregate amount not in excess of U.S.\$2.0 million (without giving effect to the forgiveness of any such loan);

(6) the entering into of a customary agreement providing registration rights to the shareholders of the Issuer and the performance of such agreements;

(7) any agreement as in effect as of the Issue Date (including lease agreements), as these agreements may be amended, modified, supplemented, extended or renewed from time to time, so long as any such amendment, modification, supplement, extension or renewal is not more disadvantageous to the Holders in any material respect in the good faith judgment of the Board of Directors of the Issuer, when taken as a whole, than the terms of the agreements in effect on the Issue Date;

(8) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Issuer or a Restricted Subsidiary; *provided* that such agreement was not entered into in contemplation of such acquisition or merger, and any amendment thereto (so long as any such amendment is not disadvantageous to the Holders in the good faith judgment of the Board of Directors of the Issuer, when taken as a whole, as compared to the applicable agreement as in effect on the date of such acquisition or merger);

(9) transactions with customers, clients, suppliers, lessors, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of the business of the Issuer and its Restricted Subsidiaries and otherwise in compliance with the terms of this Indenture; *provided* that in the reasonable determination of the members of the Board of Directors or Senior Management of the Issuer, such transactions are on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that could reasonably be expected to have been obtained at the time of such transactions in a comparable transaction on an arm's length basis by the Issuer or such Restricted Subsidiary with an unrelated Person; and

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(10) any issuance or sale of Capital Stock (other than Disqualified Stock) to Affiliates of the Issuer and the granting and performance of registration and other customary rights in connection therewith.

(j) Limitation on Activities of the Issuer and its Restricted Subsidiaries. The Issuer and its Restricted Subsidiaries will not engage in any business other than a Similar Business.

(k) Maintenance of Properties. The Issuer will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Issuer may be necessary so that the business of the Issuer and its Restricted Subsidiaries may be properly conducted at all times; provided that nothing in this paragraph prevents the Issuer or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Issuer, desirable in the conduct of the business of the Issuer or any of its Restricted Subsidiaries.

(l) Anti-Layering. Neither the Issuer nor any Guarantor may Incur any Indebtedness that is subordinate in right of payment to other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also subordinate in right of payment to the Notes or the relevant Note Guarantee on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

(m) Reports. To the extent the same shall not have been made publicly available by filing with the SEC, and so long as any Notes are outstanding, the Issuer will furnish or cause to be furnished to the Trustee, and upon written request therefore to the Holders and prospective Holders (in respect of clause (iii) below):

(i) within 120 days following the end of each fiscal year of the Issuer ending on December 31, audited consolidated income statements, balance sheets, statements of shareholders equity and cash flow statements and the related notes thereto for the Issuer on a consolidated basis for the two most recent fiscal years in accordance with IFRS, together with an audit report thereon by the Issuer's independent auditors, and together with a summary discussion and analysis by management of the Issuer regarding the financial condition and results of operations of the Issuer on a consolidated basis for such fiscal years;

(ii) within 90 days following the end of each of the three fiscal quarters ending on March 31, June 30 and September 30 in each of the Issuer's fiscal years, quarterly reports containing unaudited consolidated balance sheets, statements of income and the related Notes thereto for the Issuer on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with IFRS, together with a summary discussion and analysis by management of the Issuer regarding the financial condition and results of operations of the Issuer on a consolidated basis for such quarterly period; and

(iii) upon written request by Holders or prospective Holders, information meeting the applicable requirements of Rule 144A(d)(4) of the Securities Act so long as the Notes are not freely transferable under the Exchange Act by Persons who are not “affiliates” under the Securities Act (which information need not be delivered to the Trustee so long as such information is provided to the Holders or prospective Holders).

The information required to be furnished pursuant to this Section 4.1(m) shall be furnished in the English language. The Issuer may fulfill the reporting obligations provided in this Section 4.1(m) by posting on its website the information required thereby, with notice thereof delivered to the Trustee.

Delivery of such reports, information, Officers’ Certificates and documents to the Trustee is for informational purposes only and the Trustee’s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s, any Guarantor’s or any other Person’s compliance with any of its covenants hereunder or under the Notes (as to which the Trustee is entitled to conclusively rely exclusively on the annual statement of compliance described in Section 4.1(b)(ii)). The Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer’s, any Guarantor’s or any other Person’s compliance with the covenants described herein or with respect to any reports, information, Officers’ Certificates or other documents filed with the SEC or any website under this Indenture, or participate in any conference calls.

Section 4.2 *Effectiveness of Covenants.*

(a) Following the first day:

- (1) the Notes have an Investment Grade Rating from at least two Rating Agencies; and
- (2) no Default or Event of Default has occurred and is continuing under this Indenture,

(such date, the “*Suspension Date*”), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of Section 4.1(d), Section 4.1(e), Section 4.1(f), Section 4.1(h), Section 4.1(i), Section 4.1(j), and clause (4) of Section 4.3(a) (collectively, the “*Suspended Covenants*”).

(b) If at any time the Notes’ credit rating is downgraded from an Investment Grade Rating by any of such Rating Agencies, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the “*Reinstatement Date*”) and be applicable pursuant to the terms of this Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of this Indenture), unless and until the Notes subsequently attain an Investment Grade Rating from at least two Rating Agencies (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Rating from at least two Rating Agencies); *provided* that no Default, Event of Default or breach of any kind shall be deemed to exist under this

Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Issuer or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period (as defined below), regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reinstatement Date is referred to as the “*Suspension Period*.”

(c) On the Reinstatement Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to Section 4.1(d)(ii)(2). Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under Section 4.1(f) will be made as though the covenant in Section 4.1(f) had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 4.1(f)(i).

(d) During any period when the Suspended Covenants are suspended, the Board of Directors of the Issuer may not designate any of the Issuer’s Subsidiaries as Unrestricted Subsidiaries pursuant to this Indenture.

(e) The Issuer shall promptly notify the Trustee in writing of the occurrence of any Suspension Period pursuant to this Section 4.2. In the absence of such notice, the Trustee may conclusively assume that the Suspended Covenants are in full force and effect. The Issuer shall promptly notify the Trustee in writing upon the reinstatement of the Suspended Covenants after a Reinstatement Date pursuant to this Section 4.2. In the absence of such notice, the Trustee shall assume that the Suspension Period continues to remain in effect.

#### Section 4.3 Merger and Consolidation.

(a) The Issuer will not consolidate with or merge with or into or wind up into (whether or not the Issuer is the surviving corporation), or sell, assign, convey, transfer, lease or otherwise dispose of (or cause or permit any Restricted Subsidiary to sell, assign, convey, transfer, lease or otherwise dispose of) all or substantially all of its properties and assets, in one or more related transactions, to any Person *unless*:

- (1) the resulting, surviving or transferee Person (the “*Successor Issuer*”) is a Person (other than an individual) organized and validly existing under the laws of a Permitted Jurisdiction;
- (2) the Successor Issuer (if other than the Issuer) expressly assumes all of the obligations of the Issuer under the Notes and this Indenture (including the obligation to pay Additional Amounts, if any) pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee;
- (3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four quarter period:

(A) the Successor Issuer would be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to Section 4.1(d)(i); or

(B) the Net Leverage Ratio for the Successor Issuer and its Restricted Subsidiaries on a consolidated basis would not be lower than such ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis immediately prior to such transaction and (ii) the Interest Coverage Ratio for the Successor Issuer and its Restricted Subsidiaries on a consolidated basis would be higher than such ratio for the Issuer and its Restricted Subsidiaries on a consolidated basis immediately prior to such transaction;

(5) each Guarantor (unless it is the other party to the transactions above, in which case clause (1) of Section 4.3(b) shall have by supplemental indenture confirmed that its Note Guarantee (including the obligation to pay Additional Amounts, if any) shall apply to such Successor Issuer's obligations under this Indenture and the Notes; and

(6) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, winding up, sale, assignment, conveyance, transfer, lease, or disposition, and such supplemental indenture, if any, comply with this Indenture.

(b) Notwithstanding clauses (4) and (5) of Section 4.3(a):

(1) any Restricted Subsidiary may consolidate with, merge with or into or transfer all or part of its properties and assets to the Issuer so long as no Capital Stock of the Restricted Subsidiary is distributed to any Person other than the Issuer; *provided* that, in the case of a Restricted Subsidiary that merges into the Issuer, the Issuer will not be required to comply with Section 4.3(a)(6); and

(2) any Non-Guarantor Subsidiary may consolidate with or merge into or transfer all or part of its properties and assets to the Issuer or a Guarantor.

(c) The Issuer will not permit any Guarantor to consolidate with or merge with or into or wind up into (whether or not such Guarantor is the surviving corporation), or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets, in one or more related transactions, to any Person (other than to the Issuer or another Guarantor) *unless*:

(1) if such entity remains a Guarantor, the resulting, surviving or transferee Person (the "*Successor Guarantor*") is a Person (other than an individual) organized and validly existing under the laws of a Permitted Jurisdiction;

(2) the Successor Guarantor, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under this Indenture and its Note Guarantee (including the obligation to pay Additional Amounts, if any) pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee;

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(4) the Issuer will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, winding up or disposition and such supplemental indenture (if any) comply with this Indenture.

(d) Notwithstanding the foregoing, any Guarantor may merge with or into or transfer all or part of its properties and assets to a Guarantor or the Issuer or merge with a Restricted Subsidiary of the Issuer solely for the purpose of reincorporating the Guarantor in the jurisdiction of such Guarantor, or a Permitted Jurisdiction, so long as the amount of Indebtedness of such Guarantor and its Restricted Subsidiaries is not increased thereby, and the resulting entity remains or becomes a Guarantor.

(e) For purposes of this Section 4.3, the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, will be deemed to be the disposition of all or substantially all of the properties and assets of the Issuer.

(f) Upon any consolidation, merger, wind up, sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of the Issuer or a Guarantor in accordance with this Section 4.3, the Issuer and a Guarantor, as the case may be, will be released from its obligations under this Indenture, the Notes and its Note Guarantee, as the case may be, and the Successor Issuer and the Successor Guarantor, as the case may be, will succeed to, and be substituted for, and may exercise every right and power of, the Issuer or a Guarantor, as the case may be, under this Indenture, the Notes and such Note Guarantee; *provided that*, in the case of a lease of all or substantially all of its assets, the Issuer will not be released from the obligation to pay the principal of and interest on the Notes, and a Guarantor will not be released from its obligations under its Note Guarantee.

#### Section 4.4 *Offer to Repurchase upon Change of Control.*

(a) If a Change of Control Event occurs, unless the Issuer has exercised its right to redeem all of the Notes pursuant to Section 3.3 prior to the Change of Control Event, the Issuer will make an offer to purchase all of the Notes (the "*Change of Control Offer*") at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (the "*Change of Control Payment*"). Within thirty (30) days following any Change of Control Event, unless the Issuer

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has exercised its right to redeem all of the Notes pursuant to Section 3.3 prior to the Change of Control Event, the Issuer will give a notice of such Change of Control Offer to each Holder or otherwise give notice in accordance with the manner set forth in Section 10.5, with a copy to the Trustee, stating:

(1) that a Change of Control Offer is being made pursuant to this Section 4.4 and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by the Issuer at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, to, but excluding, the date of purchase;

(2) the purchase date (which shall be no earlier than ten (10) days nor later than sixty (60) days from the date such notice is mailed or otherwise delivered) (the “*Change of Control Payment Date*”);

(3) that Notes must be tendered in integral multiples of U.S.\$1,000, and any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that, unless the Issuer defaults in the payment of the Change of Control Payment, any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on and after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled “Option of Holder to Elect Purchase” attached to such Notes completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders shall be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; provided that the Trustee and the Paying Agent receive at the address specified in the notice, not later than the close of business on the second Business Day preceding the Change of Control Payment Date (or such prior time as required under the rules and customary practices of the Registrar), a notice of withdrawal setting forth the name of the Holder, the principal amount of Notes tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that, if a Holder is tendering less than all of its Notes, such Holder will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (the unpurchased portion of the Notes must be equal to U.S.\$200,000 or an integral multiple of U.S.\$1,000 in excess thereof); and

(8) the other procedures, as determined by the Issuer, consistent with this Section 4.4 that a Holder must follow in order to have its Notes repurchased.

(b) The notice, if mailed or otherwise delivered in the manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. If (A) the notice is mailed in a manner herein provided and (B) any Holder fails to receive such notice or a Holder receives such notice but it is defective, such Holder's failure to receive such notice or such defect shall not affect the validity of the proceedings for the purchase of the Notes as to all other Holders that properly received such notice without defect.

(c) On the Business Day immediately preceding the Change of Control Payment Date, the Issuer will, to the extent lawful, deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes (of U.S.\$200,000 or larger integral multiples of U.S.\$1,000 in excess thereof) validly tendered pursuant to the Change of Control Offer.

(d) On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (of U.S.\$200,000 or larger integral multiples of U.S.\$1,000 in excess thereof) properly tendered pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer in accordance with this Section 4.4.

(e) The Paying Agent will promptly mail (or otherwise deliver in accordance with the Applicable Procedures) to each Holder of Notes so tendered the Change of Control Payment for such Notes, and, if only a portion of the Notes is purchased pursuant to a Change of Control Offer, the Trustee upon receipt of an Authentication Order will promptly authenticate and mail (or otherwise deliver in accordance with the Applicable Procedures) or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interest in a Global Note will be made, as appropriate); *provided* that each such new Note will be in a principal amount of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof.

(f) If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the relevant interest payment date to the Person in whose name a Note is registered at the close of business on such record date.

(g) The Issuer will not be required to make a Change of Control Offer upon a Change of Control Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has

been given with respect to all of the Notes pursuant to this Indenture prior to the related Change of Control Event unless and until there is a default in payment of the applicable redemption price.

(h) The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by virtue of the conflict or such compliance.

(i) Other than as specifically provided in this Section 4.4, any purchase of Notes pursuant to this Section 4.4 shall be made pursuant to the provisions of Section 3.5 and Section 3.6 of this Indenture.

## ARTICLE V DEFAULTS AND REMEDIES

Section 5.1 *Events of Default and Remedies.* (a) Each of the following is an “*Event of Default*”:

- (i) default in any payment of interest (including any related Additional Amounts) on any Note when due and such default continues for thirty (30) days;
- (ii) default in the payment of principal of, or premium, if any, on any note (including, in each case, any related Additional Amounts) when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (iii) failure by the Issuer or any Guarantor to comply with its obligations under Section 4.3;
- (iv) failure by the Issuer or any Guarantor for thirty (30) days to comply with its obligations under Section 4.1(e) or Section 4.4;
- (v) failure by the Issuer or any Guarantor for sixty (60) days to comply with any other covenant or agreement contained in this Indenture or the Notes (other than as described under clauses (i), (ii), (iii) and (iv) above, which are covered by such clauses) after notice by the Trustee or Holders of 25% or more in principal amount of the then outstanding Notes;
- (vi) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(1) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness; or

(2) results in the acceleration of such Indebtedness prior to its maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates U.S.\$20.0 million or more (or its foreign currency equivalent);

(vii) failure by the Issuer or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of U.S.\$20.0 million (or its foreign currency equivalent) (net of any amounts that a reputable and creditworthy insurance company has agreed to pay), which judgments are not paid, discharged or stayed for a period of sixty (60) days or more after such judgment becomes final;

(viii) the entering of a decree or order by a court (or equivalent authority) having jurisdiction adjudging the Issuer or any of its Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of or by the Issuer or any of its Significant Subsidiaries, and such decree or order continuing to be undischarged or unstayed for a period of sixty (60) days; the entering of a decree or order of a court (or equivalent authority) having jurisdiction for the appointment of a receiver or liquidator or for the liquidation or dissolution of the Issuer or any of its Significant Subsidiaries, and such decree or order continuing to be undischarged and unstayed for a period of 60 days; the institution by the Issuer or any of its Significant Subsidiaries of any proceeding to be adjudicated as voluntarily bankrupt, liquidated or dissolved, or their respective consent to the filing of a bankruptcy, liquidation or dissolution proceeding against any of them, or the filing of a petition or answer or consent seeking reorganization, or the consent to the filing of any such petition or appointment of a receiver or liquidator or trustee or assignee in bankruptcy, liquidation, dissolution or insolvency of the Issuer or any of its Restricted Subsidiaries or of any substantial part of their respective property; or

(ix) except as permitted by this Indenture, any Note Guarantee of any Significant Subsidiary or group of Guarantors that, taken together, would constitute a Significant Subsidiary is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any such Guarantor or group of Guarantors denies or disaffirms its obligations under its Note Guarantee.

(b) In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (vi) of Section 5.1(a) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if:

(1) the default triggering such Event of Default pursuant to clause (vi) of Section 5.1(a) shall be remedied or cured by the Issuer or a Restricted

Subsidiary or waived by the holders of the relevant Indebtedness within twenty (20) days after the declaration of acceleration with respect thereto; and

(2) (A) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (B) all existing Events of Default, except nonpayment of principal, premium, if any, or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(c) Acceleration.

(i) If an Event of Default (other than an Event of Default described in clause (viii) of Section 5.1(a)) occurs and is continuing, the Trustee by written notice to the Issuer, specifying the Event of Default, or the Holders of at least 25% in principal amount of the then-outstanding Notes by notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of premium, if any, and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such declaration, such principal, premium, if any, and accrued and unpaid interest, if any, will be due and payable immediately.

(ii) Notwithstanding the foregoing, if an Event of Default under clause (viii) of Section 5.1(a) occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

(iii) The Holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal, premium or interest) and rescind any such acceleration with respect to the Notes and its consequences if (1) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

(d) Waiver of Past Defaults. The Holders of a majority in principal amount of the outstanding Notes by written notice to the Trustee may on behalf of all Holders waive any existing Default and its consequences hereunder, except:

(1) a continuing Default in the payment of the principal, premium, if any, or interest on any Note held by a non-consenting Holder (including in connection with an Asset Disposition Offer or a Change of Control Offer); and

(2) a Default with respect to a provision that under Section 10.1 cannot be amended without the consent of each Holder affected,

*provided that*, subject to Section 5.1(c), the Holders of a majority in principal amount of the then-outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

(e) Control by Majority. The Holders of a majority in principal amount of the then-outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. In the event an Event of Default has occurred and is continuing, and of which a Responsible Officer of the Trustee has Actual Knowledge, the Trustee will be required in the exercise of its powers under this Indenture to use the degree of care that a prudent person would use under the circumstances in the conduct of its own affairs. However, the Trustee may refuse to follow any direction for which it is not provided with security and/or indemnified to its satisfaction in its sole discretion or that conflicts with law, this Indenture, the Notes or any Note Guarantee, or that the Trustee determines in good faith is unduly prejudicial to the rights of any other Holder (*provided* that the Trustee shall have no obligation to determine whether a direction is unduly prejudicial to the rights of any Holder) or that would involve the Trustee in personal liability.

- (f) Limitation on Suits. Subject to Section 5.1(h), no Holder may pursue any remedy with respect to this Indenture or the Notes unless:
- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
  - (2) the Holders of at least 25% in principal amount of the then-outstanding Notes have made written request to the Trustee to pursue the remedy;
  - (3) such Holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;
  - (4) the Trustee has not complied with such written request within sixty (60) days after the receipt of the request and the offer of security and/or indemnity; and
  - (5) the Holders of a majority in principal amount of the then-outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

(g) Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, if any, and interest on its Note, on or after the respective due dates expressed or provided for in such Note (including in connection with an Asset Disposition Offer or a Change of Control Offer), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

(h) Collection Suit by Trustee. If an Event of Default specified in Section 5.1(a)(i) or (ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer and any other obligor on the Notes for the whole amount of principal, premium, if any, and interest remaining unpaid on the Notes, together with interest on overdue principal and, to the extent lawful overdue installments of, interest, in each case at the rate specified in the Notes, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements, indemnities and advances of the Trustee and its agents and counsel.

(i) Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, and to the extent permitted under Applicable Law, the Issuer, the Guarantors, the Trustee, the Authorized Agents and the Holders shall be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

(j) Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.13, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by Applicable Law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(k) Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this ARTICLE V or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

(l) Trustee May File Proofs of Claim. The Trustee may file proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel reasonably incurred) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes, including the Guarantors), its creditors or its property and is entitled and empowered to participate as a member in any official committee of creditors appointed in such matter and to collect, receive and distribute any money or other property payable or deliverable on any such claims. Any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, indemnities and advances of the Trustee and its agents and counsel reasonably incurred, and any other amounts due the Trustee under Section

8.5. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.5 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

- (m) Priorities. If the Trustee collects any money or property pursuant to this ARTICLE V, it shall pay out the money in the following order:
- (1) to the Trustee and the Authorized Agents and their respective agents and attorneys for amounts due under Section 8.5, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the Authorized Agents and the costs and expenses of collection;
  - (2) to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and
  - (3) to the Issuer or to such party as a court of competent jurisdiction shall direct, including a Guarantor, if applicable.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 5.1(n). Promptly after any record date is set pursuant to this Section 5.1(m), the Trustee shall cause notice of such record date and payment date to be given to the Issuer and to each Holder (at the sole expense of the Issuer) in the manner set forth in Section 10.5.

(n) Trustee May Enforce Claims Without Possession of Notes. To the extent permitted under Applicable Law, all rights of action (including the right to file proofs of claim) under this Indenture may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders, subject to the provisions of this Indenture.

(o) Undertaking for Costs. All parties to this Indenture agree, and each Holder by its acceptance thereof shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in such suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party

litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 5.1(o) does not apply to a suit by the Trustee or a suit by a Holder pursuant to Section 5.1(g).

**ARTICLE VI**  
**DISCHARGE OF THE INDENTURE; DEFEASANCE**

Section 6.1 *Satisfaction and Discharge*. This Indenture will be discharged and will cease to be of further effect (other than those provisions that by their terms survive) as to all Notes issued hereunder, when:

(a) either:

(i) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee, as trust funds in trust solely for the benefit of the Holders, (a) cash in U.S. dollars, (b) U.S. Government Securities, or (c) a combination thereof, in such amounts as will be sufficient (in the opinion of an Independent Financial Advisor; provided that such written opinion will not be required if the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars in an amount sufficient), without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to, but excluding, the date of maturity or redemption, as the case may be;

(b) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) and the deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(c) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under this Indenture; and

(d) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Section 6.2 *Repayment of Monies*. Following the satisfaction and discharge of this Indenture as described in Section 6.1, all investments and monies then held by the Trustee or any Paying Agent under this Indenture shall, upon written demand of the Issuer, be repaid or, as the case may be, released, assigned or transferred to the Issuer, and thereupon the Trustee shall be released from all further liability with respect to such investments and monies.

Section 6.3 *Return of Monies Held by the Paying Agent*. Any monies deposited with or paid to the Paying Agent for the payment of the principal, premium or Additional Amounts (if any), interest or any other amount due with respect to any Note and not applied but remaining unclaimed for two years after the date upon which such principal, premium or Additional Amounts (if any), interest or other amount shall have become due and payable, shall (to the extent not required to escheat to any Governmental Authority), upon written demand of the Issuer, be repaid by the Paying Agent to or for the account of the Issuer, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Issuer, and, to the extent permitted by Applicable Law, the Person claiming such payment of principal, premium or Additional Amounts (if any), interest or any other amount shall thereafter look only to the Issuer for any related payment that it may be entitled to receive, and all liability of the Trustee with respect to such monies shall thereupon cease.

Section 6.4 *Legal Defeasance and Covenant Defeasance*. The Issuer may at its option and at any time elect to have all of its obligations discharged with respect to the outstanding Notes and this Indenture and all of its' and the Guarantors' obligations discharged with respect to their Note Guarantees and this Indenture ("*Legal Defeasance*"). Legal Defeasance means that the Issuer and the Guarantors will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes on the 91st day after the deposit specified in clause (i) of the third following paragraph except for:

- (a) the rights of Holders to receive payments in respect of the principal, premium, if any, and interest on the Notes when such payments are due, solely out of the trust created pursuant to this Indenture referred to below;
- (b) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for Note payments held in trust;
- (c) the rights, powers, trusts, duties, indemnities and immunities of the Trustee, Registrar, Paying Agent, Transfer Agent and any other agent appointed by the Issuer herein and the Issuer's and the Guarantors' obligations in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance (as defined below) provisions of this Section 6.4.

Following the Issuer's exercise of its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default. Subject to compliance with this ARTICLE VI, the Issuer may exercise its Legal Defeasance option notwithstanding the prior exercise of its Covenant Defeasance (as defined below) option.

In addition, the Issuer may, at its option and at any time, elect to have its and the Restricted Subsidiaries' obligations released with respect to the obligations under the covenants contained in Section 4.1(c), Section 4.1(d), Section 4.1(e), Section 4.1(f), Section 4.1(g), Section 4.1(h), Section 4.1(i), Section 4.1(j), Section 4.1(k), Section 4.1(m), clause (5) of Section 4.3(a) and Section 4.4 ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. Following the Issuer's exercise of its Covenant Defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Section 5.1(a)(iii) (only with respect to the failure of the Issuer to comply with clause (5) of Section 4.3(a)), Section 5.1(a)(iv) (only with respect to covenants that are released as a result of such Covenant Defeasance), and Sections 5.1(a)(v), (vi), (vii), (viii) and (ix).

In order to exercise either Legal Defeasance or Covenant Defeasance:

(i) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, (a) cash in U.S. dollars, (b) U.S. Government Securities, or (c) a combination thereof, in amounts as will be sufficient (in the written opinion of a nationally recognized firm of independent public accountants delivered to the Trustee; *provided* that such written opinion will not be required if the Issuer has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars) without consideration of any reinvestment of interest, to pay the principal of, and premium, if any, and interest due on the outstanding notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(ii) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(iii) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to

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the Trustee confirming that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(iv) the Issuer has delivered to the Trustee an Opinion of Counsel that is independent of the Issuer reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, the Holders and beneficial owners of the Notes will not recognize income, gain or loss for Peruvian income tax purposes as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Peruvian income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred;

(v) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;

(vi) no Default or Event of Default has occurred and is continuing on the date of the deposit pursuant to clause (i) of this paragraph or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) and the deposit will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument (other than the Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(vii) the Issuer has delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer, any Guarantor or others;

(viii) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with; and

(ix) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be (which instructions may be contained in the Officer's Certificate referred to in clause (viii) above).

**ARTICLE VII**  
**NOTE GUARANTEES**

Section 7.1 *Note Guarantees*. Subject to the provisions of this ARTICLE VII, the Guarantors hereby fully, irrevocably and unconditionally guarantee, jointly and severally, to each Holder and to the Trustee and the Authorized Agents the full and punctual payment (whether at an installment date or the Maturity Date, upon redemption, purchase pursuant to an offer to purchase or acceleration or otherwise) of the principal, premium (if any) or interest, and any other amounts that may come due and payable under each Note and the full and punctual payment of all other amounts payable by the Issuer under this Indenture as they come due, *provided* that the obligations of each Guarantor hereunder shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in such obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under Applicable Law. Upon failure by the Issuer to pay punctually any such amount, each of the Guarantors shall, without duplication, forthwith pay the amount not so paid at the place and time and in the manner specified in this Indenture. This Note Guarantee constitutes a direct, joint and several, general unsecured and unconditional primary obligation of each Guarantor that will at all times rank at least *pari passu* with any existing and future senior unsecured Indebtedness of such Guarantor, except for such obligations as may be preferred by provisions of law that are both mandatory and of general application, including without limitation, tax and labor claims. Each Guarantor hereby agrees to pay, in addition to the amounts stated above, any and all fees, indemnity amounts and reasonable and documented costs and expenses (including reasonable and documented counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under any Note Guarantee. Each of the Guarantors hereby unconditionally and irrevocably waives all benefits applicable thereto to the fullest extent possible under existing law for this Note Guarantee to be joint and several with the obligations of the Issuer.

Section 7.2 *Note Guarantee Unconditional*. To the extent permitted by Applicable Law, the obligations of the Guarantors hereunder are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Issuer under this Indenture or any Note, by operation of law or otherwise;
- (b) any rescission, modification or amendment of or supplement to this Indenture or any Note;
- (c) any change in the corporate existence, structure or ownership of the Issuer, or any insolvency, bankruptcy, reorganization, plan of arrangement or other similar proceeding affecting the Issuer or its assets or any resulting release or discharge of any obligation of the Issuer contained in this Indenture or any Note;

(d) the existence of any claim, set-off or other rights which any of the Guarantors may have at any time against the Issuer, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions, *provided* that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;

(e) any invalidity or unenforceability relating to or against the Issuer for any reason of this Indenture or any Note, or any provision of applicable law or regulation purporting to prohibit the payment by the Issuer of the principal, premium (if any) or interest on any Note or any other amount payable by the Issuer under this Indenture; or

(f) any other act or omission to act or delay of any kind by the Issuer, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to any of the Guarantors' obligations hereunder.

Section 7.3 *Discharge Reinstatement*. The Guarantors' obligations hereunder will remain in full force and effect until the principal, premium (if any) and interest on the Notes and all other amounts payable by the Issuer under this Indenture have been indefeasibly paid in full. If at any time any payment of the principal, premium (if any) or interest on any Note or any other amount payable by the Issuer under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, arrangement or reorganization of the Issuer or otherwise, the Guarantors' obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time.

Section 7.4 *Waiver by the Guarantors*. (a) Each of the Guarantors unconditionally and irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Issuer or any other Person. The Note Guarantee constitutes a Guarantee of payment and not of collection.

(b) Each Guarantor expressly waives, irrevocably and unconditionally:

(i) any right to require the Trustee or any Holder to first proceed against, initiate any actions before a court or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other person, before claiming any amounts due from any of the Guarantors hereunder;

(ii) any right to which it may be entitled to have the assets of the Issuer or any other person first be used, applied or depleted as payment of the Issuer's obligations hereunder, prior to any amount being claimed from or paid by any of the Guarantors hereunder; and

(iii) any right to which it may be entitled to have claims against it, or assets to be used or applied as payment, divided between the Issuer and the Guarantors (including other Guarantors).

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Section 7.5 *Subrogation and Contribution*. Upon making any payment with respect to any obligation of the Issuer under this ARTICLE VII, each paying Guarantor will be subrogated to the rights of the payee against the Issuer with respect to such obligation.

Section 7.6 *Stay of Acceleration*. If acceleration of the time for payment of any amount payable by the Issuer under this Indenture or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Issuer, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Guarantors forthwith on demand by the Trustee.

Section 7.7 *Execution and Delivery of Note Guarantees*. The execution by each of the Guarantors of this Indenture evidences the Note Guarantee of such Guarantor, whether or not the Person signing as an officer of such Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Note Guarantee set forth in this Indenture on behalf of each Guarantor.

Section 7.8 *Purpose of Note Guarantees*. The Issuer and the Trustee hereby acknowledge that the purpose and intent of each of the Guarantors in executing this Indenture and providing the Note Guarantee is to give effect to the agreement of such Guarantor to Guarantee the payment of any such amounts due by the Issuer under the Notes and this Indenture, whether such amounts are in respect of principal, premium (if any), interest or any other amounts. Therefore, each of the Guarantors agrees that if the Issuer shall fail to pay in full when due (whether at Stated Maturity, by acceleration or otherwise) any principal, premium (if any), interest or any other amounts (including Additional Amounts) with respect to this Indenture and the Notes, such Guarantor shall promptly pay the same, without any demand or notice whatsoever. The Trustee shall promptly deposit in the account designated by the Trustee to receive payments from the Issuer with respect to the Notes any funds it receives from any of the Guarantors under or pursuant to this Note Guarantee in respect of the Notes.

Section 7.9 *Future Guarantors*.

(a) The Issuer will cause any Restricted Subsidiary (other than an Excluded Subsidiary) of the Issuer that (A) as of the last day of any fiscal quarter and with respect to the Issuer and its Restricted Subsidiaries, individually represents at least 10% of the Total Assets of the Issuer and its Restricted Subsidiaries as determined in accordance with IFRS, or (B) for the preceding twelve-month period measured as of the end of a fiscal quarter, individually represents at least 10% of the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries, to become a Guarantor and execute a supplemental indenture and deliver an Opinion of Counsel; *provided, however*, that if (i) with respect to (A) above, as of the last day of the relevant fiscal quarter, the Issuer and the then existing Guarantors collectively represent at least 90% of the Total Assets of the Issuer and its Restricted Subsidiaries, then such Restricted Subsidiary will not be required to become a Guarantor pursuant to the preceding sentence, and (ii) with respect to (B) above, for the relevant twelve-month period, the Issuer and the then existing Guarantors collectively represent at least 90% of the Consolidated Adjusted EBITDA of the Issuer and its Restricted Subsidiaries, then such Restricted Subsidiary will not be required to become a Guarantor. The Issuer will cause each a Restricted Subsidiary required to become a Guarantor to execute and deliver to the Trustee a supplemental indenture, promptly and in any event within 90

days after each fiscal quarter (or 120 days after each fiscal year in the case of the last fiscal quarter of each fiscal year), pursuant to which such Restricted Subsidiaries will irrevocably and unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest in respect of the Notes and all other obligations under the Indenture on an unsecured, senior basis. So long as (x) the Issuer is, and would be after such designation, in compliance with this paragraph and (y) no Default or Event of Default has occurred and is continuing, the Issuer may designate any Restricted Subsidiary as a Non-Guarantor Subsidiary (including without limitation any entity referred to in the proviso to the first sentence of this paragraph). All designations of Non-Guarantor Subsidiaries must be evidenced by resolutions of the Issuer's Board of Directors and an Officer's Certificate, delivered to the Trustee certifying compliance with this paragraph; *provided* that all Restricted Subsidiaries which are not Initial Guarantors as of the Issue Date shall initially be deemed Non-Guarantor Subsidiaries without such designation requirements. Any designation shall be automatically revoked if such Restricted Subsidiary provides a Note Guarantee as provided in this paragraph.

(b) The obligations of each Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under Applicable Law. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

Section 7.10 Release of Note Guarantees. The Note Guarantee of a Guarantor will be released and discharged upon:

- (a) (1) the designation of any Guarantor as a Non-Guarantor Restricted Subsidiary in accordance with Section 7.9;
- (2) any sale, assignment, transfer, conveyance, exchange or other disposition (by merger, consolidation or otherwise) of the Capital Stock of a Guarantor after which the applicable Guarantor is no longer a Restricted Subsidiary, which sale, assignment, transfer, conveyance, exchange or other disposition is made in compliance with the applicable provisions of this Indenture;
- (3) the designation of any Guarantor as an Unrestricted Subsidiary;
- (4) upon repayment in full of the Notes; or
- (5) the Issuer's exercise of its Legal Defeasance option or Covenant Defeasance option in accordance with ARTICLE VI or the discharge of the Issuer's obligations under this Indenture in accordance with the terms of this Indenture; and

(b) such Guarantor delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction and release have been complied with.

## ARTICLE VIII THE TRUSTEE

Section 8.1 *Duties of the Trustee*. (a) Except during the continuance of an Event of Default of which a Responsible Officer of the Trustee has Actual Knowledge:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(b) In case an Event of Default actually known to the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of Section 8.1(a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Required Holders under, or believed by it to be authorized or permitted by, this Indenture, and shall not be liable for accepting, or acting upon, any decision made by the holders in accordance herewith; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.1.

Section 8.2 *Certain Rights of the Trustee; Performance of Trustee's Duties*(a) . (a) The Trustee may conclusively rely upon, and shall be fully protected in acting or refraining from acting upon, and shall not be bound to make any investigation into the facts or matters stated in, any resolution, certificate, statement, instrument, instruction, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, guarantee or other paper or document (whether in original and/or electronic form) reasonably believed by it to be genuine and to have been signed or presented by the proper Person(s). The Trustee may (but shall not be obligated to) make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or to institute, conduct or defend any litigation at the request, order or direction of the Required Holders unless the Required Holders shall have furnished to (or caused to be furnished to) the Trustee security and/or indemnity satisfactory to it against the costs, expenses and liabilities, including attorneys' fees and expenses, that might be incurred by the Trustee therein or thereby.

(c) As a condition to the taking of or omitting to take any action by it hereunder, the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action reasonably taken or omitted by it hereunder in good faith and in reliance thereon.

(d) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both conforming to Section 10.11 and the Trustee shall not be liable for any action it takes or omits to take in good faith in conclusive reliance on such Officer's Certificate or Opinion of Counsel.

(e) For all purposes under this Indenture, the Trustee shall not be deemed to have notice or Actual Knowledge of any Default or Event of Default unless a Responsible Officer has received written notice thereof at its Corporate Trust Office, and such notice references the Notes, the Issuer and this Indenture. For purposes of determining the Trustee's responsibility and liability hereunder, whenever reference is made in this Indenture to such an Event of Default or Default, such reference shall be construed to refer only to an Event of Default or Default of which the Trustee is deemed to have notice as described in this Section 8.2.

(f) Any request or direction of the Issuer to the Trustee shall be sufficiently evidenced by a written request or order signed in the name of the Issuer by an Authorized Officer.

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Any resolution adopted by any such Person in connection with such a request or direction shall be sufficiently evidenced by a copy of such resolution certified by the secretary, assistant secretary or similar officer in the United States or, outside the United States, the official or Person who performs the functions that are normally performed by a secretary or assistant secretary in the United States (including, in the case of the Issuer, the Secretary or similar officer) of such Person to have been duly adopted and to be in full force and effect.

(g) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may conclusively rely upon an Officers' Certificate or an Opinion of Counsel.

(h) The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Note Guarantees or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer or Guarantors in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

(i) The Trustee may, in the execution and exercise of all or any of the powers and authorities vested in it by this Indenture, act by Responsible Officer(s) of the Trustee (or duly-authorized officers of its Affiliates), and the Trustee may also execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, accountants, custodians or nominees and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agents, attorneys, accountants, custodians or nominees appointed with due care by the Trustee.

(j) The Trustee, any Paying Agent, Registrar, Transfer Agent or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Trustee, Paying Agent, Registrar, Transfer Agent or such other agent.

(k) The Trustee shall not be required to provide, on its own behalf, any surety, bond or other kind of security in connection with the execution of any of its trusts or powers under this Indenture or the performance of its duties hereunder.

(l) The recitals contained herein, in the Notes or any offering materials, except for the Trustee's certificate of authentication, shall not be taken as the statements of the Trustee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture, the Notes or any offering materials.

(m) The Trustee shall not be accountable for the use or application by any Person of any funds deposited in or withdrawn from any account, or required to be so deposited or withdrawn, other than any funds held by or on behalf of the Trustee and over which the Trustee has exclusive dominion and control. Furthermore, the Trustee shall not be accountable for the use or application of any securities or other Property or the proceeds thereof that shall be used by the Issuer or any other Person (except itself) other than in accordance with this Indenture.

(n) The Trustee shall (i) not be responsible for the payment of any interest or investment income with respect to amounts held by it and (ii) have no obligation to invest or reinvest any amounts held by it.

(o) No provision of this Indenture shall be deemed to impose any duty or obligation on the Trustee to take or omit to take any action, or suffer anything to exist, in the performance of its duties or obligations under this Indenture, or to exercise any right or power hereunder, to the extent that taking or omitting to take such action, suffering such thing to exist, or exercising such right or power, would violate Applicable Law binding upon it. No provision of this Indenture shall be deemed to impose any duty or obligation on the Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation, or which would render the Trustee liable to any Person in any such jurisdiction or the State of New York.

(p) The rights, privileges, protections, immunities and benefits provided to the Trustee hereunder (including its right to be indemnified) are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder as Paying Agent, Registrar and Transfer Agent and in its capacities under this Indenture and the Notes and to each of its agents, custodians and other Persons duly employed by the Trustee hereunder or thereunder and to each other Authorized Agent appointed hereunder.

(q) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(r) Notwithstanding any provision herein to the contrary, in no event shall the Trustee be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Indenture or the Notes, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond its control whether or not of the same class or kind as specifically named above.

(s) In no event shall the Trustee be responsible or liable for special, indirect, consequential or punitive loss or damage of any kind whatsoever (including, but not limited to, loss of profit), even if the Trustee has been advised as to the likelihood of such loss or damage and regardless of the form of action.

(t) The Trustee may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles and/or phone numbers of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any Person authorized to sign an Officers' Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(u) Notwithstanding anything to the contrary herein, any and all email communications (both text and attachments) by or from the Trustee that the Trustee deems to contain confidential, proprietary, and/or sensitive information may be encrypted. The recipient (the “*Email Recipient*”) of the encrypted email communication will be required to complete a registration process. Instructions on how to register and/or retrieve an encrypted message will be included in the first secure email sent by the Trustee to the Email Recipient. Additional information and assistance on using the encryption technology can be found at Citibank’s secure email website located at <http://www.citi.com/citi/citizen/privacy/email.htm> or by calling (866) 535-2504 (in the U.S.) or (904) 954-6181.

(v) The Trustee (in each of its capacities) agrees to accept and act upon instructions or directions pursuant to this Indenture or any documents executed in connection herewith sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that any person providing such instructions or directions shall provide to the Trustee an incumbency certificate listing persons designated to provide such instructions or directions (including the email addresses of such persons), which incumbency certificate shall be amended whenever a person is added or deleted from the listing. If such person elects to give the Trustee email (of .pdf or similar files) and the Trustee in its discretion elects to act upon such instructions, the Trustee’s reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflicting with or being inconsistent with a subsequent written instruction. Any person providing such instructions or directions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 8.3 *Resignation and Removal; Appointment of Successor Trustee; Eligibility.* (a) The Trustee may resign and be discharged of the trust created by this Indenture by giving at least 30 days’ written notice to the Issuer and the Holders, and such resignation shall take effect upon receipt by the Trustee of an instrument of acceptance of appointment executed by a successor trustee as provided in Section 8.4.

(b) The Trustee may be removed as trustee at any time, with or without cause, upon 30 days’ prior written notice by the Required Holders delivered to the Trustee and the Issuer, and (unless such notice provides otherwise) such removal shall take effect upon receipt by the Trustee of an instrument of acceptance of appointment executed by a successor trustee as provided in Section 8.4.

(c) If at any time any of the following occurs:

(i) the Trustee ceases to be eligible to act as the Trustee in accordance with clause (d) and fails to resign after written request for such resignation by the Issuer or the Required Holders; or

(ii) the Trustee becomes incapable of acting, or (in its individual capacity) shall be adjudged a bankrupt or insolvent or a receiver or liquidator of the Trustee (in its individual capacity) or of its Property shall be appointed, or any public officer takes charge or control of the Trustee (in its individual capacity) or of its Property or affairs for the purpose of rehabilitation, conservation or liquidation,

then the Issuer (so long as no Default or Event of Default with respect to any Notes exists) may remove the Trustee.

(d) If at any time the Trustee shall resign, be removed or become incapable of acting as trustee hereunder, or if at any time a vacancy shall occur in the office of the Trustee for any other cause, then the Issuer (or, if an Event of Default has occurred and is continuing, the Required Holders) may appoint a qualified successor trustee. If no such successor trustee is appointed by the Issuer within 30 days thereafter: (i) the Trustee's delivery of notice of resignation, (ii) the Trustee's receipt of notice of removal or (iii) the occurrence of such vacancy, then the Issuer, the Trustee or the Required Holders may request, at the expense of the Issuer, a court of competent jurisdiction to make such appointment.

Any Trustee, however appointed, shall (i) be a licensed bank or trust company having a corporate trust department (or a branch, Subsidiary or other Affiliate thereof) organized and doing business under the laws of the United States or any state thereof and authorized under such laws to exercise corporate trust powers in the United States, (ii) have a combined capital and surplus of at least U.S.\$25,000,000 (or its equivalent in any other currency), and (iii) not be affiliated (as that term is defined in Rule 405 under the Securities Act) with the Issuer. If at any time the Trustee ceases to be eligible to act as trustee in accordance with this paragraph, then the Trustee shall resign immediately as Trustee as specified in clause (a) or may be removed as specified in clause (c).

Section 8.4 Acceptance of Appointment by Successor Trustee. (a) Any successor Trustee appointed as provided in Section 8.3 shall execute, acknowledge and deliver to the Holders, the Issuer and to its predecessor Trustee an instrument accepting such appointment hereunder, and, subject to Section 8.3, upon the resignation or removal of the predecessor Trustee, such appointment shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; *provided, however*, that the Trustee ceasing to act shall, on written request of the Issuer or the successor Trustee, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all Property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, *provided for in Section 8.5*. Upon written request of any such successor Trustee, the Holders and the Issuer shall execute any and all instruments in writing for fully and certainly vesting in and confirming to such successor Trustee all such rights and powers.

(b) No successor Trustee shall accept appointment as provided in this Section 8.4 unless at the time of such acceptance such successor Trustee shall be eligible to act as the Trustee under Section 8.3(d).

(c) Upon acceptance of appointment by a successor trustee as provided in this Section 8.4, the successor trustee shall notify each Holder of such appointment by delivery at its last address as shall appear in the Register, and shall deliver a copy of such notice to the Issuer. If the acceptance of appointment is substantially contemporaneous with the resignation of the previous Trustee, then the notice required by the preceding sentence may be combined with the notice required by Section 8.3.

Section 8.5 *Trustee and Authorized Agents Fees and Expenses; Indemnity.* (a) The Issuer covenants and agrees to pay to each of the Trustee, any predecessor Trustee and each Authorized Agent from time to time, and the Trustee shall be entitled to, compensation as agreed in writing between the Issuer and the Trustee and the Issuer and such Authorized Agent from time to time (which compensation shall not be limited by any provision of Applicable Law in regard to the compensation of a trustee of an express trust).

(b) The Issuer covenants and agrees to pay or reimburse, or cause the payment or reimbursement of, the Trustee and each predecessor Trustee and each Authorized Agent, upon its request, for all duly documented expenses, disbursements and advances reasonably incurred or made by or on behalf of it in accordance with this Indenture (including the compensation of, and expenses and disbursements of, its counsel and of all agents and other Persons not regularly in its employ), except any such expense, disbursement or advance as may arise from its own gross negligence or willful misconduct.

(c) The Issuer and each Guarantor, jointly and severally, shall indemnify each of the Trustee and any predecessor Trustee, each Authorized Agent and their respective officers, employees, directors and agents for, and shall hold them harmless against, any and all loss, damage, claim, liability or expense (including attorneys' fees and expenses), including Taxes (other than Taxes based upon, measured by or determined by the income of such Person), arising out of or in connection with this Indenture or the Notes, and the transactions contemplated thereby, including the acceptance or administration of the trust hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Issuer, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers, rights or duties hereunder or thereunder, except to the extent that such loss, damage, claim, liability or expense is due to its own gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(d) In addition to and without prejudice to its other rights hereunder, when the Trustee or any Authorized Agent incurs expenses or renders services in connection with any Event of Default, the expenses (including the compensation of, duly documented reasonable expenses of and disbursements by its counsel) and the compensation for its services are intended to constitute expenses of administration under any applicable United States federal or state or non-U.S. bankruptcy, insolvency or other similar law.

(e) To secure the Issuer's obligations under this Section 8.5, the Trustee and each Authorized Agent shall have a first lien on, and may withhold or set-off any amounts due and owing to it under this Section 8.5 from, any money or Property held or collected by the Trustee in its capacity as Trustee (whether directly or through an Authorized Agent), except for such money and Property which is held in trust to pay the principal, premium (if any) or interest on particular Notes.

(f) “Trustee” for purposes of this Section 8.5 shall include any predecessor Trustee; *provided, however*, that the gross negligence or willful misconduct of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

(g) The provisions of this Section 8.5 shall survive the termination of this Indenture or payment of the Notes and the resignation or removal of the Trustee and/or any Authorized Agent.

Section 8.6 Documents Furnished to the Holders. (a) Promptly following its receipt thereof, the Trustee shall, at the cost of the Issuer, in the manner provided for in Section 10.5, furnish or otherwise make available to each applicable Holder who so requests in writing in accordance with this paragraph a copy of any material certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal or other paper or document it receives from the Issuer pursuant to this Indenture or the Notes to be furnished to the Trustee. Upon the Trustee’s receipt from any Holder of a written request containing: (i) a certificate that such Person is a Holder (together with documentary evidence of same) and (ii) an address for delivery, the Trustee shall deliver or otherwise make available to such Holder a copy of any such certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal or other paper or document promptly after its receipt thereof.

(b) As promptly as practicable after, and in any event within 90 days after the receipt by the Trustee of notice or its Actual Knowledge of, any Event of Default with respect to any Note (or an event that would be a Default with respect to any Note with the expiration of any applicable grace period, giving of notice or both), the Trustee shall, subject to Section 8.2(d), deliver notice of such Event of Default to all Holders of outstanding Notes as their names and addresses appear on the Register. If no such successor agent is appointed by the Issuer within 30 days thereafter: (i) the Authorized Agent’s delivery of notice of resignation, (ii) the Authorized Agent’s receipt of notice of removal or (iii) the occurrence of such vacancy, then the Issuer, the Trustee, the Authorized Agent or the Required Holders may request, at the expense of the Issuer, a court of competent jurisdiction to make such appointment.

Section 8.7 Merger, Conversion, Consolidation and Succession. Any Person or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any Person or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including this transaction), shall be the successor of the Trustee hereunder (*provided* that such corporation or other entity shall be otherwise qualified and eligible hereunder) without the execution or filing of any paper or any further action on the part of any of the parties hereto. If any Notes shall have been authenticated but not delivered by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 8.8 *Eligibility; Disqualification*. There shall at all times be a Trustee hereunder which shall be an independent organization or entity organized and doing business under the laws of the United States of America or of any state thereof, (a) authorized under such laws to exercise corporate trust powers, (b) having a combined capital and surplus of at least U.S.\$50,000,000, (c) subject to supervision or examination by federal or state authority and (d) having an office within the United States. If such organization or entity publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 8.8, the combined capital and surplus of such organization or entity shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

Section 8.9 *Money Held in Trust*. Money held by the Trustee hereunder shall be held by it in trust for the Holders but need not be segregated from other funds, except as provided in Sections 6.1 and 6.4. The Trustee shall not have any personal liability for interest upon or investment of any such monies unless agreed to in writing.

Section 8.10 *No Action Except Under Specified Documents or Instructions*. The Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Issuer's Property (excluding any Notes) except (a) in accordance with the powers granted to and the authority conferred upon the Trustee pursuant to this Indenture and the Notes and (b) in accordance with any document or instruction delivered to the Trustee pursuant hereto.

Section 8.11 *Not Acting in its Individual Capacity*. In accepting the trusts hereby created, the entity acting as Trustee acts solely as Trustee hereunder and not in its individual capacity and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Indenture or any Note shall look only to the Issuer for payment or satisfaction thereof.

Section 8.12 *Maintenance of Agencies*. (a) The Issuer shall at all times maintain an office or agency where Notes may be presented or surrendered for registration of transfer or for exchange and for payment thereof. Such offices or agencies shall be (i) initially at the Corporate Trust Office and (ii) in Singapore (which may be an office of the paying agent in Singapore or an Affiliate of such Person) so long as the Notes are listed on the Singapore Stock Exchange and the rules of such stock exchange shall so require. Written notice of any change of location thereof shall be given by the Trustee to the Issuer and the Holders.

(b) The Issuer hereby initially appoints Citibank, N.A., at its Corporate Trust Office, as the Trustee hereunder and Citibank, N.A. hereby accepts such appointment. The Trustee will have the powers and authority granted to and conferred upon it in the Notes and hereby and such further powers and authority to act on behalf of the Issuer as may be mutually agreed upon by the Issuer and the Trustee, and the Trustee will keep a copy of this Indenture available for inspection during normal business hours at its Corporate Trust Office.

(c) The Issuer hereby initially appoints DTC to act as depositary with respect to the Global Notes.

(d) The Issuer hereby initially appoints the Trustee as Registrar and Paying Agent for the Notes.

(e) Any Person or other entity into which any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3) may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent hereunder, if such successor corporation is otherwise eligible under this Section 8.12, without the execution or filing of any document or any further act on the part of the parties hereto or such Authorized Agent or such successor corporation or other entity. In acting hereunder in connection with the Notes, each Authorized Agent shall act solely as an agent of the Issuer, and will not thereby assume any obligations towards or relationship of agency or trust for or with any Holder.

(f) Any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3(a)) may at any time resign by giving 30 days' written notice of resignation to the Trustee and the Issuer. The Issuer may, and at the request of the Required Holders shall, at any time terminate the agency of any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3) by giving written notice of termination to such Authorized Agent and to the Trustee. Upon the resignation or termination of an Authorized Agent or in case at any time any such Authorized Agent shall cease to be eligible under this Section 8.12 (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed by the Issuer), the Issuer shall promptly appoint one or more qualified successor Authorized Agents to perform the functions of the Authorized Agent that has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section 8.12. The Issuer shall give written notice of any such appointment made by it to the Trustee; and in each case the Trustee shall deliver notice of such appointment to all applicable Holders as their names and addresses appear on the Register.

Section 8.13 Co-Trustees and Separate Trustees (a) Notwithstanding any other provisions of this Indenture, at any time for the purpose of meeting any legal requirement of any jurisdiction, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, subject to the other provisions of this Section 8.13, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable; *provided, however*, that, prior to an Event of Default, no co-trustee, co-trustees, separate trustee or separate trustees shall be appointed without the prior written consent of the Issuer, which consent shall not to be unreasonably withheld. Each co-trustee or separate trustee hereunder shall be required to have a combined capital and surplus of at least U.S.\$25,000,000 and the Trustee shall, at the expense of the Issuer, provide prompt notice to Holders of the appointment of any co-trustee or separate trustee.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of the collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) neither the Trustee nor any co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of any other trustee, co-trustee or separate trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this indenture and the conditions of this ARTICLE VIII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the right to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

## **ARTICLE IX AMENDMENTS, SUPPLEMENTS AND WAIVERS**

Section 9.1 *With Consent of the Holders*. (a) Except as provided in Section 9.1(b) and Section 9.2, this Indenture, the Notes or the Note Guarantees may be amended or supplemented by the Issuer, the Guarantors and the Trustee with the consent (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (excluding any Notes held by the Issuer or any of its Affiliates), and any existing Default or Event of Default or compliance with any provision of this Indenture or the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

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- (b) Without the consent of each Holder affected, an amendment, supplement or waiver may not:
- (i) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
  - (ii) reduce the stated rate of interest or change or have the effect of changing the stated time for payment of interest on any Note (for the avoidance of doubt, changing the period provided for any repurchase or redemption notice under this Indenture and the Notes is not limited by this clause);
  - (iii) reduce the principal amount of or change or have the effect of changing the Stated Maturity of any Note;
  - (iv) waive a Default or Event of Default in the payment of principal of, premium, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then-outstanding Notes with respect to a payment default and a waiver of the payment default that resulted from such acceleration);
  - (v) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or repurchased as described in Section 3.3, Section 4.1(e) and Section 4.4, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (for the avoidance of doubt, changing the period provided for any repurchase or redemption notice under this Indenture and the Notes is not limited by this clause);
  - (vi) make any Note payable in a currency other than that stated in the Note;
  - (vii) impair the right of any Holder to receive payment of principal, premium, if any, or interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;
  - (viii) make any change in the amendment or waiver provisions which require each Holder's consent;
  - (ix) make any change in Section 2.12 that adversely affects the rights of Holders (or beneficial owners) or amend the terms of the Notes in a way that would result in a loss of exemption from or reduction in any applicable Taxes; or
  - (x) modify the Note Guarantees in any manner adverse to the Holders.

Section 9.2 *Without Consent of the Holders*. Without the consent of any Holder, the Issuer, the Trustee and, if applicable, the Guarantors may amend or supplement this Indenture, the Notes or any Note Guarantees (*provided* that the Issuer and the existing Guarantors need not execute any supplemental indenture whereby any new Guarantor will provide a Note Guarantee) to:

- 
- (a) cure any ambiguity, omission, defect or inconsistency in a manner that is not adverse to the interests of the Holders of the Notes;
  - (b) provide for the assumption by a successor entity of the obligations of the Issuer or any Guarantor under this Indenture, the Notes or the Note Guarantees in accordance with Section 4.3;
  - (c) add Guarantors with respect to the Notes or release a Guarantor from its obligations under its Note Guarantee or this Indenture, in each case, in accordance with the applicable provisions of this Indenture;
  - (d) secure the Notes and the Note Guarantees;
  - (e) add covenants of the Issuer and its Restricted Subsidiaries or Events of Default for the benefit of Holders or to make changes that would provide additional rights to the Holders or to surrender any right or power conferred upon the Issuer or any Guarantor;
  - (f) evidence the replacement of the Trustee as provided for in this Indenture;
  - (g) make any change that does not adversely affect the rights under this Indenture, the Notes or the Note Guarantees of any Holder in any material respect;
  - (h) conform the text of this Indenture, the Notes or the Note Guarantees to any provision of the “Description of the Notes” section of the Offering Memorandum to the extent that such provision in such “Description of the Notes” section was intended to be a verbatim recitation of a provision of this Indenture, the Notes or the Note Guarantees; and
  - (i) provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture, *provided* that any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a “qualified reopening” of, or are otherwise fungible with, the Notes sold in this offering for U.S. federal income tax purposes.

Section 9.3 *Effect of Indenture Supplements*. (a) Upon the effectiveness of any amendment, supplement or waiver in accordance with this ARTICLE IX, this Indenture, previous indenture supplements and the Note(s) affected thereby shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Holders affected thereby and the Issuer shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications, amendments and waivers.

(b) After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it is of the type described in Section 9.1(b). In case of an amendment or waiver of the type described in Section 9.1(b), the amendment or waiver shall bind each Holder who has consented to it and every subsequent Holder that evidences the same indebtedness as the Note(s) of the consenting Holder.

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(c) The Trustee shall not be obligated to enter into any such supplemental indenture which affects its own rights, duties, indemnities or immunities under this Indenture or otherwise.

Section 9.4 *Documents to be Given to the Trustee*. Before the execution thereof, the Trustee shall receive, in addition to the documents required by Section 10.10, one or more Officers' Certificate(s) of the Issuer and one or more Opinion(s) of Counsel each stating and as conclusive evidence that any amendment, supplement or waiver complies with the applicable provisions of this Indenture and is authorized or permitted by this Indenture.

Section 9.5 *Notation on or Exchange of Notes*. If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver such Note to the Trustee. At the Issuer's expense the Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Note shall issue and upon receipt of an Authentication Order, the Trustee shall authenticate a new Note that reflects the changed terms. Any failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment, supplement or waiver.

Section 9.6 *Meetings of Holders*. (a) The Trustee or the Issuer shall, upon the request of Holders holding not less than 10% in aggregate principal amount of the outstanding Notes, or the Issuer may, at its discretion, call a meeting of Holders at any time and from time to time to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by such Holders to be held at such time and at such place as the Trustee shall reasonably determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, at the expense of the Issuer, by the Issuer or the Trustee to each applicable Holder not less than 10 nor more than 60 days before the date fixed for the meeting. In case at any time the Issuer or Holders holding at least 10% of the outstanding Notes shall have requested the Trustee to call a meeting of the Holders for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, the Trustee shall call such a meeting for such purposes by giving notice thereof.

(b) To be entitled to vote at any meeting of Holders, a Person shall be a Holder or a Person duly appointed by an instrument in writing as proxy for a Holder. The quorum at any meeting of Holders called to adopt a resolution shall be Holders holding more than 50% in aggregate principal amount of the outstanding Notes. Any instrument given by or on behalf of any Holder in connection with any consent to any modification, amendment or waiver shall be irrevocable once given and shall be conclusive and binding on all subsequent Holders of such Note. Any action taken at a duly called and held meeting of any Holders shall be conclusive and binding on all Holders, whether or not they gave consent or were present at the meeting. The Trustee may make such reasonable and customary regulations as it shall deem advisable for any meeting of Holders with respect to proof of the appointment of proxies, the

record date for determining the registered Holders entitled to vote (which date shall be specified in the notice of meeting), the adjournment and chairmanship of such meeting, the appointment and duties of inspectors of such meeting, the conduct of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem appropriate. A record of the proceedings of each meeting of Holders shall be prepared by the party calling the meeting and a copy thereof shall be delivered to the Issuer and the Trustee.

Section 9.7 *Voting by the Issuer and Any Affiliates Thereof*. Notwithstanding anything herein to the contrary, should any Notes (or beneficial interests therein) be owned by the Issuer or any Affiliate thereof, any vote to be taken by Holders (including any vote resulting from the occurrence of an Event of Default) shall exclude from such voting the vote relating to (and principal amount of) the outstanding Notes (or beneficial interests therein) of any such Person.

## ARTICLE X MISCELLANEOUS

Section 10.1 *Payments: Currency Indemnity*. (a) U.S. dollars are the sole currency of account and payment for all sums payable under or in connection with this Indenture, the Notes or the Note Guarantees. Any amount received or recovered in currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Subsidiary or otherwise) in respect of any sum expressed to be due on the Notes and under this Indenture shall only constitute a discharge of such obligation, to the greatest extent permitted under applicable law, to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of such receipt or recovery (or, if it is not practicable to make the purchase on that date, on the first date on which it is practicable to do so). If the U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under this Indenture, the Notes or the Note Guarantees, to the greatest extent permitted under applicable law, the payor shall indemnify and hold harmless the recipient against any loss sustained by it in making any such purchase. In any event, the payor shall indemnify the payee of such amounts against the cost of making any such purchase of U.S. dollars. For the purposes of this Section 10.1, it shall be sufficient for the payee of such amounts to certify in a satisfactory manner that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable) and that the change of the purchase date was needed.

(b) The indemnities contained in this Section 10.1, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action; (iii) shall apply irrespective of any indulgence granted by such payee; and (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Indenture, any Note or any Note Guarantee.

Section 10.2 Governing Law. **THIS INDENTURE HAS BEEN DELIVERED IN NEW YORK, NEW YORK AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

Section 10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Person, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by Applicable Law.

Section 10.4 Severability. Any provision of this Indenture or any Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.5 Notices. (a) All notices, instructions, directions, requests and demands delivered in connection herewith shall be in English and shall be in writing (including by fax) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when received (including by courier), addressed as follows in the case of the Trustee and the Issuer:

If to the Trustee:

(a) for Note transfer purposes and presentment of the Notes for final payment thereon,

**CITIBANK, N.A.**

480 Washington Boulevard, 30th Floor  
Jersey City, New Jersey 07310

Attention: Citibank, N.A. – Agency & Trust – Auna S.A.A.

and

(b) for all other purposes,

**CITIBANK, N.A.**

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388 Greenwich Street  
New York, New York 10013

Attention: Citibank, N.A.—Agency & Trust—Auna S.A.A.

(c) If to the Issuer or any Guarantor:

**AUNA S.A.A.**

Avenida República de Panamá 3461  
San Isidro  
Lima  
Perú

Attention: Chief Financial Officer

(b) The Issuer and the Trustee, by notice, may designate additional or different addresses for subsequent notices or communications.

(c) Any notice or communication to a Holder shall be deemed to have been duly given upon the mailing of such notice by first-class mail to such Holder at its registered address as recorded in the Register not later than the latest date, and not earlier than the earliest date, prescribed in this Indenture for the giving of such notice. In the case of Global Notes, notices shall be sent to DTC or its nominees (or any successors), as the Holders thereof, and DTC will communicate such notices to the DTC Participants in accordance with its standard procedures. Any requirement of notice hereunder may be waived by the Person entitled to such notice before or after such notice is required to be given, and such waivers shall be filed with the Trustee.

(d) For so long as any Notes are listed on the Singapore Stock Exchange and in accordance with the rules and regulations of the Singapore Stock Exchange, the Issuer will publish all notices to Holders in a newspaper with general circulation in Singapore. Any such notice shall be deemed to have been delivered on the date of first publication.

(e) If the Issuer gives a notice or communication to any Holder, it shall give a copy to the Trustee in advance of sending the notice to the Holder.

(f) The Trustee shall promptly furnish the Issuer with a copy of any demand, notice or written communication received by the Trustee hereunder from any Holder.

(g) The Trustee and the Authorized Agents agree to accept and act upon notice, instructions or directions pursuant to this Indenture sent by unsecured e-mail or other similar unsecured electronic methods; *provided*, however, that any Person providing such notice, instructions or directions shall provide to the Trustee an incumbency certificate listing authorized persons designated to provide such instructions or directions, which incumbency certificate shall be amended whenever a person is added or deleted from the listing; provided, further, that

notices, instructions or direction to the Trustee shall be executed notices, instructions or directions (which may be in the form of a .pdf file). If the party elects to give the Trustee or the Authorized Agents e-mail (or instructions by a similar electronic method) and the Trustee or the Authorized Agents in their discretion elect to act upon such instructions, the Trustee's or Authorized Agents' understanding of such instructions shall be deemed controlling. The Trustee or Authorized Agents shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's or Authorized Agents' reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The party providing electronic instructions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee or the Authorized Agents, including without limitation the risk of the Trustee or the Authorized Agents acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.6 *Counterparts*. This Indenture may be executed on any number of separate counterparts (including by fax or electronic delivery), and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.7 *Entire Agreement*. This Indenture, including the documents referred to herein, contains the entire understanding of the parties hereto with respect to the subject matter contained herein, and there are no promises, undertakings, representations or warranties by the parties hereto relative to the subject matter hereof not expressly specified or referred to herein.

Section 10.8 *Waiver of Jury Trial*. THE PARTIES HERETO (AND EACH HOLDER, BY ITS ACCEPTANCE OF A NOTE) HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS INDENTURE OR THE NOTES AND FOR ANY COUNTERCLAIM RELATING THERETO. EACH PARTY (AND EACH HOLDER, BY ITS ACCEPTANCE OF A NOTE) ACKNOWLEDGES THAT THE OTHER PARTIES HERETO ARE ENTERING INTO THIS INDENTURE IN RELIANCE UPON SUCH WAIVER.

Section 10.9 *Submission to Jurisdiction; Waivers; Prescription*. (a) The parties to this Indenture or the Notes hereby irrevocably submit to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in The City of New York over any suit, action or proceeding arising out of or relating to this Indenture, the Notes or the transactions contemplated thereby (each, a "Related Proceeding"). The parties to this Indenture or the Notes irrevocably waive, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any Related Proceeding brought in such a court and any claim that any such Related Proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Issuer or any Guarantor has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, the Issuer and each of the Guarantors irrevocably waive, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

(b) The Issuer and each of the Guarantors hereby irrevocably appoint Cogency Global Inc., with offices at 122 East 42nd Street, 18th Floor, New York, New York 10168, as their respective agent for service of process in any Related Proceeding and agree that service of process in any such Related Proceeding may be made upon it or them at the office of such agent. The Issuer and each of the Guarantors waive, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with respect thereto. The Issuer and each of the Guarantors further agrees that the failure of such agent to give notice to it of any such service of process shall not impair or affect the validity of such service or any judgment rendered in any action, suit or proceeding based thereon. If for any reason such agent shall cease to be available to act as such (including by reason of the failure of such agent to maintain an office in New York City), the Issuer and each of the Guarantors agrees promptly to designate a new agent in New York City, on the terms and for the purposes of this Section 10.9 and notify the Trustee in writing promptly of the same.

Section 10.10 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer will furnish to the Trustee upon request:

(a) an Officers' Certificate (which will include the statements set forth in Section 10.11) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, *provided* for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel (which will include the statements set forth in Section 10.11) stating that, in the opinion of such counsel, all such conditions precedent have been satisfied; *provided, however*, that no such Opinion of Counsel shall be delivered with respect to the authentication and delivery of any Notes on the Issue Date.

Section 10.11 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition provided for in this Indenture will include (other than the certificate set forth in Section 4.1(b)):

(a) a statement that the Person making such certificate or opinion has read such condition and the definitions in this Indenture relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition has been complied with.

Section 10.12 Headings and Table of Contents. Section headings and the table of contents in this Indenture have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

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Section 10.13 Use of English Language. All certificates, reports, notices, instructions, and other documents and communications given or delivered pursuant to this Indenture shall be in the English language or accompanied by a certified English translation thereof.

Section 10.14 No Personal Liability of Directors, Officers, Employees and Stockholders. No director, officer, employee, incorporator, stockholder, member or partner of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or any Guarantor under the Notes, this Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the United States federal securities laws.

Section 10.15 Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the USA Patriot Act, Citibank, N.A., like all financial institutions and in order to help fight the funding of terrorism and money laundering, are required to obtain, verify, update and record information that identifies each Person or legal entity that establishes a relationship or opens an account. Each party to this agreement agrees that it will provide Citibank, N.A. with such information with respect to such party as Citibank, N.A. may request from time to time in order for Citibank, N.A. to satisfy the requirements of the USA Patriot Act.

[Signature Page Follows]

*IN WITNESS WHEREOF*, the undersigned have caused this Indenture to be duly executed as of the date first above written by their respective officers hereunto duly authorized.

**AUNA S.A.A.**

as Issuer

By: /s/ Pedro Castillo

\_\_\_\_\_  
Name: Pedro Castillo

Title: Chief Financial Officer

**AUNA SALUD S.A.C.**

**CLÍNICA BELLAVISTA S.A.C.**

**CLÍNICA MIRAFLORES S.A.**

**CLÍNICA VALLESUR S.A.**

**GSP INVERSIONES S.A.C.**

**GSP SERVICIOS COMERCIALES S.A.C.**

**GSP SERVICIOS GENERALES S.A.C.**

**GSP TRUJILLO S.A.C.**

**LABORATORIO CLÍNICO INMUNOLÓGICO CANTELLA**

**S.A.C. MEDICSER S.A.C.**

**ONCOCENTER PERÚ S.A.C.**

**ONCOSALUD S.A.C.**

**RYR PATÓLOGOS ASOCIADOS S.A.C.**

**SERVIMÉDICOS S.A.C.**

as Guarantors

By: /s/ Pedro Castillo

\_\_\_\_\_  
Name: Pedro Castillo

Title: Chief Financial Officer

**AUNA COLOMBIA S.A.S.**

By: /s/ Carlos Andrés Ángel Arango

\_\_\_\_\_  
Name: Carlos Andrés Ángel Arango

Title: Legal Representative

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**CLÍNICA DEL SUR S.A.S.**

By: /s/ Gustavo Adolfo Cadavid Monsalve

Name: Gustavo Adolfo Cadavid Monsalve

Title: Legal Representative

**INSTITUTO DE CANCEROLOGÍA S.A.S.**

By: /s/ Leonardo Alonso Arcila Castro

Name: Leonardo Alonso Arcila Castro

Title: Legal Representative

**PROMOTORA MÉDICA LAS AMÉRICAS S.A.**

By: /s/ Carlos Andrés Ángel Arango

Name: Carlos Andrés Ángel Arango

Title: Legal Representative

**LABORATORIO MÉDICO LAS AMÉRICAS S.A.S.**

By: /s/ Gustavo Adolfo Cadavid Monsalve

Name: Gustavo Adolfo Cadavid Monsalve

Title: Legal Representative

**LAS AMÉRICAS FARMA STORE S.A.S.**

By: /s/ Carlos Andrés Ángel Arango

Name: Carlos Andrés Ángel Arango

Title: Legal Representative

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**CITIBANK, N.A.,**  
as Trustee, Registrar and Paying Agent

By: /s/ Danny Lee

Name: Danny Lee

Title: Senior Trust Officer

LIST OF GUARANTORS

<u>Entity</u>	<u>Jurisdiction</u>
1. Auna Salud S.A.C.	Peru
2. Clínica Bellavista S.A.C.	Peru
3. Clínica Miraflores S.A.	Peru
4. Clínica Vallesur S.A.	Peru
5. GSP Inversiones S.A.C.	Peru
6. GSP Servicios Comerciales S.A.C.	Peru
7. GSP Servicios Generales S.A.C.	Peru
8. GSP Trujillo S.A.C.	Peru
9. Laboratorio Clínico Inmunológico Cantella S.A.C.	Peru
10. Medicser S.A.C.	Peru
11. Oncocenter Perú S.A.C.	Peru
12. Oncosalud S.A.C.	Peru
13. RyR Patólogos Asociados S.A.C.	Peru
14. Servimédicos S.A.C.	Peru
15. Auna Colombia S.A.S.	Colombia
16. Clínica del Sur S.A.S.	Colombia
17. Instituto de Cancerología S.A.S.	Colombia
18. Promotora Médica Las Américas S.A.	Colombia
19. Laboratorio Médico Las Américas S.A.S.	Colombia
20. Las Américas Farma Store S.A.S.	Colombia

**[FORM OF] FACE OF NOTE**  
**AUNA S.A.A.**

**[RESTRICTED GLOBAL NOTE]**  
**[REGULATION S GLOBAL NOTE]**  
**[DEFINITIVE NOTE]**

**representing**

**U.S.\$[●]**

**6.500% Senior Notes due 2025**

**[Global Notes Legend]<sup>1</sup>**

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. (OR SUCH OTHER ENTITY), HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

<sup>1</sup> This Global Notes Legend should be included only if the Note is to be held by DTC in global form.

[Restricted Securities Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF AUNA S.A.A. (THE "ISSUER") THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ONLY AT THE OPTION OF THE ISSUER.

[Regulation S Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON AND INCLUDING THE LATER OF THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ISSUE DATE OF THE NOTES.



IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

**AUNA S.A.A.**

By: \_\_\_\_\_

Name:

Title:

**TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION**

This is one of the Notes referred to in the within-mentioned  
Indenture

Citibank, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date: \_\_\_\_\_

[FORM OF] REVERSE OF NOTE

6.500% Senior Notes due 2025

Interest

AUNA S.A.A., an openly held corporation organized under the laws of Peru (the “*Issuer*”) promises to pay interest on the principal amount of this Note at the rate per annum shown above.

Each Note and Additional Note shall bear interest at a rate of 6.500% per annum from the issue date of such Note or Additional Note or from the most recent interest Payment Date to which interest has been paid, as the case may be, payable semi-annually in arrears on each Payment Date commencing on May 20, 2021 until the principal thereof is paid or duly provided for. Interest on the Notes will accrue and be payable in Dollars and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable to the Holders of record on the 15th calendar day (whether or not a Business Day) immediately preceding the related interest Payment Date.

Method of Payment

On or prior to 11:00 a.m. on the Business Day prior to any Payment Date and/or Maturity Date, the Issuer will deposit or cause to be deposited with the Paying Agent, in immediately available funds, a sum in Dollars sufficient to pay the principal, premium (if any), interest or Additional Amounts (if any) due on each Note or Additional Notes on such Payment Date and/or Maturity Date; *provided, however*, any funds received after 11:00 a.m. New York time shall be deemed to be have been received and deposited on the Business Day following receipt by the Paying Agent. The Issuer will pay the Holders defaulted interest in any lawful manner on a special record date. The Issuer will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Trustee will fix or cause to be fixed each such special record date and payment date, *provided* that no such special record date will be less than 10 days prior to the related payment date for such defaulted interest. At least 10 days before the special record date, the Issuer will deliver to Holders a notice that states the special record date, the related payment date and the amount of such defaulted interest to be paid. In addition, the Issuer will pay to the Holder of this Note such premium and Additional Amounts as may become payable under Section 2.12, Section 3.3 and Section 3.4 of the Indenture.

Trustee, Registrar and Paying Agent and Paying Agent and Transfer Agent

Initially, Citibank, N.A. (the “*Trustee*”), will act as Trustee, security registrar, transfer agent and paying agent. The Issuer may change the paying agent or registrar without prior notice to the Holders; *provided* that (i) while Notes are outstanding, the Issuer will maintain a paying agent and registrar in the Borough of Manhattan, The City of New York, State of New York and (ii) as long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the “*Singapore Stock Exchange*”) for trading on the Singapore Stock Exchange and the rules of the

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Singapore Stock Exchange so require, at least one paying agent in Singapore will be appointed and maintained where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for individual definitive Notes.

### Indenture

The Issuer issued the Notes under an Indenture, dated as of November 20, 2020 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the “*Indenture*”), among the Issuer, the Guarantors and Citibank, N.A., as trustee, security registrar, transfer agent and paying agent. The Indenture imposes certain limitations on the Issuer and its Restricted Subsidiaries. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. The Notes are senior obligations of the Issuer. The aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture is unlimited. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended from time to time. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. This Note is one of the Notes referred to in the Indenture.

### Optional Redemption with a Make-Whole Premium

At any time, or from time to time, prior to November 20, 2023, the Issuer may, at its option, upon not less than 10 nor more than 60 days’ prior notice delivered to each Holder’s registered address, redeem the Notes, in whole or in part, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes to be redeemed and (2) the sum of the present value at such redemption date of (i) the redemption price of the Notes on November 20, 2023 (such redemption price being set forth in the table in the paragraph below under “Optional Redemption without a Make-Whole Premium”) plus (ii) all required interest payments thereon through November 20, 2023 (excluding accrued but unpaid interest to, but excluding, the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest and Additional Amounts, if any, thereon to the redemption date, as calculated by the Independent Investment Banker.

### Optional Redemption without a Make-Whole Premium

At any time, or from time to time, on and after November 20, 2023, the Issuer may, at its option, upon not less than 30 nor more than 60 days’ prior notice delivered to each Holder’s registered address, redeem the Notes, in whole or in part, at the following redemption prices (expressed as a percentage of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest on the Notes redeemed, if any, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on November 20 of each of the years indicated below, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

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<u>Year</u>	<u>Percentage</u>
2023	103.250%
2024	101.625%

#### Optional Redemption Upon Equity Offerings

At any time, or from time to time, on or prior to November 20, 2023, the Issuer may, at its option, redeem up to 35% of the outstanding aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) with the Net Cash Proceeds of one or more Equity Offerings at a redemption price equal to 106.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the applicable redemption date; *provided that*:

- (1) at least 65% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) remains outstanding after each such redemption; and
- (2) such redemption occurs within ninety (90) days after the closing of such Equity Offering.

#### Optional Redemption Upon Tax Event

The Issuer may redeem the Notes, in whole but not in part, at 100.0% of their outstanding principal amount plus accrued and unpaid interest to, but excluding, the applicable redemption date and any Additional Amounts payable with respect thereto, only if:

- (1) on the next interest payment date the Issuer or applicable Guarantor would be obligated to pay Additional Amounts in respect of interest on the Notes or Note Guarantee in excess of the Additional Amounts that it would pay if interest payments in respect of the Notes or Note Guarantee were subject to deduction or withholding at a rate of 4.99% generally (determined without regard to any interest, fees, penalties or other additions to tax), as a result of any change in, or amendment to, the laws or regulations of any Taxing Jurisdiction, or any change in, or a pronouncement by competent authorities of the relevant Taxing Jurisdiction with respect to, the official application or official interpretation of such laws or regulations, which change, amendment or pronouncement occurs after the Issue Date (or, in the case of any withholding taxes imposed by a jurisdiction that becomes a Taxing Jurisdiction after the Issue Date, after the date such jurisdiction becomes a Taxing Jurisdiction); and
- (2) such obligation cannot be avoided by the Issuer or applicable Guarantor taking reasonable measures available to it; *provided that* for this purpose reasonable measures shall not include any change in the Issuer's jurisdiction of organization or location of its principal executive office. For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of a Paying Agent; *provided that* such change shall not require the Issuer to incur material additional costs or legal or regulatory burdens.

No notice of redemption pursuant to the preceding paragraph will be given earlier than sixty (60) days prior to the earliest date on which the Issuer or applicable Guarantor would be obligated to pay such Additional Amounts if a payment in respect of the Notes or Note Guarantee were then due. Prior to the giving of any such notice of redemption, the Issuer shall deliver to the Trustee an Officer's Certificate confirming that it is entitled to exercise such right of redemption. The Issuer will also deliver to the Trustee an Opinion of Counsel external to the Issuer, stating that it (or an applicable Guarantor) would be obligated to pay such Additional Amounts due to the changes in tax laws or regulations or changes in, or pronouncements with respect to, the official application or official interpretation of such laws or regulations. The Trustee shall accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it shall be conclusive and binding on the Holders

Denominations; Transfer; Exchange

Restricted Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the "*Restricted Global Notes*"). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the "*Regulation S Global Notes*" and, together with the Restricted Global Notes, the "*Global Notes*"). No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any Tax or other government charge payable in connection therewith and any other expenses (including fees and expenses of the Trustee) that may be imposed in connection with any registration of transfer or exchange of the Notes, other than exchanges pursuant to Section 2.13 of the Indenture not involving any transfer. The Notes (or beneficial interests therein) may not be transferred unless the principal amount so transferred is in an authorized denomination. The Notes will be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of this Note for all purposes.

Unclaimed Money

Any monies deposited with or paid to the Trustee for the payment of the principal, premium or Additional Amounts (if any), interest or any other amount due with respect to any Note and not applied but remaining unclaimed for two years after the date upon which such principal, premium or Additional Amounts (if any), interest or other amount shall have become due and payable, shall (to the extent not required to escheat to any Governmental Authority), upon written demand of the Issuer, be repaid by the Trustee to or for the account of the Issuer, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Issuer, and, to the extent permitted by Applicable Law, the Person claiming such payment of principal, premium or Additional Amounts (if any), interest or any other amount shall thereafter look only to the Issuer for any related payment that it may be entitled to receive, and all liability of the Trustee with respect to such monies shall thereupon cease.

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### Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium or Additional Amounts (if any) or interest in respect of the Notes or the Note Guarantees, as the case may be, will be prescribed unless made within six years of the due date for payment of such principal, premium or Additional Amounts (if any) or interest.

### Defeasance

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate certain of its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Securities for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

### Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, the Notes or the Note Guarantees may be amended or supplemented by the Issuer, the Guarantors and the Trustee with the consent (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (excluding any Notes held by the Issuer or any of its Affiliates), and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes or the Note Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes). Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer, the Trustee and, if applicable, the Guarantors may, among other amendments set forth in the Indenture, amend the Indenture to cure any ambiguity, defect or inconsistency in a manner that is not adverse to the interests of the Holders, or to provide for the assumption of the Issuer or a Guarantor's obligations to Holders of Notes and Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable, or to provide additional rights or benefits to the Holders or to make any change that does not adversely affect the rights of any Holder in any material respect.

### Defaults and Remedies

In the case of an Event of Default arising and continuing from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Holdings may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal

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amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

#### Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

#### Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

#### CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures the Issuer has caused CUSIP, ISIN and/or other similar numbers to be printed on the Notes and has directed the Trustee to use such numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

#### Governing Law

This Note shall be governed by the internal laws of the state of New York (including for such purpose sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

#### Additional Amounts

The Issuer will pay to the Holders such Additional Amounts as may become payable under Section 2.12 of the Indenture.

#### Conversion of Currency

Dollars are the sole currency of payment for all sums payable under or in connection with the Indenture, the Notes or the Note Guarantees, including damages. The Issuer has agreed that the provisions of Section 10.1 of the Indenture shall apply to conversion of currency in the case of the Indenture, the Notes and the Note Guarantees. Among other things, Section 10.1 of the Indenture specifies that any amount received or recovered in currency other than Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Subsidiary or otherwise) in

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respect of any sum expressed to be due on the Notes and under the Indenture shall only constitute a discharge of such obligation, to the greatest extent permitted under applicable law, to the extent of the Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of such receipt or recovery (or, if it is not practicable to make the purchase on that date, on the first date on which it is practicable to do so). If the Dollar amount is less than the Dollar amount expressed to be due to the recipient under the Indenture, the Notes or the Note Guarantees, to the greatest extent permitted under applicable law, the payor shall indemnify and hold harmless the recipient against any loss sustained by it in making any such purchase. In any event, the payor shall indemnify the payee of such amounts against the cost of making any such purchase of Dollars

Agent for Service; Submission to Jurisdiction; Waiver of Immunities

The Issuer and each of the Guarantors have irrevocably appointed Cogency Global Inc., with offices at 122 East 42nd Street, 18th Floor, New York, New York 10168, as their respective authorized agent on which any and all legal process may be served in any such action, suit or proceeding brought in any New York State or United States Federal court sitting in The City of New York.

To the extent that the Issuer or any Guarantor has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, the parties to the Indenture or the Notes irrevocably waive, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type.

Requests may be made to:

**AUNA S.A.A.**  
Avenida República de Panamá 3461  
San Isidro  
Lima  
Perú

Attention: Chief Financial Officer

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**NOTATION ON NOTE RELATING TO NOTE GUARANTEE**

For value received, the undersigned hereby jointly and severally and unconditionally guarantee as principal obligors and not merely as a surety, to the Holder of this Note, the cash payments in Dollars of principal, premium (if any) and interest on this Note (and including premium and Additional Amounts payable thereon, if any) in the amounts and at the times when due, together with interest on the overdue principal, premium (if any) and interest, if any, on this Note, if lawful, and the payment or performance of all other obligations of the Issuer under the Indenture or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and conditions of this Note and the Indenture (as defined below). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture, dated as of November 20, 2020, among the Issuer, the Guarantors and Citibank, N.A., as trustee (together with its successors hereunder, in such capacity, the “Trustee”), a security registrar, transfer agent and a paying agent.

The obligations of the undersigned to the Holders and to the Trustee are expressly set forth in the Indenture and reference is hereby made to the Indenture for the precise terms thereof.

IN WITNESS WHEREOF, each of the Guarantors has caused this endorsement with respect to this Note of AUNA S.A.A. to be duly executed.

Dated:

**AUNA SALUD S.A.C.**  
**CLÍNICA BELLAVISTA S.A.C.**  
**CLÍNICA MIRAFLORES S.A.**  
**CLÍNICA VALLESUR S.A.**  
**GSP INVERSIONES S.A.C.**  
**GSP SERVICIOS COMERCIALES S.A.C.**  
**GSP SERVICIOS GENERALES S.A.C.**  
**GSP TRUJILLO S.A.C.**  
**LABORATORIO CLÍNICO INMUNOLÓGICO CANTELLA**  
**S.A.C. MEDICSER S.A.C.**  
**ONCOCENTER PERÚ S.A.C.**  
**ONCOSALUD S.A.C.**  
**RYR PATÓLOGOS ASOCIADOS S.A.C.**  
**SERVIMÉDICOS S.A.C.**  
as Guarantors

By: \_\_\_\_\_  
Name:  
Title:

**AUNA COLOMBIA S.A.S.**

By: \_\_\_\_\_  
Name: Carlos Andrés Ángel Arango  
Title: Legal Representative

**CLÍNICA DEL SUR S.A.S.**

By: \_\_\_\_\_  
Name: Gustavo Adolfo Cadavid Monsalve  
Title: Legal Representative

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**INSTITUTO DE CANCEROLOGÍA S.A.S.**

By: \_\_\_\_\_

Name: Leonardo Alonso Arcila Castro

Title: Legal Representative

**PROMOTORA MÉDICA LAS AMÉRICAS S.A.**

By: \_\_\_\_\_

Name: Carlos Andrés Ángel Arango

Title: Legal Representative

**LABORATORIO MÉDICO LAS AMÉRICAS S.A.S.**

By: \_\_\_\_\_

Name: Gustavo Adolfo Cadavid Monsalve

Title: Legal Representative

**LAS AMÉRICAS FARMA STORE S.A.S.**

By: \_\_\_\_\_

Name: Carlos Andrés Ángel Arango

Title: Legal Representative

[FORM OF] ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_  
to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Dated: \_\_\_\_\_

Your Name: \_\_\_\_\_

(Print your name exactly as it appears on the face of this Note)

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee\*: \_\_\_\_\_

\_\_\_\_\_  
\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee)

**[FORM OF] OPTION OF HOLDERS TO ELECT PURCHASE**

If you elect to have this Note purchased by the Issuer pursuant to Section 4.4 of the Indenture, check the box below:

If you elect to have only part of this Note purchased by the Issuer pursuant to Section 4.4 of the Indenture, state the amount (in minimum denominations of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof) you elect to have purchased; *provided* that no purchase in part shall reduce the outstanding principal amount of maturity of the Notes held by you to below U.S.\$200,000: U.S.\$ \_\_\_\_\_

Dated: \_\_\_\_\_

Your Name: \_\_\_\_\_

(Print your name exactly as it appears on the face of this Note)

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on this Note)

Social Security or Tax Identification No.: \_\_\_\_\_

Signature Guarantee\*: \_\_\_\_\_

\* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee)

**[FORM OF] CERTIFICATE FOR  
EXCHANGE OR TRANSFER OF RESTRICTED GLOBAL NOTE<sup>3</sup>**

Citibank, N.A., as Trustee  
480 Washington Boulevard, 30<sup>th</sup> Floor  
Jersey City, New Jersey 07310

Attention: Citibank, N.A. – Agency & Trust – Auna S.A.A.

Re: **AUNA S.A.A.**  
6.500% Senior Note due 2025 (the “Notes”)

Reference is hereby made to the Indenture dated as of November 20, 2020 (as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) among **AUNA S.A.A.**, an openly held corporation organized under the laws of Peru (the “*Issuer*”), the Guarantors and Citibank, N.A., a corporation organized under the laws of the State of New York authorized to conduct a banking business, as trustee (the “*Trustee*”), security registrar, paying agent and transfer agent.

This letter relates to U.S.\$[ ] of the Notes that are held as a beneficial interest in the Restricted Global Note (CUSIP No. 05151V AA5) with DTC in the name of [NAME OF TRANSFEROR] (the “*Transferor*”). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in the Regulation S Global Note (ISIN No.: USP0592VAA63) to be held with [NAME OF PARTICIPANT] through DTC. If this is a partial transfer, a minimum amount of U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof of the Restricted Global Note (or beneficial interests therein) will remain outstanding in the name of the Transferor.

In connection with such request, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and (a) with respect to transfers made in reliance upon Regulation S under the Securities Act, the Transferor does hereby certify that:

- (i) the offer of the Notes (or beneficial interests therein) to be exchanged or transferred was not made to a Person in the United States,

<sup>3</sup> This certification is to be made upon transfers or exchanges under Regulation S of interests in the Restricted Note pursuant to Section 2.6(b) of the Indenture.

(ii) either: (A) at the time the buy order was originated the transferee was outside the United States or the Transferor and any Person acting on the Transferor's behalf reasonably believed that the transferee was outside the United States or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any Person acting on behalf of the Transferor knows that the transaction was pre-arranged with a buyer in the United States,

(iii) no directed selling efforts have been made in contravention of the requirements of Rule 903 or Rule 904 of Regulation S, as applicable,

(iv) the transaction meets any other applicable requirements of Rule 903 or Rule 904 of Regulation S and

(v) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act,

and (b) with respect to transfers made in reliance upon Rule 144A under the Securities Act, the Transferor hereby certifies that the Notes are being transferred in a transaction permitted by Rule 144A under the Securities Act.

This certificate and the statements contained herein are made for your benefit and for the benefit of the Issuer and the Trustee.

[Insert name of Transferor]

By: \_\_\_\_\_

Name:

Title:

Dated:

cc:

**AUNA S.A.A.**

**[FORM OF] CERTIFICATE FOR  
EXCHANGE OR TRANSFER OF REGULATION S GLOBAL NOTE<sup>4</sup>**

Citibank, N.A., as Trustee  
480 Washington Boulevard, 30<sup>th</sup> Floor  
Jersey City, New Jersey 07310

Attention: Citibank, N.A. – Agency & Trust – Auna S.A.A.

Re: **AUNA S.A.A.**  
6.500% Senior Notes due 2025 (the “Notes”)

Reference is hereby made to the Indenture dated as of November 20, 2020 (as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) among **AUNA S.A.A.**, an openly held corporation organized under the laws of Peru (the “*Issuer*”), the Guarantors and Citibank, N.A., a corporation organized under the laws of the State of New York authorized to conduct a banking business, as trustee (the “*Trustee*”), security registrar, paying agent and transfer agent.

This letter relates to U.S.\$[ ] of the Notes that are held as a beneficial interest in the Regulation S Global Note (ISIN No.: USP0592VAA63) with [Euroclear] [Clearstream] (Common Code No. 226352805) through DTC in the name of [NAME OF TRANSFEROR] (the “*Transferor*”). The Transferor has requested an exchange or transfer of such beneficial interest in the Notes for an interest in the Restricted Global Note (CUSIP No. 05151VAA5) to be held with [NAME OF PARTICIPANT] through DTC. If this is a partial transfer, a minimum amount of U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof of the Regulation S Global Note (or beneficial interests therein) will remain outstanding in the name of the Transferor.

In connection with such request, the Transferor does hereby certify that such Notes (or beneficial interests therein) are being transferred in accordance with Rule 144A under the Securities Act to a transferee that the Transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A (a “*QIB*”) who is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB with respect to which the

<sup>4</sup> This certification is to be made upon transfers or exchanges under Rule 144A of interests in the Regulation S Note pursuant to Section 2.6(c) of the Indenture.

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transferee exercises sole investment discretion, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit and for the benefit of the Issuer and the Trustee.

[Insert name of Transferor]

By: \_\_\_\_\_

Name:

Title:

Dated:

cc:

**AUNA S.A.A.**

**Consent of Independent Registered Public Accounting Firm**

We consent to the use of our report dated August 24, 2021, with respect to the consolidated financial statements of Auna S.A.A. (formerly known as Auna S.A. and formerly known as Grupo Salud del Perú S.A.C.) and Subsidiaries, included herein and to the reference to our firm under the heading “Experts” in the prospectus.

/s/ Caipo y Asociados S. Civil de R.L.

Lima, Peru

August 25, 2021