Discussion Panel:
Trecca Ambulatory Center: Unlocking Low-Risk Growth

Suso Zamora, *President and Executive Chairman, Auna*
Gisele Remy, *CFO & EVP of Finance, Auna*
Vicente Checa, *Peru Healthcare Network, Auna*
Moderated by: **Lorenzo Massart,** *VP of Strategy & ECM, Auna*

Lorenzo Massart, *VP of Strategy & ECM, Auna*

That was pretty fast. I don't think he breathed for 15 minutes. Anyway, now we are going to do the first panel on Trecca. Suso, Gisele, and Vicente, if you want to come here and take a microphone.

Can you hear us well?

Very good. We are going to start the first panel. As you probably saw yesterday, we issued a press release. All the condition precedents to start the construction of Trecca were met, and that means that Trecca is becoming a reality. That in the next 10 days, the construction is going to start. It is a very important milestone, even though it is going to take a little bit of time to refurbish the tower. You can see a picture on how it looks today and how it is going to look in two years. It is going to be an amazing project for not only Lima and the people living in Lima, but also for Auna.

For this panel, we are going to have Suso, Vicente, who is our leader in Peru, and Gisele Remy and myself. And Gisele to talk a little bit about Trecca.

I thought I would start with Suso and have Suso talk a little bit of what Trecca means for Auna. Our vision, how do PPPs or, more broadly, B2G fits into the growth strategy of Auna.

Suso Zamora, *President and Executive Chairman, Auna*

Great. I apologize, Lorenzo, because you always try to keep me on track and on script.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

I know he's not going to.

Suso Zamora, *President and Executive Chairman, Auna*

I just look at this picture, and for those that can see, it's so important to recognize. This is the state of offering services, not finishing a tower during 40, 50 years, and this is a

private sector. There are 6 million people around this area, which is a huge healthcare hub, waiting for services. This is it. This shows you, clearly, the opportunity here.

Yes, for Auna, Trecca brings I think at least two important parts of our strategy. It increases access to healthcare to a huge market, paid by the state. If you want to be generous, served by the state and growing the business in a very disciplined way on a new vertical for Auna. This long-term partnership with the government through EsSalud.

Auna can of course apply proven capabilities in this large outpatient facility serving a population that has unmet needs and unmet demand. This is a serviceable addressable market of around 6 million. It's a huge market for us, a huge opportunity for us. And it is a healthcare project, no doubt. More importantly, it is a new vertical in Auna of business-to-government, a business-to-state vertical that we have been growing in Auna, and with this project, much quicker now.

B2G, business to government, will complement business-to-consumer and business-to-business. And we expect to grow this through different modalities, of course, depending on the government and the partner, and the specific need addressed. I want to remind the audience we already do this. Today, over 10% of our revenues in Monterrey are related to a very large partnership with ISSSTELEÓN. That is the social security of the workers and ex-workers of the state of Nuevo León.

And with a contract there, this is what the partnership has resulted in for them and for us. And I love to say that I am very proud when I meet with the director general there, he always celebrates the highest NPS he has ever had with us, the largest population, of course, of beneficiaries now.

There are different structures. The B2G opportunity is immense, and there will be different ways to manage it. But they all demonstrate how Auna can use its operating capabilities, proven capabilities to work with public sector patients, public sector payers and, of course, again, expand access to care. When in the previous presentation, I spoke about 10% penetration of private insurance, 6% penetration of private insurance in Peru. Here, we're talking about something that multiplies the serviceable addressable market by a huge factor of 5, 6, 7, 8. That is the opportunity we have in this new vertical.

So the project is deeply connected to our core business. It is focused on outpatient care. It addresses a huge structural gap in Lima. And for our operations in Peru, that was very well-presented by Vicente, a huge incremental growth opportunity for Peru.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Great. Thank you, Suso. Maybe turning to Vicente. Vicente, if you can tell us a little more details how the project is going to look like, that would be great.

Vicente Checa, *Peru Healthcare Network, Auna*

Sure. This is a 20-year concession, two years for construction and 18 years operation. Renewable, with an option to renew for another 20 years. This is a 40-year commitment for us with the government, in helping EsSalud cover a large unmet need.

This will be about 59,000 square meters, distributed in 23 floors with three basements, 145 medical offices, and it will include over 300 pieces of medical equipment. We will be employing at full capacity about 1,500 people to provide services, needed services to about 3 million people in the city of Lima. And we will do this by building the infrastructure, managing the operation, managing the people and the patients, and providing care that is very needed in Lima.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Very good. Maybe staying with Vicente. Can you give us a sense of what is the gap that Trecca is going to fill in Lima?

Vicente Checa, *Peru Healthcare Network, Auna*

Sure. There are about over 11 million medical appointments that are the demand for EsSalud in the city of Lima. EsSalud today covers about 6 million of those; 5 million are not taken care of. We will be able to cover 1.9 million of that. It's a big portion of this unmet need. There is still a lot of demand that is not going to be covered yet, which ensures that our Trecca project will be highly successful.

We will be providing services through seven prearranged packages or service lines that include preventive and ambulatory care, specialty services like colonoscopies, image reading services for images taken throughout the country, MRIs, preventive checkups for oncology, urgent care. Those are a few of the services that we will be providing. And delivering care, again, to a population that urgently needs it, especially on the prevention side, but also taking care of a big load that EsSalud has, currently.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Great. Maybe, I am going to take a question that we got over the webcast, and we will continue the conversation. But one of the questions that came up is the packages that you just described are not necessarily high complexity, which is the DNA of Auna. I do

not know, Vicente or Suso, how do you reconcile that with our strategy of high complexity at Auna?

Vicente Checa, *Peru Healthcare Network, Auna*

Suso, maybe I could start. I think we are about high complexity, but we are also about operational excellence. We are also about caring for populations and taking preventive care to different people that need it. This is a great opportunity to provide that care with a model that gives us access to a high volume of patient care that will provide probably a lot of capabilities for our continued growth, as well as give us insights into a population that is currently not being served by us, now it's being served by social security.

Suso Zamora, *President and Executive Chairman, Auna*

I think also, Lorenzo, behind this project, there is a lot of process, and as you scale, process is critical. Those are key capabilities that no one actually sees. But behind this, there are huge columns that support our practice based on process.

The other issue is, we are about high complexity practices. This unit, in particular, has services that are related to pre-surgical risk. That is a critical low-complexity episode related to high-complexity practice. We do pre-surgery risk all over the region, and it is a part of the high- complexity practice. Imaging in this facility or this contract, we do that every day. It's a very low complexity event, very much related to a high-complexity treatment.

So, I would not confuse this as something unrelated to our high-complexity practice and obsession, because this captures high complexity in a huge way.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Very good. Excellent. Let's move on. It also is not only different from the point I just mentioned, but Gisele, maybe turning to you. This is a very particular type of contract, a PPP. What are the implications for Auna? How do we manage that? If you can expand a little bit on more the financial parts, so investors can relate. How important is this to Auna? What can we expect going forward?

Gisele Remy, *CFO & EVP of Finance, Auna*

Great. Thanks, Lorenzo. First of all, I think it is important to understand that under the PPP modality in Peru, the project is self-financed and non-recourse to Auna. The way that this works is that the contractual framework is based on certificates of completion for the construction phase and, basically, EsSalud reimburses Trecca every time a pre-agreed milestone is reached.

Therefore, the project limits any upfront capital needs and reduces liquidity risk. At the same time, the project is obviously designed to scale rapidly once we initiate the operation, and that's particularly important. In addition, once we reach operation, there is a minimum guaranteed demand. Under the PPP agreement, this provides great visibility on the revenue profile. We firmly believe that we will exceed that minimum demand rapidly, given all the market needs that Suso very clearly discussed earlier.

On top of that, the revenue stream is even more predictable because the price package has already been agreed, and it will continue to increase by a predetermined formula during the whole concession term.
As Lorenzo noted earlier, it's progressing according to the timeline, and we expect to initiate construction this month, which will have us initiating operations in late 2028.

Basically, to give you a sense of scale, based on the minimum guaranteed demand, which we expect, as I mentioned earlier, will be exceeded, Trecca is expected to generate approximately 120 million of revenue, by 2030. To put this in context of the numbers that Vicente was mentioning earlier, is approximately 20% of Peru's current revenues. I think that point is extremely important. It's going to be an important share of our revenue, and that's reflecting the minimum demand, which we think will be higher than that. I think that gives us a little bit of an idea of the financial profile and also what we could expect in the future.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

That's very helpful. The 120 million revenue figure, the concession agreement is public, so we're not giving you any information that we shouldn't be giving you. If you take the minimum guaranteed demand by the government and you look at the formula on the price, that's how you come up with that 120 million.

But as Gisele mentioned, it's very significant. We get a lot of questions about how much more can you grow in Peru. You can still grow Peru very substantially in the coming years.

Maybe to a couple of last questions, given the time is, what are the synergies, Vicente, that we see with something like Torre Trecca and the current operations that we have in Lima?

Vicente Checa, *Peru Healthcare Network, Auna*

Well, I think there are many synergies there. Also, it would also give us a lot of scale as well. We're going to be doing a lot of lab work, a lot of imaging work that we currently do. There is a lot of synergy also in the human capital that we'll have operating the tower. And the capabilities of managing a highly efficient healthcare facility that needs to be very precise in terms of cost controls and patient journeys throughout the operation is

something that we are going to be leveraging. That'll also provide us a lot of learning as we continue to grow and expand.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Perfect. Maybe a last question for Suso to close this panel. You mentioned what we're doing in Mexico with ISSSTELEÓN, which is not a PPP, but it's also trying to do something on the B2G vertical. What other opportunities do you see to expand that into a larger business for Auna, going forward?

Suso Zamora, *President and Executive Chairman, Auna*

I think that in Peru, we will see the government requesting more participation from the private sector in the social sectors of healthcare and education. I think that will be a growing avenue. And in Mexico, not that we've marketed anything, we've already been called for meetings with the Chihuahua State and some other states. They are thinking of, "How do we get you guys involved in delivery of services?" These conversations are happening, and I see them happening more and more because the state recognizes its incapacity to deliver services.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Perfect. In summary, this is a very large project. It's very important for the Peruvian franchise and, more importantly, for Auna. I think in terms of risk, it's relatively low risk. For people who are not very familiar with the PPP framework in Peru, it's not something new. It's something that has existed for the last 30 years and that works extremely well.

I think it's also important to mention that during the negotiation of the addendum of the contract, we went through three different administrations in Peru or four; difficult to keep up. Every administration was pushing for Trecca to happen. We just basically completed all the conditions precedent with the new administration. You never know how the transition is going to work, obviously, when you have a new government taking place, but it's been phenomenal. It's been very quick, it's been seamless, and it's something that is very important not only for us at Auna but also for the healthcare system in general in Peru.

Vicente Checa, *Peru Healthcare Network, Auna*

Just to add there to what you're saying, Lorenzo, I think there's a lot of goodwill in the people that are running the different public organizations, because they recognize that there's a huge need, and they recognize what role we can play. And there are other opportunities there that we need to capture and work through.

Lorenzo Massart, *VP of Strategy & ECM, Auna*

Very good. Thank you, Suso, Vicente, Gisele.
Hopefully, the transition for the next video is going to be a little bit shorter, smoother.

Suso Zamora – *President and Executive Chairman, Auna*

Thank you, Lorenzo.

Lorenzo Massart – *EVP of Strategy & ECM, Auna*

Very good. Now we're going to move to the Colombia section.